

Early Closedown of Accounts

Report of the Treasurer

For further information about this report please contact James Walton, Treasurer, on 01743 255011 or Joanne Coadey, Head of Finance, on 01743 260215.

1 Purpose of Report

This report informs the Committee of the changes in the timetable for preparing and approving the Statement of Accounts.

2 Recommendations

The Committee is asked to note the contents of the report.

3 Background

The Audit and Accounts Regulations 2015 introduced a fundamental change in the closedown timetable process for local authorities from the financial year 2017/18, which is summarised in the table below.

Activity	Existing	Revised	Change
Accounts signed and certified by S151 Officer	30 June	31 May	1 month earlier
Accounts approved and published	30 September	31 July	2 months earlier

Although these changes will not take effect until 2018, it is important that current plans are updated to ensure that the Authority can comply with the new deadlines. The Finance Team in discussion with Grant Thornton, the Authority's external auditors, are intending to pilot an early closedown process for the financial year 2016/17, so that any issues identified can be dealt with before the new deadlines legally take effect.

In order for this transition to be successful, the Finance team will require the co-operation of stakeholders both within and external to the Authority.

Finance officers have attended a Chartered Institute of Public Finance and Accountancy (CIPFA) Early Closedown workshop which provided useful guidance for achieving the new deadlines, and also gave an insight from local authorities already completing their statements within the revised timetable. Work is now being undertaken to prepare the Authority for this transition.

4 Significant areas for consideration

Confirm the requirements of the Statement of Accounts

Before a project plan can be put into place, it is important that Finance officers know what is expected from the closedown process, both from officers and members. For example, if the primary aim is to achieve an unqualified opinion on the Statement of Accounts following a successful audit, the plan should be developed with this in mind. However, if the intention is to produce a much more comprehensive Authority document which is designed with a wider appeal to the public, this may require additional resources and skills.

Agree planning early with External Auditors

Although the Authority has one month less to produce and sign off a draft copy of the statement, the period within which to complete the audit and approve and publish the accounts has been reduced by two months. Therefore a more substantial part of the audit will have to be completed earlier in the year, with top up testing done after closedown. This change in process will be discussed and agreed with Grant Thornton in the coming weeks.

Identify Stakeholders

A number of questions need to be answered during the planning phase:

- Who do we need information from?
- Who needs information from us?
- Who needs to share information before it comes to us?
- Who uses the accounts and what impacts do their needs have on the process?

Once these stakeholders are identified, it is vital that they are made aware of the changes, to ensure that they understand their part in the plan and why it is important, that they understand deadlines, and they understand dependencies in both directions.

Another important element is to communicate with those stakeholders outside of the organisation, such as actuaries who provide the pensions liability information for the statement, and valuers who review and revalue the Authority's assets, so that they are aware that our requirements have changed.

Review the current process

The planning process for the 2015/16 closedown will be reviewed:

- To establish what was successful, what did not work so well, and what improvements can be made
- To identify what can be completed earlier in the year to assist the audit
- To ensure that all staff are aware of their part in the new closedown process

The review will also consider whether the information required can be gathered in a more efficient way, following changes in systems.

5 Next Steps

Officers will continue to develop the closedown timetable in consultation with major stakeholders and will keep the Committee informed about progress of the plan. In addition, the timetable of meetings to be approved for 2017, incorporating this change, will be brought to the Authority.

6 Financial Implications

There are no additional financial resources required to implement this change.

7 Legal Comment

The Accounts and Audit Regulations (England) 2015 have introduced a revised timetable for the signing, approval and publication of the Statement of Accounts. This will take effect from the financial year 2017/18.

8 Initial Impact Assessment

This report contains merely statements of fact / historical data. An Initial Impact Assessment is not, therefore, required.

9 Equality Impact Assessment

There are no equality or diversity implications arising from this report. An Equality Impact Assessment is not, therefore, required.

10 Appendices

There are no appendices to this report.

11 Background Papers

There are no background papers associated with this report.