2022/23 Final Accounts Closedown

West Sussex County Council (WSCC)

Project Management Handbook

1. Background & Overview

This Project Management Handbook has been prepared in recognition of the importance to the organisation of achieving an unqualified set of financial statements in accordance with legislative deadlines, for the assurance this gives:

- In providing a reliable foundation for decision-making and planning
- In ensuring that reputation of the public organisation is not brought into disrepute
- In ensuring key processes are identified and adhered to.

The legislative timetable for accounts production has been subject to much iteration in recent years. Under the Accounts and Audit Regulations 2015, draft accounts are required to be published annually by 31 May, with audited accounts to be approved by 31 July. For 2021/22, these deadlines were extended to 31 July (draft) and 30 November (audited). CIPFA recently confirmed that only 12% of authorities achieved this November deadline for audited accounts, owing largely to the national issue regarding infrastructure assets which has been discussed extensively at previous Committee meetings. The Council's auditors, EY, issued their final opinion on the 2021/22 accounts on 28 February 2023.

EY made a number of recommendations as part of the audit of the 2021/22 accounts and, where appropriate, these will be incorporated into the work plan for the production of the 2022/23 financial statements.

As part of the measures announced by the Department for Levelling Up, Housing and Communities (DLUHC) to improve local audit delays in December 2021, it was confirmed that, commencing 2022/23 and for the duration of the next five-year round of local audit contracts starting in 2023/24, the legislative deadline for publishing audited accounts would be put back from 31 July to 30 September. This 'extension' brings the deadline for audited accounts two months forward from the temporary arrangements which applied in 2021/22 (and requires the audit to be concluded five months earlier than it was for the 2021/22 accounts). Furthermore, no further changes to the deadline for the publication of draft accounts were made and so this reverts to 31 May, two months earlier than the 2021/22 accounts were certified.

DLUHC launched a consultation on 16 February 2023, seeking views regarding the suitability of the 31 May draft accounts deadline. This consultation closed on 2 March, and so the outcome was unknown at the time these papers were despatched for Committee. When launching the consultation, DLUHC were clear that government was "minded" for the May deadline to remain in place, and so this handbook and underlying project plan have been prepared on that basis. If there is any further update from DLUHC than this will be shared verbally at Committee.

2. Success Criteria

A number of success criteria have been identified if the assurances set out at the start of this handbook are to be achieved:

- Complete draft Statement of Accounts available for internal senior management QA by 26 May

- Draft accounts certified by Chief Finance Officer (CFO) by 31 May for publication on WSCC website and submission for external audit
- Complete set of compliant working papers to be provided to external auditors, EY, by 30 June, to facilitate commencement of financial statements audit the following week (note that the audit timetable is indicative only and yet to be formally notified by EY)
- External audit to be substantively concluded by 30 August (including agreement of audit adjustments)
- CFO authorises despatch of audited Statement of Accounts to Regulation, Audit and Accounts Committee (RAAC) by 12 September
- EY despatches final Audit Results Report to RAAC by 12 September
- RAAC approves audited financial statements at its meeting of 21 September
- EY to provide an unqualified audit opinion and audit certificate following September meeting of RAAC (audit certificate is subject to resolution of Whole of Government Accounts and any objections raised by local electors)
- Audited accounts to be published on the WSCC website by 30 September legislative deadline
- Audit completed within advised fee scale (see section 7)
- RAAC and EY feedback endorses that the accounts have been closed effectively.

3. Dependencies & Stakeholder Analysis

The achievement of the success criteria identified above is dependent on a number of stakeholders outside of the core project team (see sections 4 and 6). These stakeholders are identified below:

- **Billing Authorities (Collection Funds)** – as a precepting authority, the Council is required by the CIPFA Code of Practice on Local Authority Accounting ('the Code') to consolidate the Council Tax and Business Rates Collection Funds of each of its billing authorities into its financial statements. Billing authorities typically work to DLUHC's submission deadline for the annual NNDR3 return for the provision of this information. DLUHC's published timetable for local government statistical returns currently shows the NNDR3 return being due on 31 May 2023 (TBC). This is clearly incompatible with the current legislative deadline for draft accounts, and the Authority has highlighted this as part of its response to the DLUHC consultation on the accounts legislative timetable (see section 1). As identified in section 7, this dependency is therefore a very significant risk to the production of draft accounts by the legislative deadline.
- **Bruton Knowles (Property Valuations) –** the capital accounts are largely dependent on the certificates provided by our external valuers as part of the rolling revaluation programme. Bruton were instructed to provide draft valuation certificates to Corporate Finance by 10 February, and a final valuation report is due to be delivered by 21 April. The Authority experienced challenges with the 2021/22 valuation exercise, and we are working with Bruton to ensure these do not reoccur for the 2022/23 certificates.
- **Members/Senior Officers (Related Party Transactions)** – the Authority surveys its Members and Senior Officers in the spring to identify any related party transactions during the financial year. The deadline for responses this year will be 28 April. For the purposes of this survey, senior officers shall be defined as direct reports to the Chief Executive, and any other officers undertaking statutory roles. In accordance with a recommendation made by EY, the survey is being extended this year, so that members and senior officers are asked to identify all relevant interests (and not just those resulting in material transactions during the year).
- **Teachers' Pension Scheme** – since 2020/21, the Authority has disclosed a contingent liability in respect of a regulatory breach relating to a failure to auto-enrol some part time and casual teaching staff onto the pension scheme. The Authority hopes to be in a position to estimate the potential obligation for the purposes of recognising a provision in its 2022/23 accounts. However, this is subject to the completion of an 'Options Exercise' for impacted employees by the Teachers' Pension Scheme.

- **Schools (Bank Reconciliations)** – as part of school banking arrangements, transactions that are initiated locally by schools are routinely 'swept' into the County Fund for cash flow purposes and to ensure that all activity is captured in the consolidated WSCC accounts. In order to reconcile its overall bank position, WSCC therefore requires each of its maintained schools to submit an individual bank reconciliation at year-end. For 2022/23, the deadline for schools to submit their reconciliations is 21 April (the end of the first week back after the Easter holidays). This exercise was identified as an area for improvement by EY as part of their 2021/22 Audit Results Report, placing even greater importance on the provision of accurate and timely reconciliations by schools in 2022/23.
- **Hymans Robertson (IAS 19 Reports)** – these reports, issued by the Pension Fund actuary, analyse the performance of the West Sussex Local Government and Firefighters' Pension Schemes. The detail in these reports informs the pension disclosure notes, and also impacts on all four core financial statements. These reports are anticipated to be delivered no later than 21 April.
- **Treasury (Whole of Government Accounts)** – as part of their audit procedures, EY reviews the Council's 'Whole of Government Accounts' (WGA) submission to HM Treasury. EY cannot issue its certificate to formally conclude the annual audit until this WGA work is complete. Typically production of the WGA is timetabled to run alongside the main financial statements, but this has been subject to significant delay since 2020/21, in part a fallout from HMT's implementation of the OSCAR II system the previous year. HMT has only recently released the Data Collection Tool for 2021/22, and the National Audit Office has yet to finalise the audit requirements for either 2020/21 or 2021/22. As such, EY are currently unable to issue their audit certificate (formally concluding the annual audit cycle) for either year. Any repeat of this delay in 2022/23 will again risk the conclusion of the audit by the September deadline. However, it is emphasised that the impact is limited to the issuance of the audit certificate, and should not affect the audit opinion and publication of audited financial statements.
- **CIPFA –** CIPFA releases various publications annually, which provide a mixture of instruction and guidance as to how a local authority should present its annual accounts. Two such publications – the 2022/23 Closedown Bulletin and 2023/24 Code of Practice – are expected to be published by the end of April. The former will provide topical guidance on the latest issues concerning local authority practitioners. The latter, whilst primarily relating to 2023/24, will include an appendix which specifically identifies the accounting standards taking effect in future years but requiring disclosure in 2022/23. Both documents are therefore critical to the preparation of 2022/23 accounts, and so their timely publication is a dependency for achieving the tighter legislative timetable.
- **EY –** the timely conclusion of the audit is dependent, amongst other things, upon the allocation of sufficient resource by EY. This is a challenge for EY (and the other audit firms) due to competing demands – all local government audits need to be scheduled during the same window – and a limited supply of suitably qualified staff (a consequence in part of dramatically reduced audit scale fees over the past decade). Additionally, in recent years the local audit team has increasingly relied on central specialists ('EY Real Estates') to gain assurance over the property valuations undertaken by the Council's valuer, which has proven to be a further bottleneck due to limited resources in this area. The compound effect of years of delays in the legislative timetable, such as to condense the interim and planning audits into a single visit which is now not due to commence until March, only serves to put greater pressure on the main summer financial statements audit.
- **Financial Planning (Performance and Resources Report)** – the Performance and Resources Report (PRR) confirms the outturn position, including any approved carry forwards. These management accounts are the foundation from which the financial statements are built; as such, large aspects of the Statement of Accounts cannot be progressed until the management accounts are finalised. The Outturn PRR will be considered by the Executive Leadership Team (ELT) on 11 May and at the Cabinet Briefing on 30 May, before being formally scrutinised at Performance and Finance Scrutiny Committee on 16 June and approved at Public Cabinet on 20 June.

- **Human Resources Management Information –** the team provides two reports by the end of April each year which are crucial to the preparation of the financial statements. An establishment report is used to calculate the accumulated absences accrual required by the Code in accordance with IAS 19. Additionally, the 'bandings' report identifies the number of officers with remuneration in excess of £50,000 in bands of £5,000 for disclosure in the financial statements. This is in addition to monthly 'gross-to-net' payroll files supplied throughout the year which form part of the audit working paper file.

4. Roles & Responsibilities and Project Organisation

- Taryn Eves (Director of Finance and Support Services), as s151 officer, will be the **project owner** who will certify the accounts presented to the Regulation, Audit and Accounts Committee. Taryn will be responsible and accountable for ensuring the project is resourced and prioritised in order to achieve the success criteria as defined in section 2 above.
- Vicky Chuter, as Financial Reporting Manager, will be the **project manager** and will oversee the preparation of the WSCC accounts on behalf of the project owner. Vicky will be responsible for delivering the accounts and monitoring the progress of the project team against the agreed project plan.

Other key personnel in the **project team** include:

- Sean McEwan, Finance Manager (Financial Control), will be responsible for managing the project team with responsibility for day-to-day project control and ensuring technical compliance with CIPFA's Code of Practice.

5. Project Plan Milestones

Corporate Finance has prepared a detailed Project Plan, which details in excess of 400 component tasks of preparing the Statement of Accounts. Each task has a responsible officer, due date, and identified dependencies. The project plan is the primary control document for the closedown process, and progress against the plan will be reviewed on a weekly basis by the Project Manager. The key milestones from this project plan are identified in the table below.

Task	**Due date**	**Lead**
Letter of instruction issued to property valuers	28 October 2022	SMc
Bruton Knowles provide draft property valuation certificates for Corporate Finance review	10 February 2023	VEM
Legislative accounts timetable consultation closes	2 March 2023	DLUHC
Scheduled commencement of 6-week interim audit (TBC)	13 March 2023	EY
Closedown timetable and guidance issued to practitioners	17 March 2023	SMc
RAAC considers accounting policies and handbook	20 March 2023	DEM
Service & consolidated capital monitors submitted for Outturn Performance & Resources Report (PRR)	19 April 2023	SFBP/ FPM
Outturn management accounts finalised	21 April 2023	FPM
Deadline for submission of school bank reconciliations	21 April 2023	SFS
Bruton Knowles provide final valuation report	21 April 2023	VEM
Anticipated receipt of IAS19 pensions actuary reports	21 April 2023	WSPF
Member & Senior Officer Related Party survey deadline	28 April 2023	DEM
Anticipated receipt of HR establishment & bandings reports	28 April 2023	HR
CIPFA 2022/23 Closedown Bulletin and 2023/24 Code of Practice due to be published	28 April 2023	CIPFA

Task	**Due date**	**Lead**
Council Tax and Business Rates outturn collection funds required from billing authorities	28 April 2023	VC
Executive Leadership Team considers Outturn PRR	11 May 2023	FPM
Fixed Asset Register “lockdown” – QA complete and disclosures handed over for financial statements	12 May 2023	SMc
Handover of financial instrument disclosures	12 May 2023	VC
Senior Officer Remuneration disclosure available for review by Finance and HR Directors	16 May 2023	VC
Ledger closed – no further transactions	19 May 2023	SMc
Complete draft Statement of Accounts (SoA) available for senior management QA	26 May 2023	SMc
Cabinet Briefing considers Outturn PRR	30 May 2023	DEM
CFO certifies draft SoA for publication on WSCC website & submission to EY	31 May 2023	TE
Start of accounts inspection period	1 June 2023	VC
Outturn PRR scrutinised by Performance & Finance Scrutiny Committee	16 June 2023	DEM
Outturn PRR approved by Public Cabinet	20 June 2023	DEM
Finalisation of audit working paper file	30 June 2023	SMc
Commencement of County financial statements audit (TBC)	3 July 2023	EY
RAAC Member Briefing – walkthrough draft financial statements	11 July 2023	DEM
End of accounts inspection period	12 July 2023	VC
RAAC meeting - EY Audit Plan	17 July 2023	VC/EY
Draft WGA submitted to HMT and available for audit	11 August 2023	SMc
Anticipated conclusion of financial statements audit – schedule of audit adjustments agreed with EY	30 August 2023	EY
CFO authorises audited SoA for RAAC despatch	12 September 2023	TE
EY despatches final Audit Results Report to RAAC	12 September 2023	EY
RAAC approves audited SoA	21 September 2023	DEM
EY provides audit opinion	Late September TBC	EY
EY provides WGA Assurance Statement and audit certificate	Late September TBC	EY
Audited SoA published on website	29 September 2023	SMc
Anticipated deadline for submission of audited Whole of Government Accounts to Treasury	29 September 2023	SMc

Leads: **DEM** Democratic Services; **EY** External Auditors; **FPM** Financial Planning Manager; **HR** WSCC Human Resources; **SFBP** Strategic Finance Business Partners; **SFS** Schools Financial Services; **SMc** Sean McEwan;

TE Taryn Eves; **VC** Vicky Chuter; **VEM** Valuation & Estates Management; **WSPF** West Sussex Pension Fund

6. Human Resource Requirements

The Project Team primarily comprises Financial Control, led by Sean McEwan (Finance Manager). Elements of the accounts preparation process are scattered throughout the year for the five-person team, but the resource requirement can roughly be quantified as 3fte for three intensive months, equating to approximately 1,400 hours. However, the total resource requirement is likely to be far in excess of this figure. Within Corporate Finance, there are significant inputs outside of Financial Control, particularly from the Treasury Management, Income & Banking and Capital Finance functions. There is also significant input from the Financial Reporting Manager as Project Manager. Strategic Finance also has a fundamental role in the process, particularly during April when the management accounts are closed and subsequently in the provision of supporting working papers. There is also a substantial demand on all of the above teams throughout the audit period (scheduled for July/August). Finally, there are numerous inputs from outside the Finance function, as illustrated by the dependencies identified in section 3.

7. Other Budget Requirements

The audit scale fee, as agreed nationally by Public Sector Audit Appointments Ltd (PSAA), has been notified as £102,442 for 2022/23. This includes an approved recurring fee variation of £11,881.

However, it is anticipated that additional fees will be chargeable for the 2022/23 audit. The most recent fee variation agreed by the PSAA, relating to the 2020/21 audit, was for £68,665. EY has yet to determine its final fee for 2021/22, but a planned fee variation of £93,807 was reported in the 2021/22 Audit Results Report. The final fee variation will be subject to the agreement of the PSAA.

The Authority adopts a rolling approach to its valuation of property assets. As part of this on-going programme, approximately 260 valuations are expected to be commissioned from our external valuers, Bruton Knowles, during the 2022/23 closedown process, at a cost of c£25,000. Additionally, in response to a recommendation made by EY in its 2021/22 Audit Results Report, the Council is currently exploring with its valuers options for the enhancement of the valuation of solar assets. The valuer has provided an initial estimate, for indicative purposes only, that the cost of such works could be in the region of £10,000.

The Council has also instructed its Pension Fund actuary, Hymans Robertson, to provide reports revaluing the LGPS and Firefighter's Pension Scheme assets and liabilities in accordance with the requirements of IAS 19. For the LGPS, the cost of this exercise in 2022/23 has yet to be advised by the scheme administrator, but is estimated to be in the region of £5,000 based on prior year costs (this provides for six bulk academy transfers and the Council's share of costs recharged by the Fund for work undertaken by the actuary to support EY's assurance work). For Fire, the actuary has advised that the cost of the works for 2022/23 based on their recommended roll-forward approach will be £5,500.

8. Project Control & Quality Assurance

A number of controls will be put in place to ensure that the project is completed to deadline and to a high quality:

- Weekly monitoring of progress against the project plan by the Project Manager
- Project Manager to feed back to Finance Director (Project Owner) and Deputy Director on a weekly basis, with focus on milestones as identified in section 5 and risks as identified in section 10 and Annex A
- Draft accounts to be finalised by 26 May to enable an overall review of the complete document (to include an internal consistency review) by the Project Manager and other senior officers prior to certification. This will be in addition to the technical review of individual components of the accounts as they are prepared
- Electronic working papers to be produced in accordance with the protocol agreed with EY
- All balances to be reconciled against SAP.

9. Communications Plan

A communications plan has been established to liaise with two key stakeholders, RAAC and EY, throughout the closedown process:

With RAAC
- 20 March – sign-off Accounting Policies and Project Management Handbook
- 11 July – briefing session to walkthrough draft financial statements
- 17 July – EY to present their Audit Plan
- 21 September – approve audited accounts and consider Audit Results Report and Auditor's Annual Report.

With EY
- Regular meetings throughout interim audit (March/April TBC)
- Check-ins as necessary during financial statements production (April/May)
- Pre-audit liaison meeting expected for June
- Weekly liaison meeting throughout financial statements audit (July/August TBC)
- EY to report Audit Plan to RAAC in July and Audit Results to RAAC in September.

10. Risk Analysis

A number of risks to the achievement of the success criteria as specified in section 2 have been identified:

- There is a significant risk that the 31 May legislative deadline for draft accounts may not be achieved. Specific risk factors (such as the availability of external inputs) are considered separately below, but from a general resourcing perspective, this deadline is extremely challenging. It represents a reduction in the production window from four months in 2021/22 to two months in 2022/23. This is further exasperated by the delay in concluding the 2021/22 audit which has meant preliminary work which may have taken place ahead of the main production window for the accounts has not happened. There is a small core team responsible for the production of the accounts, and due to the expertise involved and the inter-dependency of tasks, it is not practicable to scale up capacity in the short term. An extensive project plan, developed over many years, is the primary mitigation for this risk. It is also hoped that DLUHC may provide an extension in response to the recent consultation (see section 1), and the Authority has responded to this effect with a thorough rationale. Finally, it is noted that, as EY have advised that they are not expecting to schedule the audit until July, the impact of missing the May deadline is not as damaging as it otherwise would have been.

- Auditor resources, both locally and centrally, are a risk to the timely conclusion of the audit and publication of audited accounts by the end of September. A shortage of appropriately qualified auditors and increased regulatory requirements are sighted as contributory factors to delays in audit completions being experienced nationally, which currently seem to be compounding year-on-year. Much of the demand on local government (including NHS) audit teams is condensed into the same short window, and this bottleneck has been exasperated in recent years by the reliance of local audit teams on central specialists (in our case, EY Real Estates) who may be commissioned by dozens of clients concurrently. This risk is mitigated by the early (relative to other clients) scheduling of the financial statements audit, the early completion of system walkthroughs and substantive testing via the interim audit, and ensuring a complete and accurate working paper file is made available for the start of the audit and that the audit is resourced appropriately.

- As identified in section 3, the Authority is dependent on various external partners for the provision of information which features in the accounts. This includes collection fund data provided by billing authorities, the output of an 'Options Exercise' undertaken by the Teachers' Pensions Scheme for the purposes of estimating the Authority's potential obligation arising from a historic regulatory breach, and property and pension fund valuations commissioned from external valuation specialists. This information impacts on many areas of the financial statements, and the property and pension fund valuations in particular represent highly material values on the Authority's balance sheet. Any delay in the provision of this information by the external partners therefore risks the finalisation of draft accounts by the legislative deadline. There are specific risks this year with regards to the Government's provisional timetable for the collection of business rates data (the NNDR3 is not scheduled for completion by billing authorities until 31 May), and also concern regarding the delivery of property valuations following delays experienced in 2021/22. This risk is mitigated through early dialogue with the external partners; and in the case of the NNDR3, the highlighting of this timetabling conflict to DLUHC via the accounts legislation consultation. Officers continue to have regular dialogue with the property valuers to ensure the more timely delivery of the valuation report in 2022/23.

- Work is continuing on the 'Smartcore' project to replace the Authority's current SAP Enterprise Resource Planning software with Oracle Fusion. This is a time pressured and therefore very resource-intensive project, and Subject Matter Experts from across the Finance function are engaged to work with our Implementation Partners to ensure the solution meets our organisational requirements. Whilst these SME's have been sourced from outside the direct final accounts project team, it is inevitable that the expertise of the team will be drawn upon at various intervals to ensure that delivery remains on track, particularly in areas of specialism such as GL and Fixed Assets where the detailed technical knowledge does not exist outside of one or two core team members. This is an additional resourcing risk that will exist throughout the accounts preparation and audit process, and prioritisation at the project owner level may be required to balance two key corporate priorities.

- There is a specific risk in relation to the accounting arrangements for infrastructure assets (specifically, derecognising replaced components and demonstrating the ongoing operational existence of historically capitalised expenditure). This was the cause of significant delays in the conclusion of audits for local authorities nationally in 2021/22, and was ultimately resolved through the combined effects of a Code Update and statutory override. Both the Code Update and the legislation apply up to and including 2024/25, and so are intended by CIPFA and Government to provide temporary relief until that time (and to allow for a permanent solution to be developed and agreed by the various stakeholders). Nevertheless, EY made a recommendation in their 2021/22 Audit Results Report that the Authority "Develop more granular accounting records and/or further supportable estimation techniques to allow for infrastructure assets and components to be derecognised when they are replaced, and to demonstrate the continued existence of assets accounted for". The Authority's position is that the Code Update and statutory override which have been issued mitigates the risk that infrastructure assets have not been accounted for in accordance with the original 2022/23 Code.

The above risks are summarised in the Risk Register attached at Annex A, with an assessment of risk based on likelihood and impact. Officers responsible for taking specified mitigating actions are also identified.

Annex A

West Sussex County Council: Closedown Risk Register

Key:	**Risk (R):**	**Impact x Likelihood**
Impact (I):	**1 = insignificant, 2 = minor, 3 = moderate, 4 = significant, 5 = catastrophic**	
Likelihood (L):	**1 = rare, 2 = unlikely, 3 = possible, 4 = likely, 5 = certain**	

Risk	Potential Impact	Initial Risk (I – Impact L-Likelihood R- Risk)			Mitigation	Who	Timescale
		I	L	R			
Failure to achieve the earlier legislative deadline for publication of draft accounts	Deadline brought forward by two months - resourcing implications given limited capacity of small core project team, competing demands and hangover from prior year audit delays. Consequential implications for commencement of audit and further legislative requirements for approval of audited accounts.	3	4	12 (R)	Development of detailed project plan detailing component tasks, dependencies etc. Restrictions on team leave during peak period to ensure sufficient capacity. Potential for deadline to be reviewed following DLUHC consultation. Whilst the likelihood of missing any May deadline is assessed to be 'likely' (given the resourcing constraints and external dependencies), the impact is considered to be 'moderate' given that the external audit is not expected to commence until July regardless.	Vicky Chuter	April – May 2023
Failure to complete audit in scheduled period and by legislative deadline	Availability of appropriately qualified audit resource is a risk to the timely conclusion of the audit. Delays potentially increase audit fees and may cause clashes for officers with competing priorities during the Autumn (e.g. budget preparation, Smartcore etc).	4	3	12 (R)	Early scheduling of audit to avoid clash with other EY clients. Early agreement and provision of working papers and prioritisation of audit during defined period to ensure timely resolution of queries. Completion of system walkthroughs and substantive testing during interim audit to reduce pressure on summer financial statements audit.	Sean McEwan	March – September 2023
Dependency on external partners (e.g. billing authorities, pension fund actuary and property valuers)	Provision of information for collection fund, capital and pension accounting purposes is on the 'critical path' for the preparation of the accounts. Any delay is therefore likely to cause the Authority to miss the draft accounts deadline. The reliance on experts provides assurance over extremely material balances in the Authority's core financial statements.	4	3	12 (R)	Early engagement with partners and agreement to defined timetable. Early instruction of property valuations and frequent meetings to provide for extensive quality assurance. National timetabling conflicts (e.g. NNDR3) highlighted to DLUHC via accounts timetable consultation.	Sean McEwan	October 2022 – May 2023

Risk	Potential Impact	Initial Risk (I – Impact L-Likelihood R- Risk)			Mitigation	Who	Time scale
		I	L	R			
Demands of Oracle implementation project on core project team	Specialism limited in areas such as fixed assets and GL to one or two core project team members. Risk to delivery of draft accounts and support to external audit if these individuals are pulled too heavily into concurrent SAP replacement project.	3	3	9 (A)	Oracle project team has been resourced without direct impact on core final accounts project team. Senior representation on both projects to ensure that resourcing clashes are mitigated appropriately.	Vicky Chuter	April – September 2023
Inappropriate accounting for infrastructure assets	Local authorities with highways responsibilities nationally have been found to be non-compliant with the Code's typical accounting requirements for the derecognition of components of property, plant and equipment. This has caused a delay in the conclusion of prior year audits.	4	2	8 (A)	CIPFA Code Update and The Local Authorities (Capital Finance and Accounting) (Amendment) Regulations 2022 are intended to provide temporary relief from the Code's original requirements up to and including 2024/25. Early engagement with audit to determine any interim reporting implications.	Sean McEwan	April – September 2023