

Joint Audit and Governance Committee



Listening Learning Leading



Report of Head of Finance

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Wards affected: All

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To: Joint Audit and Governance Committee

DATE: 29 January 2018

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Statement of accounts 2017/18

Recommendation

To note the report.

Purpose of Report

1. To provide an update from Capita's accountancy team on preparations for the 2017/18 final accounts process.

Strategic Objectives

2. South – unqualified final accounts helps us demonstrate our strong financial position.
3. Vale - unqualified final accounts helps us demonstrate that we run an efficient council.

Background

4. At the request of the Head of Finance Capita have prepared a paper summarising progress towards the earlier closedown deadlines that apply to this year's statement of accounts for both councils. The Capita Chief Accountant's paper is attached as appendix 1 to this report.

Financial Implications

5. There are no direct financial implications arising from this report.

Legal Implications

6. Approval of the statement of accounts by the committee in accordance with statutory dates fulfils the requirements of the Accounts and Audit (England) Regulations 2015.

Risks

7. These are identified in Capita's report.

Other Implications

8. None.

Conclusion

9. The update report from Capita summarises their progress to date in preparing for the earlier preparation of final accounts for both councils.

Statement of accounts 2017/18 – update report from Capita accountancy

Background

1. As previously reported to the committee the statutory deadline of 30 June is being brought forward to 31 May this year. For the 2017/18 accounts preparations are being made to learn from last year's trial run and ensure compliance with the new deadline.
2. The external auditors Ernst and Young (EY) offered an 'Accounts Closedown' workshop in December which was attended by the Capita Chief Accountant and the councils' Strategic Finance Manager. The workshop focused on the new timetable and EY's approach to it. A two-week interim audit started on 22 January with the intention of completing an element of year end work in advance
3. The team have looked at areas of year end work that could be brought forward. Thus far capital accounting has been completed in draft and year-end depreciation already calculated. Spreadsheets and linked word documents for the statements have been prepared in advance, well ahead of last year. Specific third party deliverables which effect year end close; particularly property valuations, pension statements and revenue outturns have been requested earlier than previously and any delays will be quickly followed up.
4. It will also be critical that deadlines relying on information being received from council officers are met. A draft close down timetable will be circulated to council officers in January, requesting that they agree dates with finance and prioritise the completion of their deliverables. The Head of Finance has discussed the new reporting timetable with council officers at recent SMT meetings and emphasised the importance of compliance.
5. Further detailed analysis of the year end timetable will be carried out by the Chief Accountant during February to identify potential additional time savings.
6. Unlike previous years, the financial statements will be presented to the Head of Finance and Strategic Finance Manager as each note is completed, this will shorten the time required to check the full draft statements
7. The Draft close down timetable currently targets delivery of the statements of accounts to the Head of Finance by 16 May for approval by 23 May

Risks

8. None identified but there will be minimal scope to accommodate one-off work requests during the period when the statement of accounts are being completed.

Conclusion

9. The Finance department working with Capita Accountancy are formulating a timetable to achieve an early completion of the 2017/18 statements of accounts. Provided deadlines are met both parties believe the new timetable is achievable.

Richard Spraggett
Chief Accountant (Capita)