

To the Chair and Members of the AUDIT COMMITTEE

ARRANGEMENTS AND TIMETABLE FOR THE PREPARATION OF THE ACCOUNTS - 2013/14

EXECUTIVE SUMMARY

1. This report provides details of the plan and timetable for producing the Statement of Accounts for 2013-14. The deadlines for producing the draft accounts and the signed off audited accounts are set out in statute.

EXEMPT REPORT

2. The report is not exempt

RECOMMENDATIONS

3. It is recommended that Members note the arrangements being put in place to close-down the 2013/14 accounts and note the timetable designed to meet the deadlines.

BACKGROUND

4. The preparation of the 2012/13 Statement of Accounts went well and the auditors recognised that there was a significant improvement in the quality of working papers although there was no reduction in the number of errors compared to the previous year.
5. The auditors issued an unqualified opinion on both the Statement of Accounts and on the Council's Value for Money conclusion.
6. After the 2012/13 accounts were completed a Final Accounts Review Group was created to improve the quality of the Statement of Accounts and associated working papers. Specifically, their remit was to:
 - i) Review the content of Statement of Accounts
 - ii) Review the working papers
 - iii) Review the timetable to allow more time for Quality Assurance checks, and
 - iv) Review the Quality Assurance procedure
7. The Group have met several times and good progress has been made against these objectives. The Statement of Accounts document has been reduced in size as any duplication and information that is not required has been removed.

8. The working papers supporting the Accounts have been amended where appropriate to ensure they are clear and concise.
9. A comprehensive draft timetable has been developed which will allow the closedown process to be more closely monitored. Appendix A is an abridged version of the timetable showing some of the key dates and deadlines. Some tasks have been brought forward to allow adequate time for a robust Quality Assurance check. The review of the preparation of the 2012/13 Accounts revealed that this was an area that would have benefitted from having more time to carry out the work.
10. Whilst this work was progressing, additional work was being carried out to ensure that the information needed to complete the accounts was available from the new ERP system. This work focussed on whether:
 - i) Reports and tools were available to enable the data to be extracted in a suitable format, and
 - ii) The information in the ERP system was accurate and reliable.
11. The reports for extracting data have now been listed and assigned to the appropriate person to complete. Some depend on the involvement of an external consultant. Some of this work has already been completed and the outstanding reports should be completed by the end of January.
12. The data migrated from the old ledger system to the new ledger system has been reconciled and documented and is due to be checked by the auditors in early January. All data in the Ledger is being checked and corrected if necessary to ensure that the year-end data is accurate. Work is underway to clear all suspense accounts.
13. In order to test the reports and check the reliability of the data, the timetable includes a "trial run" for the closedown of the accounts at the end of period 10. If necessary, the same exercise will be carried out at the end of period 11.
14. The timetable has been revised to allow more time for a comprehensive Quality Assurance check towards the end of the SoA preparation process.

OPTIONS CONSIDERED

15. Not relevant for this report

IMPACT ON THE COUNCIL'S KEY PRIORITIES

16. Not relevant for this report

RISKS AND ASSUMPTIONS

17. Failure to meet the statutory deadlines for signing, producing and/or publishing the accounts would attract adverse comments from the auditors who could issue a public interest report.

18. The Auditors need to be confident that the information in the accounts is accurate and reliable otherwise they may not be able to give an unqualified opinion on the accounts.

LEGAL IMPLICATIONS

19. The Council must comply with the CIPFA's Code of Practice on Local Authority Accounting when preparing the Accounts.

20. The Account and Audit Regulations 2011 specify the deadlines for signing and producing the Accounts and when they will be available for public inspection.

FINANCIAL IMPLICATIONS

21. There are no direct financial implications.

CONSULTATION

22. Not relevant for this report

BACKGROUND PAPERS

23. None

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