

Audit Committee

26 February 2015

Final Accounts Timetable for the year
ended 31 March 2015



Don McLure, Corporate Director Resources

Purpose of the Report

- 1 The purpose of the report is to provide Members with the Final Accounts Timetable for 2014/15. This timetable details the deadlines for key actions to complete the Statement of Accounts in line with statutory deadlines.
- 2 The report is presented in accordance with paragraph 4.2.3 of the Committee's operational terms of reference which requires it **'to maintain an understanding of internal and external reporting requirements'**.
- 3 The key dates taken from the Final Accounts Timetable are attached at Appendix 2.

Background

- 4 The 'Accounts and Audit Regulations 2011' introduced a two stage approval process for the Statement of Accounts; the first stage is in June each year. The Regulations require that the responsible financial officer, by no later than 30 June, signs and certifies that the Statement of Accounts presents a true and fair view of the financial position of the County Council for the year to 31 March previous, subject to the views of the External Auditor.
- 5 The second stage, as set out in the Regulations, requires that on or before the 30 September, approval needs to be given to the Statement of Accounts by resolution of a committee, which for Durham County Council is the Audit Committee. This approval will take into account the views of the External Auditor. This is done so that the Statement of Accounts can then be published.
- 6 In order to ensure that the County Council can meet these statutory deadlines, the process of 'closing the accounts' must be closely managed and monitored.
- 7 The Annual Governance Report (AGR) for 2010/11 produced by External Audit recommended that the County Council

“Ensure closedown arrangements are managed against a close down plan, clearly identifying roles, responsibilities and target dates.”

- 8 The Final Accounts timetable is therefore a combination of the implementation of External Audit’s recommendations and a tool for the effective management and monitoring of the final accounts process.

The Timetable

- 9 Each year the timetable is compiled in Strategic Finance with input from services to ensure that deadlines are achievable and will lead to completion of a Statement of Accounts for signing by the Section 151 Officer by 30 June. New and amended processes are considered for the impact on the achievement of dates, as well as reference to the previous year’s problems and meeting of deadlines.
- 10 Strategic Finance monitors the achievement of the dates in the timetable throughout the period February to September. Although every effort is made to meet every deadline set, there will inevitably be some delays that will lead to some of the deadlines being missed.
- 11 Strategic Finance will follow up all delays and missed deadlines to ensure that the overall timetable will be achieved, and identify improvements that can be made to the next year end process.
- 12 Final Accounts Monitoring Meetings are also held each week during April to May to ensure that practitioners apply accounting procedures consistently; best practice is shared; there is a shared understanding of any difficulties or delays that are happening, and to disseminate updated information quickly and consistently. These meetings are not shown in the timetable, but happen each Thursday.
- 13 This process has been in operation for the closedown of the Accounts since 2011/12 and has successfully delivered the Statement of Accounts in line with the statutory deadline. However, there are still improvements to be made.
- 14 The External Auditor, in the Audit Completion Report for 2013/14, whilst acknowledging there had been a smooth audit with no significant difficulties, drew to the attention of the Council that there were further developments to be made to the process in place. The main areas of improvement were to ensure that:
 - the financial statements are free from material error;
 - a complete suite of working papers that support all entries within the financial statements are prepared; and
 - the draft financial statements are quality assured.

- 15 This is of particular importance due to the likelihood of earlier deadlines for the preparation and audit of financial statements from 2017/18. The External Auditor has given a commitment to working even more closely with the Council's corporate finance team to give support to achieve faster closedown and an even more efficient audit process in the coming years.
- 16 The final accounts timetable has been prepared with these improvements in mind.

Recommendations and reasons

- 17 Members are asked to note the key dates in the Final Accounts Timetable for 2014/15 detailed in Appendix 2.

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Appendix 1: Implications

Finance –

There are no direct financial implications arising for the Council as a result of this report, although by implementing the timetable, we are demonstrating efficient arrangements for the proper administration of the County Council's financial affairs and will meet the statutory deadline for the production of the Statement of Accounts.

Staffing -

None

Risk -

This report requires no decision and so a risk assessment has not been carried out.

Equality and Diversity / Public Sector Equality Duty -

None

Accommodation -

None

Crime and Disorder -

None

Human Rights -

None

Consultation -

None

Procurement -

None

Disability Issues -

None

Legal Implications -

None

Appendix 2: Key dates from the Final Accounts Timetable

| Task | Responsibility | Proposed completion date |
|--|--|---------------------------------|
| Final Accounts Timetable and Guidance Notes issued to key personnel | Strategic Finance | Tue 17 Feb 2015 |
| Meet with External Audit to establish the need for Group Accounts | Strategic Finance | Fri 13 Mar 2015 |
| All cash posted up to and including 31 March | Financial Services – Revenues and Benefits | Tue 31 Mar 2015 |
| Final Postings by Benefits Section | Financial Services – Revenues and Benefits | Tue 31 Mar 2015 |
| Last creditors paysheet for 2014/15 | Financial Services – Revenues and Benefits – Creditors | Tue 31 Mar 2015 |
| All stock checks completed at 31 March | Services | Tue 31 Mar 2015 |
| All amounts banked by 31 March to be receipted in Oracle | Services | Tue 31 Mar 2015 |
| Sending out of Related Party Declarations for Members and Senior Officers | Resources – Democratic Services | Wed 1 Apr 2015 |
| Last Monthly Salaries and Wages for 2014/15 information processed into ledger | Payroll / Strategic Finance | Thu 2 Apr 2015 |
| Details of Related Party Declarations for Members and Senior Officers returned to Democratic Services | Members / Senior Officers | Fri 17 Apr 2015 |
| All Bank Reconciliations to 31 March completed | Strategic Finance | Thu 30 Apr 2015 |
| Service Ledgers finalised and final reports produced and net revenue outturn for each Service Grouping notified to Strategic Finance | Financial Services / Strategic Finance | Thu 14 May 2015 |

| Task | Responsibility | Proposed completion date |
|---|--|---------------------------------|
| Draft Statement of Accounts completed | Strategic Finance | Fri 12 June 2015 |
| Analytical Review of service balance sheets and outturn to Strategic Finance | Financial Services | Fri 12 June 2015 |
| Draft Statement of Accounts to External Audit for Technical Review | Strategic Finance | Fri 19 June 2015 |
| Chief Financial Officer to sign the Statement of Accounts | Strategic Finance / Corporate Director Resources | Fri 26 June 2015 |
| Unaudited Whole of Government Accounts (WGA) return to External Audit and CLG (to be confirmed) | Strategic Finance | Tue 30 June 2015 |
| Statement of Accounts to External Audit | Strategic Finance | Wed 1 July 2015 |
| Start of Statement of Accounts Audit | External Audit | Wed 1 July 2015 |
| Start of Inspection Period (to be confirmed) | | Mon 13 July 2015 |
| Cabinet – Overall Outturn Report considered | Strategic Finance | Wed 15 July 2015 |
| Audit Committee Meeting to consider report on the Statement of Accounts | Audit Committee | Mon 27 July 2015 |
| End of Inspection Period (to be confirmed) | | Fri 7 Aug 2015 |
| Appointed day for Audit (to be confirmed) | | Mon 10 Aug 2015 |
| End of Statement of Accounts Audit – provisional | External Audit | Fri 11 Sept 2015 |
| Audit Committee Meeting – approval of Statement of Accounts – Statutory deadline date | Strategic Finance | Wed 30 Sept 2015 |
| Publication of Accounts – Statutory deadline date | Strategic Finance | Wed 30 Sept 2015 |
| Audited Whole of Government Accounts (WGA) return to CLG (to be confirmed) | Strategic Finance | Fri 2 Oct 2015 |