

## Grant Thornton

### Advancing closure - transforming the financial reporting of local authority accounts

Good practice checklist	Yes/No/ N/A	Comments
<b>Leadership and planning</b>		
Has the authority clearly defined roles and responsibilities across the organisation in relation to its financial reporting?	Yes	Small central finance team lead on all aspects of financial reporting. Clear distribution of roles within the team, as well as support working across the team.
Has the authority clearly communicated the statutory timetable and its commitment to faster closing, both to officers and members?	No	This is being done when year end emails to staff are sent out.
Has senior management signed up to the plans and taking an active role to promote its importance and the benefits that will result?	Yes	s151 taking a lead role in communicating with the wider management team.
Are members and senior management routinely updated on the progress made in delivering the authority's closedown plans?	No	S151 to ensure progress is communicated with senior management and lead members
Has the authority ensured that audit committee and council meetings are brought forward to reflect the earlier timetable?	Yes	Audit Committee has been set on 19th July 2017 to meet faster closedown
<b>Project planning</b>		
Has the authority appointed a project manager, of sufficient seniority within the finance team, to oversee the delivery of the project?	Yes	Financial Services Manager leads the closure of accounts process
Have the necessary staff resources been identified to support the delivery of the project and the impact this will have on their other responsibilities?	Yes	Sufficient resources within Finance team to complete this project. Senior management need to be reminded of Finance teams commitment to this project and reduced capacity for other projects during this time.
Are all individuals aware of their responsibilities for preparing each section/note of the accounts?	Yes	Flexible approach between the team, but a clear system in place to identify what has been completed and what still needs to be done. Corporate Services are also aware their involvement with the Narrative Statement.
Has a realistic project plan been developed, setting out detailed timelines for completion of tasks, who will complete these and contingency for unforeseen issues?	Yes	Budget timetable is completed and communicated within the Finance team. We have reviewed some of the issues from the 2016 closedown and currently don't have any particular concerns.

## Appendix A

Has the authority identified the potential blockages and barriers in the delivery of its plans and identified actions to address these?	Yes	Reliance on external bodies (Ubico, Pensions, Asset Valuations) - Pensions and Asset valuations have been received in 2016 in plenty of time (Mid April). Estimates from Ubico are materially correct by end of April which is sufficient to close creditors on. No longer part of a Business Rates pool which was another potential blocking point.
Is this project plan supported by clear financial procedures and closedown instructions to ensure clear communications to officers of requirements?	Yes	Timetable updated each year for closedown. Instructions for officers on completing debtors/creditors/reserve requests
Has the authority identified opportunities to rotate or upskill a wider group of individuals within the organisation to provide resilience for unforeseen loss of key staff and develop skills across the finance team?	No	Specialist nature of the accountancy work and size of the organisation makes this difficult. Would have to rely on agency staff and fact that working papers are easy to follow to cover any loss of staff.
Has the authority established a committee or group to routinely monitor the progress against plans and ensure these stay on track?	No	Not seen as effective. Timescales are short and a lot of elements come together at same time. Feedback on progress will be fed back to Lead Member for Finance and Asset Management through regular portfolio briefings as usual.
<b>Systems and processes</b>		
Has the authority reviewed the outcomes of the previous year's accounts preparation processes and identified where changes or improvements can be made?	Yes	Attended workshops and also produced notes as a result of the findings from the workshop. Agreed how we could do things earlier and easier.
Has the authority reviewed all manual procedures and financial processes and considered where there is scope to automate and/or standardise these across the organisation?	Yes	The Purchasing system will eventually be used to automate the carry over processes and all procedures have been looked at to see whether we can improve on them.
Has the authority reviewed its financial procedures and tasks to identify scope for streamlining, modification and improvement?	Yes	See above, spread of work amongst the team, bringing work forward and look if we can do some of the work automatically
Have all routine financial tasks been performed on a timely basis throughout the year to avoid additional procedures required at year end?	Yes	We balance all systems on a monthly basis.
Has the authority reviewed its monthly management reporting processes to identify opportunities to align these more closely to the year end processes?	Yes	Looking at doing more with Operational managers on budgets in Feb and March to ensure debtors and creditors are identified - also better information on earmarked reserve requests.
Has the authority undertaken an in year interim hard close of its accounts to identify any possible issues early?	No	Not considered to be required this year and as a small team we do not have the capacity to do this.
Is the authority up to date on expected accounting changes in the financial reporting framework and considering the impact of these as early as possible?	Yes	Already restated the accounts for the changes to 16/17 for prior year comparators, liaised with Auditors over new accounting issues.

**Systems and processes (continued)**

Has the authority reviewed its accounting policies to reflect any changes and ensure that these are tailored and appropriate for its circumstances?  
Have these policies been shared and discussed with the audit committee?

Yes To be presented to audit committee on 22nd March

Has the timetable and procedures built in sufficient time for quality assurance checks of the accounts and supporting working papers?

Yes Tight timescales but should be sufficient

Has the authority identified those areas where significant judgements and use of estimates are required and identified the basis on which these will be prepared and the data needed to support them?

Yes To be presented to audit committee on 22nd March

**Managing relationships with others**

Has the authority identified those areas where information is required from other parties and ensured that this is incorporated into the project plan?

- Valuers
- Actuaries
- Legal specialists

- Specialist accounting advice e.g. PFI

Has the authority conducted an assessment of its likely group relationships and other external entities and agreed with its subsidiaries/associates/joint arrangements when group consolidation information or disclosures will be provided

Yes Valuers contract is for information to be provided by the 15th April. This is the same as in the last 2 financial years and the valuers have meet this. Actuaries provided information earlier last year and are aiming for 13th April this year. Agreed an additional payment to provide the restated information due to tupe of cascades staff.  
Out of the Pool for business rates which means not reliant on this information being provided  
Agreed with the auditors in 2015/16. No new arrangements identified in 16/17 which would lead to a change in group status or new organisations being identified as having a group requirement

Has the authority spoken to its suppliers and contractors to ensure that arrangements for year-end processing and payment of invoicing is managed effectively?

No Not considered necessary. No significant suppliers that would be managed in this way. Going to work with budget holders to discuss creditors and debtors in Feb and March.

Has the authority discussed information requirements and timetables with other partner public bodies relating to any shared services and partnership working arrangements?

Yes Agreements in place with One legal, Building control and Ubico to get materially accurate estimates of outturn within a reasonable timescale.

**Working effectively with auditors**

Has the authority shared its closedown project plans with its auditors and agreed key dates and milestones?

Yes Will be reviewed during auditors visit in March

## Appendix A

Has the authority discussed and agreed respective responsibilities and set clear expectations on the accounts preparation and audit processes?	Yes	3 week audit visit agreed
Does the authority communicate with its auditors on a regular basis to discuss emerging accounting issues and progress against plans?	Yes	TBC raises issues early with auditors
Has the authority conducted a thorough review of its accounts and identified and discussed with its auditors those areas where there is scope to declutter and remove unnecessary notes and disclosures?	Yes	Working from audit reports from prior year and attending auditor lead closedown events.
Has the authority discussed and agreed its working paper requirements to support the completion of the audit?	Yes	We receive positive reports from the auditors about the quality of our working papers and follow their working paper requirements document.
Has the authority and auditor shared their staff availability and holiday commitments so that these can be reflected in the work timetables?	Yes	Agreed audit visit to maximise number of people available.
Has the authority discussed with its auditor where audit procedures can be commenced early and financial records that can be tested at the interim audit?	Yes	Interim audit to AP9 has been completed already, along with opening balances testing.
Has the authority provided an early copy of the skeleton accounts and disclosures to allow opportunity for review of updated disclosures and prior year information in advance of the year end?	Yes	We have restated 2015-16 accounts in order to put the figures into the new format and this has been sent to Grant Thornton for review.
Has the authority met with its auditor to reflect on the previous year's audit process and identify areas that can be changed or improved?	Yes	Informal discussions held with the auditors