

APPENDIX

Progress Update on Significant Issue from the Annual Governance Statement 2011/12

| Governance Issue | Action taken and next steps | Progress Made To Date | CMT Lead |
|--|--|--|--------------------------------------|
| <p>The annual external audit raised a number of queries relating to creditors and the year-end cut-off procedures.</p> | <p>Issues raised from the audit process have been reviewed and action taken to improve current arrangements as part of the implementation of the new finance system.</p> | <p>All Directorates have been asked to review all debtor and creditor balances to ensure they can be justified. Returns are due back to ensure that year-end balances at 31st March 2013 are current and accurate for closedown and for migration to Agresso. If a balance cannot be justified, then write-off to revenue will be the likely approach.</p> <p>At closedown - Directorates will be asked to justify the value of all debtors & creditors at 31st March 2013 to avoid doubts on accuracy of balances.</p> <p>Systems Development – the new Accounts Payable System will include a prompt to assist users when receipting goods/services so that the risk of pre-receipting is minimised. The system will produce regular exception reports to highlight instances of pre-receipting.</p> | <p>Corporate Director, Resources</p> |