

## **Committee: Standards and General Purposes Committee**

**Date: 9<sup>th</sup> November 2017**

Wards: All

### **Subject: Audited Final Accounts 2016/17**

Lead officer: Caroline Holland, Director of Corporate Services

Lead member: Cllr Mark Allison- Cabinet Member for Finance.

Contact officer: Roger Kershaw, Interim AD of Resources, 2018-55-3458

#### **Recommendations:**

---

1. That the Committee approve the audited Statement of Accounts, including the Pension Fund accounts.
- 

#### **1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1. To advise members that the audit of the Council's accounts has been completed and that the Council has received an unqualified opinion.

#### **2 DETAILS**

- 2.1. Members will recall at the Standards and General Purposes Committee meeting on the 7<sup>th</sup> September, the external auditors advised that their work was not yet complete and that they had to finalise their work on the bank reconciliation and the schools' PFI project.
- 2.2. These areas of the audit have now been completed without any changes to the accounts resulting from them apart from an amendment to the presentation of "Cash and cash equivalents" in disclosure 14 (but with no change to the total for Cash and cash equivalents.). The audit as a whole has also been completed and the external auditors have given the Council's accounts an unqualified opinion.
- 2.3. The accounts presented on the 7<sup>th</sup> September therefore remain unchanged with the exception of disclosure 14 and they have now been published on the Council's website.
- 2.4. As previously reported to the SGPC, from the financial year 2017/18 onwards the statutory deadlines for preparing unaudited and audited accounts will become the 31<sup>st</sup> May and 30<sup>th</sup> July respectively. This compares with the dates which applied in 2016/17, namely the 30<sup>th</sup> June and 30<sup>th</sup> September respectively. The 2017/18 timetable reduces the time to prepare draft accounts by one month and for completion of the audit of those accounts by two months.
- 2.5. We have recognised the need for early engagement with the external auditors (EY) given the challenges of early closure and are pleased to report that EY have agreed to undertake some preliminary work with us. To that end, we have invited them in during November and December 2017 to run a number of analytical tests on our systems to establish their robustness and integrity. This will enable us to better plan for early closure. We have also identified additional resources which will be prioritised for our early closure

work. Since the September SGPC, officers have been working closely with our external auditors to ensure that there is a common understanding of needs and to develop an action plan to meet the tighter deadlines. The key features of this plan are as follows-

- Early agreement on working paper requirements and clear instructions to staff to ensure working papers are ready on time and are of good quality.
- Early sharing of data from the general ledger to resolve mapping issues early and to undertake interrogation of the system.
- EY to run a series of analytics on our financial systems to test data quality.
- Clearer mapping of codes from the general ledger to the financial statements.
- Sharing of code structure charts to enable the external auditors to better understand the Chart of Accounts.
- A “shorter and sharper” year end audit.
- Setting a date in late July, currently proposed to be the 26<sup>th</sup> July, to be confirmed, for approval of the audited accounts.

2.6 The action plan will be monitored closely by officers and progress reported to Members. This should provide Members with the assurance that officers, in conjunction with our external auditors, are taking all the steps necessary to meet the challenge of faster closing.

### **3 ALTERNATIVE OPTIONS**

3.1. None for the purposes of this report.

### **4 CONSULTATION UNDERTAKEN OR PROPOSED**

4.1. None for the purposes of this report.

### **5 TIMETABLE**

5.1. The Statement of Accounts has been audited within statutory deadlines.

### **6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

6.1. The level of resources will be reviewed to enable faster closing.

### **7 LEGAL AND STATUTORY IMPLICATIONS**

7.1. Members are referred to the Council’ constitution and in particular to the Financial Regulations which are in Part 4f.

### **8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

8.1. None for the purposes of this report.

### **9 CRIME AND DISORDER IMPLICATIONS**

9.1. None for the purposes of this report.

**10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

10.1. None for the purposes of this report.

**11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT**

**12 BACKGROUND PAPERS**

12.1. The papers which were used to compile this report are held within the Corporate Services Department. Specifically, they include-

- Statement of Accounts 2016/17
- Working Papers for accounting entries
- Code of Practice on Local Authority Accounting in the United Kingdom 2016/17
- CIPFA Technical Bulletins

This page is intentionally left blank