

Post close learnings and action plan for 2018 2019

The following documents the issues that arose from the preparation of the 201718 accounts, what we learnt and the action plan required to ensure that the learnings are adopted to facilitate a smoother process for 201819.

The key areas where challenges arose were:

- 1 Business World Trial Balance and Reports
- 2 Year 1 implementation/ BRB
- 3 Timeliness of the closure of the year end position
- 4 WAO Management Letter
- 5 Other

Each will be considered in turn in the following tabs, identifying the issue faced, any action already taken and any improvements yet to action. For future actioned planned detail is provided of the estimated date for action and the individual(/s) responsible.

1) Business World Trial Balance and Reports

Issue Identifier	Issue identified as part of 201718 closure	Why this was an issue in 201718	Action already taken	Action required	Deadline Date	Individuals responsible	Notes
BW1	The BW trial balance report only shows account/cost codes that have had a transaction on them in the period	The TB and way of utilising the chart of accounts within Gwent finance is cost centre driven. For example, all financial accounting adjustments are journalled using one cost centre. The TB report we had access to excludes any TB code or cost centre if there has not been a transaction. As the mapping work is performed prior to year end a number of TB codes and cost centres had nil transactions meaning they were not mapped.	Raised with FIRMS support who are investigating the issue to resolve.	N/a	30/09/2018	Parbat Punja (FIRMS Support)	Completed - FIRMS reports on nil transaction account codes are available and will be used as part of the mapping exercise for 2018/19 accounts
		When the final TB was then mapped with the financial year end adjustments these were not picked up by BRB. This was not noticed immediately as the net impact of the unmapped codes was minimal. This significantly impacted the time taken to complete the accounts as the team had to spend a lot of time working backwards to identify where things were mapped incorrectly.	None	Re-work of the 201718 mapping to be undertaken in readiness for rolling forward the accounts	31/12/2018	Jackie Glossop/ Muhammad Yasir	Ongoing - full mapping exercise to be carried out in the next 2 months UPDATE: completed all codes mapped
		BRB does not provide any warnings to indicate there are unmapped codes.	None	Discuss with CIPFA to identify whether a warnings report is available or could be designed.	30/09/2018	Lorna Virgo/ Jackie Glossop	will be undertaken as part of the post project learning session planned in September with CIPFA. UPDATE: Feedback provided to CIPFA who are taking this forward. UPDATE: completed report can now be produced
BW2	BW reports for subsidiary ledgers did not agree to the underlying trial balance	Information is used from the subsidiary ledgers (for example the aged debtors report) for the disclosure notes. The aged debtor report provided has to be run on year end date otherwise it removes any payments received between year end date and the date of running the report. This meant the first draft of the accounts didn't have the correct information in it and the JAC report was inaccurate (this was captured prior to its release).	Raised with FIRMS support who are investigating the issue to resolve.		30/09/2018	Parbat Punja (FIRMS Support)	Completed - Reports are automatically scheduled each month and the 2018-19 year end closedown timetable includes tasks to run and retain key reports at year end.
			Reports are automatically scheduled to run on the last day of the month.		N/a	N/a	As above
			Timeliness of control account recs - if the report had been agreed back to the general ledger the issue would have been noticed earlier. Control account recs are now done on a timely basis.	Further emphasise the importance of checking any disclosure work back to the underlying ledger as part of 201819 year end work. Lead to check back as part of QC review.		All team	Completed - finance staff have been reminded of the need to do control account reconciliations during the year. Month end closedown procedures include tasks for completion and review of these recs on a regular basis.

2) Year 1 implementation

Issue Identifier	Issue identified as part of 2017/18 closure	Why this was an issue in 2017/18	Action already taken	Action required	Deadline Date	Individuals responsible	Notes
IMP1	Lack of experience, and training on BRB, in the team	The team that prepared the 2017/18 accounts was completely different from the previous year. The majority of the experience within the team relates to management accounts rather than the CIPFA statutory accounts process. This has a number of consequences in the 2017/18 process:		Recommend that some of the team include CIPFA qualification within their PDR.	31/08/2018	Lorna Virgo	Ongoing
		a) Increased length of time it took to prepare statutory notes such as the EFA, pension disclosure which meant that the auditors received the information very late on.		Review the process for preparation of EFA to make sure the TB is used for its creation rather than a hybrid of excel and BRB. Prioritise this work within the work plan	31/12/2018	Har Ping Boey/ Jackie Glossop	Agreed and will be taken forward for 2018/19
		b) Team were reluctant to provide information to the auditors without having my agreement - this delayed the provision of information to WAO.		Uploading of final working papers and the utilisation of BRB Project Management tool will support a QC and sign off process for all notes/work prior to start of the audit	31/01/2019	Har Ping Boey/ Jackie Glossop	Agreed and will be taken forward for 2018/19 UPDATE: uploading of working papers as per 2017/18 and templates provided to team. Management tool not being used but additional planning being done instead.
		c) The team were not sure how to prepare the disclosure notes, especially where there was a mixture of BRB and custom content.		Post Project Learning with CIPFA will help to identify better ways to approach such areas.	31/10/2019	Lorna Virgo/ Jackie Glossop/ Muhammad Yasir	Agreed and will be taken forward for 2018/19 as part of finance team briefing and BRB refresher UPDATE: completed and briefings held
		d) The team were reliant on prior year working papers, which were incomplete or hard to find the correct version. Year 1 implementation was a hybrid of using the "old" way to do things and letting BRB lead. This meant that in some instances BRB was forced to equal the manual workings rather than let BRB drive the position. (for example the EFA).		Utilisation of PM tool will improve this - see above.	14/02/2019	Har Ping Boey/ Jackie Glossop	Agreed and will be taken forward for 2018/19 UPDATE: uploading of working papers as per 2017/18 and templates provided to team. Management tool not being used but additional planning being done instead.
		e) There was reliance on other departments (payroll) for information and the team did not have knowledge on the detail of the disclosure requirements. For example using mean rather than median for salary disclosures.	Undertaking the year 1 process has significantly improved people's knowledge and confidence.	Payroll to have responsibility for preparing remuneration related notes.	30/04/2019	Payroll	Lorna Virgo to discuss with payroll - by 21/9/18. UPDATE: Ongoing discussions with Payroll for 2018/19 accounts UPDATE: completed and payroll to complete remuneration notes

IMP2	Set up of the Gwent templates within BRB for publishing	Limited training was provided for the publishing process which was much more involved and lengthy than we anticipated. The BRB basic template was not fit for purpose.	BRB template now set up and should only need minimal tweaking going forward.				BRB template established and will be updated for 2018/19 UPDATE: Complete - BRB updated
		There were glitches in the system that we were not aware of.	We are now aware.	Seek update on such issues from CIPFA prior to starting the work on 1819.	31/03/2019	HOF/ Accounts lead	Ongoing discussions with CIPFA on changes/updates
		Minor points that impacted the ability to publish were not made known from BRB consultants upfront (e.g. not being able to have dashes in any text).	We are now aware.	Seek update on such issues from CIPFA prior to starting the work on 1819.	31/03/2019	HOF/ Accounts lead	Ongoing liaison with CIPFA on changes/updates UPADTE: completed - discussed and amended with CIPFA
		There is a lot of formatting that needs to be done outside of BRB (i.e. text sizes). Once formatted in word it was then more time effective to make final amendments in word rather than BRB which negated some of the benefit of using a system.	Feedback to BRB	Consider as part of Post Project Learning with CIPFA whether there is a better way to do more of the formatting in the system	30/09/2018	Lorna Virgo/ Jackie Glossop/ Muhammad Yasir	Ongoing liaison with CIPFA on system functionality.
		The user guide from BRB lacked information in some areas.	Feedback to BRB				Completed as part of post project feedback to CIPFA
IMP3	Mapping 16/17	The team were inexperienced in mapping from the trial balance into the system as it was the first time. We made the decision to go with BRB too late which meant that the 2016/17 mapping was not completed until after year end. Which impacted the amount of time to focus on 17/18. The 16/17 mapping was very difficult for a number of reasons:	N/a - year 1 issue only	N/a			n/a
		a) The chart of accounts for 16/17 was in a different system so the team had to translate the 16/17 TB from Lawson to BW.	N/a - year 1 issue only	N/a			n/a
		b) A lot of time was spent trying to map and agree figures that could have been done using uploaders (pension). Information on the uploader was not provided until late on.	The team are now aware of the best way to map these areas	N/a			n/a
		c) New TB codes for 17/18 were not included in the original mapping work.	See action for BW1				New mapping exercise to be carried out for 2018/19 UPDATE: completed - mapping exercise complete
IMP4	Mapping 17/18	Not all TB codes were mapped as some areas, such as Fixed assets, needed to be manually entered. This was because our TB does not provide enough detail to map all the disclosure movements directly. BRB does have a functionality where such codes can be mapped to loading codes which do not feed into the accounts but provide a check to make sure the manual adjustments add back to		Work to be completed well in advance of year end to remap these areas.	31/12/2018	Jackie Glossop/ Muhammad Yasir	New mapping exercise to be carried out for 2018/19 before year end. UPDATE: completed - mapping exercise complete

		the TB. The team were not made aware of these codes until late in the process, when the mapping had already been undertaken. This led to some disclosure notes not agreeing back to the trial balance (cash, investments, provisions) in the first version of the accounts.	None	Discuss with FIRMS Support whether new account codes can be set up and used to facilitate a more straight forward mapping.	30/09/2018	Jackie Glossop/ Muhammad Yasir	Completed - new account codes are being requested as necessary from FIRMS support.
IMP5	Manual adjustments	BRB makes it very easy to enter one sided manual adjustments. There are no warnings in the system for this and it was then a difficult task to track back to make sure all adjustments had the appropriate double entry.	Feedback to BRB	Ensure that an adjustments spreadsheet is maintained throughout the period and that each side of the adjustment is ticked off as entered into BRB. Also work to remap and improvements to the TB will help to reduce reliance on manual adjustments	31/07/2019	All	Ongoing - controls will be in place at year end to limit manual adjustments in BRB and to only post adjustments directly in the TB. UPDATE: completed - controls in place and team briefed on changes
IMP6	Roundings	BRB did not deal with roundings very well and this was a manual process to identify and resolve. This took a lot of time towards the end of the process and was mainly completed in the word version.	BRB will have functionality that resolves roundings from 18/19	N/a	31/03/2019	BRB	ongoing - CIPFA resolving. UPDATE: complete - cipfa have updated BRB functionality

3) Timeliness of closure of the year end position

Issue Identifier	Issue identified as part of 2017/18 closure	Why this was an issue in 2017/18	Action already taken	Action required	Deadline Date	Individuals responsible	Notes
				Strict adherence to timetable required.	20/04/2019		Noted and will be emphasised in team briefing sessions also.
				Identification of work that could be undertaken earlier in the process that is independent of the finalisation of the year end position (Pensions IAS 19, fixed assets, word related disclosures; remuneration, related party transactions etc.) and build earlier deadlines in to the plan	31/12/2018	HoF	Completed - 2018/19 task plan has been updated for earlier deadlines and tasks pre y/e
				Removal of the distinction between "manacc" close and financial accounting close - build all into one plan	30/11/2018	HoF	Completed - 2018/19 task plan has been updated to reflect this
				Confirm and agree any assumptions used in advance of year end in relation to accruals, provisions etc.	30/11/2018	HoF	Draft methodologies paper to be agreed with WAO in January 2019 UPDATE: completed
CL1	The deadline for the finalisation of the trial balance was not adhered to.	Within the original timetable all the Month 12 position of the accounts (up to and including accruals, prepayments and provisions) was supposed to be completed by 20th April with the financial adjustments (p14) completed by the end of April. Whilst the majority of the month 12 outturn was completed by the 20th the books were kept open and late adjustments were posted to make the position more accurate. The financial accounting adjustments were not completed on the 25th May. This compounded the issues we were already experiencing with the mapping and drastically shortened the amount of time the team had to prepare the accounts. This contributed to the reason we did not meet the draft account deadline for WAO.	Revised quarterly reporting regime implemented with balance sheet focus which will enable some of the year end tasks to be done on a quarterly basis (provisions, capital/fixed assets, debtors, creditors)	Use BRB Project Management tool to support deadlines	31/03/2019	HoF	Ongoing UPDATE: tool not being used but additional planning and controls in place instead
CL2	Draft accounts not prepared prior to year end	Due to the fact we did not start the BRB work until February we were not able to produce a draft in advance of year end to review. This would have been helpful as would have identified areas to focus on and allow WAO to review the template		To roll forward the accounts by 31 January	31/01/2019	Accounts lead/HoF	Ongoing - Template accounts using Q3 2018/19 data will be produced in January 2019 for review

CL3	Key Control account reconciliations not performed throughout the year	This impacted our ability to finalise the position as for year end the entire year had to be reconciled. This issue was further compounded by the fact that BW reports couldn't be back dated (see BW2).	There is now a formal plan in place in relation to the control account reconciliations.	To further develop to ensure all team understand who is doing what and when - sign off formalisation needed	30/09/2018	HoF	Completed - finance staff have been reminded of the need to do control account reconciliations during the year. Month end closedown procedures include tasks for completion and review of these recs on a regular basis.
CL4	The finalisation process lacked clarity around responsibility and ownership.	There needs to be a balance between people taking responsibility for their own sections and having too many people actually inputting into BRB. For 2017/18 this balance was not completely achieved and led to more pressure on the two people with overall responsibility for BRB.	Utilise BRB PM tool	<p>Clearly build into the plan the timelines for each section/ note and factor in sitting down with the BRB leads to ensure work is understood and the right focus is given. This should happen at 3 points - 1 before year end work commences, at the point of finalisation of the TB and prior to the finalisation of the draft.</p> <p>Utilise BRB PM tool - have this set up prior to starting year end</p>	31/12/2018	HoF/ Accounts lead	<p>Ongoing - BRB update process at year end will be clarified for all team members UPDATE: complete - timetable includes BRB update actions/tasks</p> <p>Ongoing UPDATE: tool not being used but additional planning and controls in place instead</p>

4) WAO Management Letter

Issue Identifier	Issue identified as part of 201718 closure	Why this was an issue in 201718	Action already taken	Action required	Deadline Date	Individuals responsible	Notes
WAO1	The functionality within BW is not used to attach support for the journal	No impact on the 1718 results however WAO commented that there was sometimes a time delay in receiving support. If the functionality was used then the information would all be in one place.	None - all journals support is filed in the U Drive currently.	Finance team to consider whether this would be time effective. Other options would be to include detail in BRB or to provide all journal support from the U drive to WAO on a USB.	31/10/2018	Hof	Ongoing: staff will be reminded of the need to attach relevant supporting documentation to transactions within BW UPDATE: being taken
WAO2	IT Auditors questioned whether there were too many administrators within the BW system.	No impact on the 1718 results however could be considered a control risk. This is outside the control of finance and sits with FIRMS Support. No finance team members have administrator access.	None	Discuss this with FIRMS to identify their rationale for who has administrator access and consider the controls in place to mitigate any risk.	31/12/2018	Hof/FIRMS Support	Completed: Access levels will be considered and amended where necessary on an ongoing basis

5) Other

Issue Identifier	Issue identified as part of 201718 closure	Why this was an issue in 201718	Action already taken	Action required	Deadline Date	Individuals responsible	Notes
OT1	Team members were not always immediately available for WAO queries	There was a delay for WAO to obtain some of the audit evidence required	None	Include more detail within the audit plan - including staff availability.	TBC	HoF	Responsibility for individual tasks is included in the year end closedown plan. WAO audit deliverables will also be updated to reflect individual key contacts.
				WAO and HoF to implement an appointment calendar so each party has clarity over what work is being done when (and who is required).	TBC	WAO/HoF	Finance team already maintain a leave spreadsheet for the year end accounts process which is shared with WAO. Further discussions to be had with WAO as part of planning to reflect timing of audit work and staff availability in the WAO deliverables list.
				HoF to request that all non urgent meetings be cancelled during the audit (in accordance with the appointment diary) and that people base themselves at VP.	31/03/2019	HO F	Ongoing - will form part of the team briefing session for the year end accounts process. UPDATE: completed - staff briefed at all internal y/e and team meetings
				All of team to be more involved in the pre-planning and coordination of the timings of audit.	TBC	All	Regular team briefings and progress meetings will be held throughout the account production process and are included in the closedown process.
OT2	Last minute issues raised as a result of the audit	This year we were required to provide the details of transactions and year end balances with SWP because our CFO was seconded to SWP. WAO brought this issue up towards the end of the audit and it was a very involved and lengthy process to agree the figures between GP and SWP.	None	Quarterly reconciliation to the undertaken between SWP and GP.	Quarterly	Collab team	Ongoing: balances with SWP have been reconciled and agreed as at 30/9/18. Going forward quarterly reconciliations of collaboration activity is being pursued.
				Suggestion that WAO review draft accounts (as detailed in CL2) in relation to any new disclosures that may be required so we have more time to action	28/02/2019	WAO/HoF	Ongoing: draft accounts based on Q3 2018/19 data will be produced for WAO review on January 2019.
OT3	Continuous improvement suggestions	The items shown in OT3 we not specific issue from the 1718 accounts but have been discussed with WAO as part of continuous improvement.	Discussed with WAO	Provide Auditors access to BRB - read only	By interim audit	HoF	Ongoing: further discussion needed with WAO over access needs
				More consideration to be given to items that could be done earlier and even before year end (fixed assets). If possible some of this could be done at second interim. Once agreed this will be discussed with WAO and built into the audit plan	30/11/2018	HoF	Completed - 2018/19 task plan has been updated for earlier deadlines and tasks pre y/e
				Run a version of BRB at Q3 to facilitate WAO quantifying the sample sizes	By interim audit	HoF	Ongoing: draft accounts based on Q3 2018/19 data will be produced for WAO review on January 2019.