

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

**Date: 14<sup>th</sup> March 2019**

Wards: All

## **Subject: Audited Final Accounts 2018/19**

Lead officer: Caroline Holland, Director of Corporate Services

Lead member: Councillor Mark Allison- Cabinet Member for Finance

Contact officer: Roger Kershaw, Interim AD of Resources

### **Recommendations:**

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1. That the Committee note the work undertaken by officers' to prepare for the closure of the 2018/19 Statement of Accounts.
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## **1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1. To advise that officers have undertaken an extensive review of the closing of accounts' process in preparation for the "faster closing" deadlines required for the 2018/19 Statement of Accounts.

## **2 DETAILS**

- 2.1. At the Standards and General Purposes Committee meeting on the 8<sup>th</sup> November 2018, the external auditors (EY) advised that they had completed the audit of the 2017/18 Statement of Accounts. These accounts have been published on the Council's website.
- 2.2. Members will recall that the Accounts and Audit Regulations 2015 require that the Statement of Accounts for 2017/18 and thereafter are prepared by the 31<sup>st</sup> May and audited by the 31<sup>st</sup> July.
- 2.3. Members will also recall that the Council experienced some challenges in closing the 2017/18 accounts, primarily due to the problems faced in valuing our PPE assets. This resulted in additional external audit effort and cost.
- 2.4. Officers have been working extensively during the year to prepare for the closure of 2018/19 Accounts in particular to ensure that the problems in valuing our assets does not re-occur this audit.
- 2.5. In addition, officers have been working closely with our external auditors to run a series of analytical checks in advance of their audit to ensure as much practical work is cleared in good time to ensure a more efficient audit process. This includes an extended interim audit period of over 6 weeks (normally 2 weeks), due to commence 4 March 2019. This will enable a significant amount of sample testing to be undertaken during this interim period so that any issues are resolved in good time before the main audit starts late June 2019.
- 2.6. We have also reviewed the lessons learnt from the 2017/18 closedown process and implemented changes to our processes and team, including:

- Reviewing thoroughly the closing of accounts' timetable.
- Ensuring external auditor requirements have been met. Including improving our working papers, and providing a comprehensive data analytics file for our auditors to sample from.
- A route and branch review of our Statement of Accounts to streamline the content.
- Tightening up our closing timetable and accounting processes.
- Recruiting an extra member of staff to the closing team with extensive Chief Accountant experience.

2.7. The key dates in the 2018/19 Closing of Accounts' timetable have been added to the Council's Intranet, together with the full timetable, general guidance notes for departments and accounting guidance for finance teams. These deadlines have also been shared with Kingston, as the provider of our Shared HR and Payroll service, as payroll information has a significant effect on the Council's and Pension Fund accounts. These key dates, covering the period to the production of the draft accounts, are set out below:

### **2018/19 Closing – Key Dates to production of draft accounts**

<b>Task</b>	<b>2018/19</b>
E5 (financial system) year-end processes run e.g. to produce automatic accruals	1 April
Posting of accounting entries to ensure completeness and accuracy of e5 general ledger.	2 April to 18 April
Review of revenue outturn (including formal meetings with DCS)	18 April- 25 April
Draft Statement of Accounts (SoA) ready (including Group Accounts in 2017/18)	10 May
Draft SoA reviewed including review by DCS	10 May - 20 May
Draft SoA complete	24 May
Publish Accounts on Website	31 May

### **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 2018/19 closing of accounts' timetable provides for the accounts to be prepared and then audited within statutory deadlines. These are that the Statement of Accounts must be prepared by the 31<sup>st</sup> May 2019 and must be audited by the 31<sup>st</sup> July 2019.

- 6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**
- 6.1. Officers will be working to minimise any additional Audit costs throughout the Audit.
- 7 LEGAL AND STATUTORY IMPLICATIONS**
- 7.1. Members are referred to the Council’s 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**
- 11.1. None
- 12 BACKGROUND PAPERS**
- 12.1. The papers which were used to compile this report are held within the Corporate Services Department.
- 12.2. Statement of Accounts 2017/18
- 12.3. Guidance Notes for Closing of Accounts 2018/19
- 12.4. Closing of Accounts timetable 2018/19

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