

CLIENT YEAR END ACCOUNTS UPDATE

BACKGROUND

BSO provides a full statutory accounting service to four organisations: NISCC, NIGALA, PCC and NIPEC. BSO also provides the HSCB and PHA with a full transactional accounting service culminating in the provision of financial information, including an assurance letter and appendices, for inclusion in their year end financial statements.

The accounts for all client organisations are now in draft and being finalised by external audit. The auditors have issued a draft RttCWG for each organisation and the key points are summarised in this document.

All deadlines set by Department, audit and deadlines agreed with the clients were met in the course of the preparation of accounts and financial information for client organisation.

HSCB & PHA

In relation to the HSCB and PHA, the year end assurance letter and supporting financial information were issued and we liaised with auditors on behalf of the organisations.

The draft audit findings in the RTTCWG are summarised as follows: (note that we have only commented on those findings that relate to the services provided by BSO)

HSCB

*The HSCB received one **Priority 2** relating to changes to the Assurance letter and issues relating to the SLA. They also received a **Priority 3** in relation to meeting prompt payment targets.*

PHA

*The PHA also received a **Priority 3** relating to changes to the Assurance letter and a further **Priority 3** in relation to meeting prompt payment targets.*

It is recognised that the relationship with BSO has improved significantly during 2011/12 and BSO will continue to work with HSCB staff to further improve the quality of financial information being provided and to assist the HSCB and PHA in meeting payment targets.

The above results represent significant progress for BSO since the 2010/11 year audit findings.

NIGALA, NISCC, PCC & NIPEC

The above organisations are those for whom we prepare full statutory year end accounts. We had also prepared 9 month accounts for each of these organisations and these had been presented at their February audit committees. This exercise was completed primarily to provide the organisations with confidence in our ability to deliver at the year end and was beneficial in terms of managing the financial position of each organisation as they approached the year end and also reviewing the Department accounts templates at an early stage. The process followed at this time was repeated at the year end and involved the following:

- Preparation, issue and return of a client deliverables schedule providing us with confirmations of various accounting notes and issues for inclusion in the financial statements.
- Agreement of a year a year end timetable at our Finance Workshop in November 2011 to supplement the Department timetable.
- A client meeting to review draft financial statements prior to finalising for audit.
- Presentation of the draft financial statements at the audit committees for each organisation.
- An audit exit meeting between auditors, BSO and the client to ensure communication to all parties of issues and any amendments required to the financial statements

The draft audit findings in the RTTCWGs issued to each organisation are summarised as follows: (note that we have again only commented on those findings that relate to the services provided by BSO)

NIGALA

No audit findings relating to services provided by BSO.

No unadjusted errors.

NIPEC

No audit findings relating to services provided by BSO.

£2k unadjusted error.

NISCC

*No audit findings relating directly to services provided by BSO. NISCC received one **Priority 3** finding in relation to 'Cash and cash equivalents', in particular the management of bank*

balances and draw downs. The BSO will work with NISCC staff and will assist them in managing their bank/cash position in future.

No unadjusted errors.

PCC

*PCC received one **Priority 1** finding in relation to a 'Staff Overpayment' issue. BSO HR is currently working with PCC to resolve this matter.*

£2k unadjusted error.

SUMMARY

The clients have all responded very positively to a more structured, formal process. There were no audit adjustments made to the draft accounts, only minor unadjusted errors noted and only one Priority 1 finding and one Priority 3 finding across the four organisations. These results represent significant progress since the 2010/11 year.

The reports are still draft pending management comment but have now been reviewed by NIAO and as such are unlikely to change at this stage.