

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit Committee
Date of Meeting:	22 March 2017
Subject:	Early Closedown Checklist for Statement of Accounts
Report of:	Simon Dix, Head of Finance & Asset Management
Corporate Lead:	Robert Weaver, Deputy Chief Executive
Lead Member:	Dave Waters, Lead Member for Finance and Asset Management
Number of Appendices:	One

Executive Summary:

The revised Audit and Accounts regulations require authorities to produce a draft statement of accounts by 31 May with effect from the 2017/18 financial year. To ensure the Council is prepared for this, a 'dry-run' is being followed for the closure of accounts for 2016/17. This will enable the Council to test its readiness for the following year and refine its practices to ensure compliance with the deadlines.

As part of its preparations for 2016/17, the Council has completed a self-assessment utilising Grant Thornton's good practice checklist. The checklist highlights the good progress already made in a number of areas and the actions required throughout the closure to deliver the accounts on time.

Recommendation:

To CONSIDER the responses to the self-assessment checklist, which is required to meet the new closure date for statement of accounts, and note the progress made to date.

Reasons for Recommendation:

The deadline for completion of the accounts has been brought forward one month from 2017/18 to the 31 May 2018. The Council is using the 2016/17 statement of accounts cycle as a 'dry run' year to test its processes and timetable ready for when the new deadline becomes statutory.

Resource Implications:

There are no direct financial implications arising from the report.

Legal Implications:

There are no direct legal implications arising from the earlier closedown. However, the Audit and Accounts Regulations 2015 brought in the requirement to approve and publish the accounts by 31 May and 31 July respectively (currently 30 June and 30 September) from the 2017/18 accounts.

Risk Management Implications:

There is reputational risk if we do not meet the deadline. The planning of the new closedown timetable and the dry run taking place during 2017 will mitigate the risk of missing the statutory

deadline.

Performance Management Follow-up:

Grant Thornton is being asked to bring forward its timetable in line with the new requirements. The date on which it will receive the draft accounts will be set out in Grant Thornton's audit findings report.

As with every closure of accounts, the Finance team will de-brief at the end of the project and reflect on what went well and what could be improved in the future.

Environmental Implications:

None.

1.0 INTRODUCTION/BACKGROUND

- 1.1** Timely publication of the statement of accounts aligns with the government's wish to improve local government transparency and accountability. It is the government's view that a more timely closedown process increases public interest in local government accounts, especially when coupled with proposed moves to simplify the accounting statements and the requirements for the same public inspection period across all local government organisations. In addition, earlier closure should encourage more rigorous in-year monitoring of finances and reduce the uncertainty on the final financial position of an organisation in the initial months of the following financial year.
- 1.2** In February 2015 the revised Accounts and Audit regulations 2015 were laid before Parliament confirming the Department for Communities and Local Government (DCLG) intention to bring forward the date by which accounts must be published. The regulations amended the deadlines for the approval and publishing of the accounts to 31 May and 31 July respectively (currently 30 June and 30 September).
- 1.3** With one month less to complete the statement of accounts, and a small Finance team, detailed planning has been undertaken to identify tasks that can be completed before the year end and improvements to processes to speed up work in the closedown period. In addition, a 'dry-run' will be undertaken for the 2016/17 closure to test the preparation of the Council.

2.0 ADVANCING CLOSURE CHECKLIST

- 2.1** To support the Council's preparations for the early closure, Grant Thornton's good practice checklist has been utilised as an effective tool for planning the closure. In completing the checklist, which is attached at Appendix A, it was clear that the Council has made good progress in many of the areas and those that have yet to be completed are planned for a future date.
- 2.2** A detailed closedown timetable is always produced and has been updated to allow the quicker closedown. This involves earlier deadlines for some work and using the wider finance team to help out where possible.
- 2.3** The main risks identified in the checklist are the reliance on third parties for information (e.g. valuers and actuaries) and the need for full Council buy-in and co-operation in order to meet the deadlines.

3.0 OTHER OPTIONS CONSIDERED

3.1 None

4.0 CONSULTATION

4.1 None

5.0 RELEVANT COUNCIL POLICIES/STRATEGIES

5.1 None

6.0 RELEVANT GOVERNMENT POLICIES

6.1 Local Government Act 2003 and Accounts and Audit Regulations 2015.

7.0 RESOURCE IMPLICATIONS (Human/Property)

7.1 There are significant staff implications in concluding an early closure of accounts. The timetable and workload will utilise, in full, the capacity of the Finance team to produce the accounts and support the audit.

8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)

8.1 None

9.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)

9.1 None

10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

10.1 None

Background Papers: None

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Appendices: Appendix A – Grant Thornton Advancing Closure checklist