

North East Derbyshire District Council

Audit and Corporate Governance Scrutiny Committee

21 April 2016

Revised Final Accounts Closedown Timetable

Report No ADFRB/01/15-16 of the Assistant Director – Finance, Revenues and Benefits

This report is public

Purpose of the Report

To inform the Audit and Corporate Governance Scrutiny Committee of the upcoming legislative changes in the final accounts timetable that will be imposed upon all local authorities from the 2017/18 final accounts process, and steps that will be taken to ensure we can achieve the revised dates for preparing the Statement of Accounts.

1 Report Details

- 1.1 The final accounts process and timescales that we work to are determined by legislation. There are currently two key deadlines; the first being the date by which the draft statement of accounts is produced and published, and the second being the date by which the final audited version is published. New legislation has been introduced that will change the current dates with effect from the 2017/18 final accounts. These dates are set out below, along with the new date that will come into effect in 2017/18.

	Current Timescale	New Timescale
Draft Statement of Accounts	30 June	31 May
Final Audited Statement of Accounts	30 September	31 July

- 1.2 What is expected of local authorities will not change; therefore we have to find ways to achieve the same outcome while producing the Statement of Accounts a month earlier. Local authorities have been aware that this is on the horizon and have been aiming for faster closedown of their accounts. Our external auditors are also keen to see that all local authorities have processes in place to enable a faster closedown thus providing reassurance that we will be able to achieve the new more challenging timetable.
- 1.3 For the 2015/16 final accounts process, a timetable has been put in place internally that is planned to achieve the new deadline of having a draft statement of accounts ready for publishing by 31 May 2016. The aim this year is to work to this timetable wherever possible but also to use it to identify any areas, issues or obstacles that may prevent us from achieving the deadline so that we can eliminate them for the following year. The Accountancy Team will therefore be undertaking detailed

monitoring of the performance against individual elements of the timetable in order to identify any blockages to the effective operation of the close down process.

- 1.4 In order to achieve this deadline, the role of the Audit and Corporate Governance Scrutiny Committee will change. In the past, this Committee has had the role of approving the Annual Governance Statement in May, agreeing the draft statement of accounts in June and approving the audited statement of accounts in September. Due to the tight timescale we now have to work to, and there being no statutory obligation to do so, it is proposed that this Committee will not see the draft statement of accounts prior to them being published. This Committee will still be responsible for approving the Annual Governance Statement in May and for approving the audited statement of accounts. The audited statement of accounts will come to this Committee in September for the 2015/16 financial year but we envisage that as our external auditors move towards achieving the tighter deadline also imposed on them, that in future years, this will be in July.
- 1.5 This challenging timescale can only be achieved by Financial Services if they receive full co-operation and support from this Committee, Strategic Alliance Management Team, all budget officers and Rykneld Homes. All those with a role in the closedown process have received clear instructions which are related to the revised budget timetable.

2 Conclusions and Reasons for Recommendation

- 2.1 This report sets out the revised final accounts timetable imposed upon us by legislative changes which come into effect from the 2017/18 financial year. Given the extent of the changes and significantly reduced timescales, it is imperative that we work towards the new timetable as soon as possible. This will give officers and our external auditor comfort that we can achieve the new deadline.

3 Consultation and Equality Impact

- 3.1 This report to Audit and Corporate Governance Scrutiny Committee is essentially the consultation process concerning the legislative changes to the final accounts timetable. All those concerned or directly affected by changes to the timetable, whether internal or external to the Council have been and will continue to be consulted during the process.
- 3.2 There are no equalities issues arising directly from this report.

4 Alternative Options and Reasons for Rejection

- 4.1 To continue working as we are, making no attempt to achieve the new timetable and deadlines. This would have a detrimental reputational impact on the Council as a whole as it would be failing to meet statutory deadlines and potentially have its accounts qualified.

5 Implications

5.1 Finance and Risk Implications

There are no additional financial implications arising directly out of this report. It should be noted, however, that failure to comply with the new timetable for the closure of the Accounts will have a significant reputational impact on the Council. Closure of the Accounts in accordance with statutory requirements – including timescales – is a key factor in influencing public opinion concerning how well a Council is managed. Likewise, failure to meet agreed standards and timescales would require additional work from external audit which would be at an additional cost to the Council.

5.2 Legal Implications including Data Protection

The publication of the Statement of Accounts to an agreed timescale and standards is a statutory responsibility.

5.3 Human Resources Implication

None arising directly from this report.

6 Recommendations

- 6.1 That the Audit and Corporate Governance Scrutiny Committee note the changes to the final accounts timetable and agree to support Financial Services in achieving the new deadlines.

7 Decision Information

Is the decision a Key Decision? (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No
District Wards Affected	N/A
Links to Corporate Plan priorities or Policy Framework	Providing our customers with excellent services

8 Document Information

Appendix No	Title
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	

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