

Statement of Accounts Process 2015/16

SUMMARY

- 1.1 The Council is proposing to significantly change the Statement of Accounts timetable for 2015/16.

RECOMMENDATION

- 2.1 To approve changes to the Statement of Accounts timetable in line with the Accounts and Audit regulations 2015.

REASONS FOR RECOMMENDATION

- 3.1 The implementation of the Accounts and Audit Regulations 2015 require that from 2017/18 financial year, draft accounts will have to be produced by 31 May, currently 30 June. The recommendations included in this report are to ensure the Council is fully prepared for this change.

SUPPORTING INFORMATION

Statement of Accounts Process

- 4.1 The Council has a statutory duty to prepare its draft accounts by 30 June and publish its final approved accounts by 30 September. The implementation of the Accounts and Audit Regulations 2015 requires that from the 2017/18 financial year, the timetable for the preparation and approval of accounts will be brought forward to a draft accounts deadline of 31 May and an audit deadline of 31 July.
- 4.2 Changes to the 2016/17 Code of Practice regarding Highways Infrastructure Assets will bring a number of changes to the financial statements and technical challenges in 2016/17.
- 4.3 2015/16 therefore is the only financial year before earlier closure is mandatory where there are no major changes to the Code of Practice. It is proposed that the Statement of Accounts timetable for 2015/16 adopts the new deadlines and a draft set of accounts is produced by 31 May 2016. This will enable any issues encountered to be highlighted and will leave sufficient time for solutions to be implemented prior to the

2017/18 mandatory deadline.

- 4.4 The 2014/15 audit report by Grant Thornton highlighted a number of areas for improvement in our closure of accounts process. Addressing these issue within a reduced timeframe will be a significant challenge but one worth undertaking at this time. Changes to processes and the timetable have been put in place to address these issues.
- 4.5 In order to deliver the timetable for the earlier Statement of Accounts process, the Council will need to place further reliance on estimates and systems information for the accounts. Changes will be made to the timing of information requests and where possible information will be gathered in advance but the risk of variances will always exist where estimates are used.
- 4.6 As a result of a restructure within accountancy to realign the service with the new organisational structure implemented 1 September 2015, there has been a transfer of resources and responsibilities into the Organisational and Governance accountancy team. It is anticipated that as a result of this restructure there is the potential to improve and develop staff in order to increase resilience in the preparation of the Statement of Accounts.
- 4.7 The Council also has new External Auditors; Ernst & Young, for the 2015/16 Statement of Accounts process. Initially this will increase the workload in both organisations whilst familiarity with systems and processes is gained.
- 4.8 The draft statement of accounts will still be presented to the July Audit and Accounts Committee meeting for information and the external audit is not planned to commence until July. This will allow Committee members 3 months to review the accounts before they are presented for full discussion and approval in September after the completion of the audit of the accounts.

OTHER OPTIONS CONSIDERED

- 5.1 Not Applicable.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Service Director(s) Other(s)	Martyn Marples, Director of Finance
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For more information contact: Background papers: List of appendices:	Mark Nash tel: 01332 643364 e-mail: mark.nash@derby.gov.uk None Appendix 1 – Implications
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IMPLICATIONS

Financial and Value for Money

- 1.1 As detailed in the main body of the report.

Legal

- 2.1 The Audit and Accounts Committee and the Section 151 officer are required to approve the Council Statement of Accounts.

Personnel

- 3.1 None directly arising.

IT

- 4.1 None directly arising.

Equalities Impact

- 5.1 None directly arising.

Health and Safety

- 6.1 None directly arising.

Environmental Sustainability

- 7.1 None directly arising.

Property and Asset Management

- 8.1 None directly arising.

Risk Management

- 9.1 None directly arising.

Corporate objectives and priorities for change

- 10.1 None directly arising.

