

**To the Chair and Members of the  
AUDIT COMMITTEE**

**ARRANGEMENTS AND TIMETABLE FOR THE PREPARATION OF THE  
ACCOUNTS – 2016/17**

**EXECUTIVE SUMMARY**

1. This report provides details of the audit plan and timetable for producing the 2016/17 Statement of Accounts. The statutory deadlines for producing the draft accounts and the approved audited accounts are set out in regulation and are currently 30<sup>th</sup> June and 30<sup>th</sup> September respectively.
2. The Accounts and Audit Regulations 2015 bring forward the timetable for the preparation and approval of the 2017/18 draft accounts to 31<sup>st</sup> May (1 month earlier) and an audit deadline of 31<sup>st</sup> July (2 months earlier). The Government believes that this change will reduce the burden of the closure process, enabling finance staff to give more time to in-year financial management.
3. The Council will quicken the production and subsequent publishing of the draft and audited accounts over this year and the following year to meet these future timescales. The intention is for the draft accounts for 2016/17 to be certified and published by 31<sup>st</sup> May with the audited accounts to be finalised and published by 27<sup>th</sup> July. The Council will be fully compliant with the deadlines and the revised inspection process for the production of both the 2016/17 and 2017/18 accounts.

**EXEMPT REPORT**

4. Not applicable.

**RECOMMENDATIONS**

5. The Audit Committee is asked to note the arrangements being put in place to close down future years' accounts and note the draft timetable to meet the revised deadlines for 2016/17.

**WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?**

6. These arrangements will contribute towards the Council receiving an unqualified opinion on their accounts and secure good governance and value for money in its use of resources.

## BACKGROUND

7. The Accounts and Audit Regulations 2011 introduced a two stage approval process for the Statement of Accounts; the first stage is in June each year. The Regulations require that the responsible financial officer, by no later than 30<sup>th</sup> June, signs and certifies that the Statement of Accounts presents a true and fair view of the financial position of the Council for the year to 31<sup>st</sup> March previous, subject to the views of the External Auditor (KPMG).
8. The second stage, as set out in those Regulations, requires that on or before the 30<sup>th</sup> September, approval needs to be given to the Statement of Accounts by resolution of the Audit Committee. This approval will take into account the views of KPMG. This is done so that the Statement of Accounts can then be published.
9. To achieve this, a draft timetable has been developed which will enable the closedown process for the 2016/17 accounts to be proactively managed and work towards the new deadlines for 2017/18. Appendix A provides a summary version of the timetable showing the key dates and deadlines.
10. The date for the sign off of the draft 2016/17 accounts has therefore been set as Wednesday, 31<sup>st</sup> May 2017 with the audited 2016/17 accounts expected to be presented to this Committee on Thursday, 27<sup>th</sup> July 2017. It is expected that future years' accounts will be produced in line with these dates.
11. The timetable continues to be extremely challenging. However, the increased use of estimation techniques; the professionalism, knowledge and experience of key finance officers; and the continued development of the ERP financial system will assist in making these future deadlines achievable.
12. The Council is moving to the 31<sup>st</sup> July deadline, see paragraph 2 above, from 2016/17 which is a year earlier than required. This will be subject to embedding changes to internal procedures and the early availability of external audit resources.
13. The preparation and production of last year's Statement of Accounts went extremely well and KPMG highlighted officers' hard work and the high quality of working papers as major contributory factors. KPMG issued an unqualified opinion on both the Statement of Accounts and the Council's Value for Money conclusion following the presentation of the accounts to this Committee on 17<sup>th</sup> August 2016.
14. Work to improve the quality and timeliness of both the Statement of Accounts and associated working papers continues. Internal Financial Management Final Accounts meetings are held on a regular basis over the four month period to May to ensure that accounting procedures are applied consistently; best practice is shared; there is a shared understanding of any difficulties or delays that are happening and to disseminate updated information quickly and consistently.
15. Interim audit visit(s) with KPMG will be undertaken between February and April with a view to advancing some work from the final audit fieldwork that usually takes place in July.

## OPTIONS CONSIDERED

16. Not applicable.

## REASONS FOR RECOMMENDED OPTION

17. The Council is subject to statutory external audit and performance evaluation by KPMG and must prepare annual accounts.

## IMPACT ON THE COUNCIL'S KEY OUTCOMES

18. These are detailed in the table below: -

	<b>Outcomes</b>	<b>Implications</b>
	<p>All people in Doncaster benefit from a thriving and resilient economy.</p> <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Creating Jobs and Housing</i></li> <li>• <i>Mayoral Priority: Be a strong voice for our veterans</i></li> <li>• <i>Mayoral Priority: Protecting Doncaster's vital services</i></li> </ul>	<p>The audited Statement of Accounts provides information on all Council priorities incorporating income and expenditure for all Council services.</p> <p>An unqualified audit opinion from KPMG on the financial statements and supporting disclosure notes, together with an unqualified VfM conclusion assists with the positive reputation of the Council and ensures that strong governance is in place.</p>
	<p>People live safe, healthy, active and independent lives.</p> <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Safeguarding our Communities</i></li> <li>• <i>Mayoral Priority: Bringing down the cost of living</i></li> </ul>	
	<p>People in Doncaster benefit from a high quality built and natural environment.</p> <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Creating Jobs and Housing</i></li> <li>• <i>Mayoral Priority: Safeguarding our Communities</i></li> <li>• <i>Mayoral Priority: Bringing down the cost of living</i></li> </ul>	
	<p>All families thrive.</p> <ul style="list-style-type: none"> <li>• <i>Mayoral Priority: Protecting Doncaster's vital services</i></li> </ul>	
	<p>Council services are modern and value for money.</p>	
	<p>Working with our partners we will provide strong leadership and governance.</p>	

## RISKS AND ASSUMPTIONS

19. Failure to meet the statutory deadlines for signing, producing and/or publishing the accounts would attract adverse comments from KPMG, who

could issue a public interest report.

20. KPMG 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**

21. The Council must comply with the CIPFA's Code of Practice on Local Authority Accounting (the 'Code') when preparing the accounts.
22. The account and audit regulations 2011 (and the 2015 regulations) and the local audit and accountability act 2014 specify the deadlines for signing and producing the accounts and when they will be available for public inspection.

## **FINANCIAL IMPLICATIONS**

23. There are no specific financial implications related to the contents of this report.

## **HUMAN RESOURCES IMPLICATIONS**

24. There are no specific HR implications related to the contents of this report however the tightening of the timescales does have implications for the provision of payroll data which forms part of the final accounts. Liaison with the HR Shared Service Centre will be needed at the earliest opportunity to ensure the deadlines can be met.

## **TECHNOLOGY IMPLICATIONS**

25. There are no specific Technology implications related to the contents of this report.

## **EQUALITY IMPLICATIONS**

26. This report has no specific equality implications.

## **CONSULTATION**

27. Not applicable.

## **BACKGROUND PAPERS**

28. None.

## **REPORT AUTHOR & CONTRIBUTORS**

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