

27th January 2016

To the Chair and Members of the AUDIT COMMITTEE

ARRANGEMENTS AND TIMETABLE FOR THE PREPARATION OF THE ACCOUNTS – 2015/16

EXECUTIVE SUMMARY

1. This report provides details of the audit plan and timetable for producing the 2015/16 Statement of Accounts. The statutory deadlines for producing the draft accounts and the approved audited accounts are set out in regulation and are currently 30th June and 30th 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 31st May (1 month earlier) and an audit deadline of 31st 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 two years to meet these future timescales. The intention is for the draft accounts for 2015/16 to be certified and published by 31st May with the audited accounts to be finalised and published by 17th August. The Council will be fully compliant with the deadlines and the revised inspection process for the production of the 2017/18 accounts.

EXEMPT REPORT

4. The report is not exempt.

RECOMMENDATIONS

5. It is recommended that Members note the arrangements being put in place to close down future years' accounts and note the draft timetable to meet the revised deadlines for 2015/16.

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 30th 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 31st March previous, subject to the views of the External Auditor.
8. The second stage, as set out in those Regulations, requires that on or before the 30th 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 the External Auditor. 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 2015/16 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 2015/16 accounts has therefore been set as Tuesday, 31st May 2016 with the audited 2015/16 accounts expected to be presented to this Committee on Wednesday, 17th August 2016. It is expected that future years' accounts will be produced in line with the dates in the table below.

Financial year	Draft accounts	Audited accounts
2016/17	31 st May 2017	9 th August 2017
2017/18	31 st May 2018	31 st July 2018

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 development of the ERP system will assist in making these future deadlines achievable.
12. The Council will move to the 31st July deadline, see paragraph 2 above, earlier than the above table suggests, and by 2016/17 accounts if possible. 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 the auditors highlighted officers' hard work and the high quality of working papers as major contributory factors. The auditors 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 16th September 2015.
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) 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 relevant for this report

IMPACT ON THE COUNCIL’S KEY OUTCOMES

- 17.

	Outcomes	Implications
	All people in Doncaster benefit from a thriving and resilient economy. <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Be a strong voice for our veterans</i> • <i>Mayoral Priority: Protecting Doncaster’s vital services</i> 	
	People live safe, healthy, active and independent lives. <ul style="list-style-type: none"> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living</i> 	
	People in Doncaster benefit from a high quality built and natural environment. <ul style="list-style-type: none"> • <i>Mayoral Priority: Creating Jobs and Housing</i> • <i>Mayoral Priority: Safeguarding our Communities</i> • <i>Mayoral Priority: Bringing down the cost of living</i> 	
	All families thrive. <ul style="list-style-type: none"> • <i>Mayoral Priority: Protecting Doncaster’s vital services</i> 	
	Council services are modern and value for money.	Receiving an unqualified opinion on the accounts and a good Value for Money conclusion will show that the Council is delivering effective services and demonstrating good governance arrangements.
	Working with our partners we will provide strong leadership and governance.	

RISKS AND ASSUMPTIONS

18. 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.
19. 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

20. The Council must comply with the CIPFA's Code of Practice on Local Authority Accounting (the 'Code') when preparing the accounts.
21. 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

22. There are no direct financial implications.

CONSULTATION

23. Not relevant for this report

BACKGROUND PAPERS

24. None

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