

Joint Audit and Governance Committee



Report of Head of Finance

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Wards affected: all

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To: Joint Audit and Governance Committee

DATE: 26 September 2016

Vale Cabinet member responsible: Robert Sharp

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Statement of accounts 2015/16

Recommendation(s)

(a) That the statement of accounts for South Oxfordshire District Council for 2015/16 be approved as amended and signed by the chairman of this meeting of the committee

(b) That the statement of accounts for Vale of White Horse District Council for 2015/16 be approved as amended and signed by the chairman of this meeting of the committee and by the co-chairman from Vale of White Horse District Council.

Purpose of Report

1. To consider the processes involved in the production of the statements of accounts for both councils and to approve the final versions for 2015/16.

Strategic Objectives

2. The council has a strategic objective of effective management of resources. The timely production, audit and publication of the statement of accounts is fundamental to this objective.

Background

3. The head of finance approved the 2015/16 statements of accounts for both South Oxfordshire District Council and Vale of White Horse District Council for external audit on 24 June 2016, ahead of the required deadline of 30 June. The audit of those statements has now been completed. Following an informal training session for members of this committee, revised statements are now presented to the committee for approval.
4. As reported to the committee the statutory deadline of 30 June is being brought forward to 31 May in two years' time. As part of the preparations for that change, a target deadline of 27 May was set for this year's accounts. So, whilst the councils draft accounts were finalised ahead of the statutory deadline for the first time since International Financial Reporting Standards (IFRS) were introduced in 2010, we need to look closely at our processes to ensure that we are ready for the earlier deadline in two years' time.
5. Compared to the previous year's timetable, the team's progress was at some points up to three weeks ahead of progress in the previous year. Some areas, such as collection fund accounting, saw considerable progress as this was finalised one month earlier this year. However, issues that presented themselves during the closedown period that slowed the team down were:
 - Accountancy staff being involved in not one but two elections during the April to June period (indeed the final sign-off of the accounts was delayed until 24 June due to the Chief Accountant and his deputy being involved in the European Referendum vote taking place that week);
 - Diversion of accountancy staff onto non final accounts work, including work on the Five Councils partnership, leisure facilities and unitary status;
 - Late receipt of fixed asset valuation information, delaying finalisation of capital accounting;
 - Teething issues with the new final accounts templates on Word/Excel, which have been introduced to help speed up closedown and on which lessons have been learned.
6. It should be noted that sign-off on 24 June was after considerably more checking of the accounts than had been undertaken in previous years, when it had often been rushed ahead of the 30 June deadline. Feedback from the external auditors confirms that their checking revealed less minor errors (e.g. consistency/cross casting) than encountered in previous years.
7. Looking ahead, the outsourcing of the accountancy function to Capita – which took place on 1 August after the draft accounts were approved as part of the Five Councils' Partnership - is already providing the accountancy team with the opportunity to network with colleagues working for other councils and it is expected that this working will assist in moving to faster closedown as best practice is identified and shared.

Financial Implications

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

Legal Implications

9. Approval of the amended statement of accounts by the committee fulfils the requirements of the Accounts and Audit (England) Regulations 2015.

Risks

10. None

Other Implications

11. None

Conclusion

12. The audit of the 2015/16 statements of accounts is now substantially complete and, following their approval they can be published.