

# CYNGOR SIR POWYS COUNTY COUNCIL

## AUDIT COMMITTEE

3<sup>rd</sup> November 2017

**REPORT AUTHOR:** Jane Thomas, Head of Financial Services

**SUBJECT:** Closure of Accounts

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**REPORT FOR:** Information

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### 1. Introduction

- 1.1 Committee will be aware that the Statement of Accounts for 2016/17 were issued an unqualified audit opinion by the Auditor General and approved by the Audit Committee on the 22<sup>nd</sup> September. The accounts were then published on the public website before the statutory deadline of 30<sup>th</sup> September 2017.
- 1.2 The closure of accounts process and completion of the Statement of Accounts for 2016/17 was delivered under a project management approach. The approach has been adopted for 3 years and has led to continued improvements both to the quality of the draft financial statements and the information available to support them. This was recognised within the ISA260 report presented by Wales Audit Office to Committee on 22<sup>nd</sup> September 2017.
- 1.3 The project management approach will continue for the 2017-18 closure of accounts and look to build on the improvements made in previous years.

### 2 Project Update

- 2.1 The project team remains in place and the project plan for 2017-18 is being developed. A review of last year's project delivery will highlight the lessons learnt, the benefits gained, and the areas for further improvement this year. The actions identified will be incorporated into the plan.
- 2.2 The Wales Audit Office Statement of Accounts Memorandum, which will be received shortly, will also provide details of any issues and make recommendations for the changes arising from this year's audit, actions identified from this report will also be incorporated into our plan.
- 2.3 In 2018-19 the Statutory deadline for both the draft and final set of accounts maybe brought forward by two weeks. The draft will need to be signed by the S151 Officers by 15<sup>th</sup> June 2019 and final version will need to be approved and published by 15<sup>th</sup> September 2019 if proposals from the Account and Audit (Wales)(Amendment) Regulations 2016 consultation are adopted. To ensure we are best placed to meet the proposed deadlines in 2019 the project plan will aim to meet the equivalent mid-month deadlines in 2018.

## Proposed statutory dates for the Statement of Accounts

	2017-18	2018-19	2019-20	2020-21
Draft Version	30 June 18	15 June 19	15 June 20	31 May 21
Published Version	30 Sept 18	15 Sept 19	15 June 20	31 July 21

- 2.4 In preparation for earlier closing officers attended a Wales Audit Office led Early Closing event on 10<sup>th</sup> October 2017 where information and good practice was shared between auditors and officers. A number of authorities have already piloted working to the earlier deadlines and where shared their experiences have been noted.
- 2.5 The establishment of the joint venture, the Heart of Wales Property Services Ltd will require additional disclosures in the accounts and a separate work stream will look at meeting the financial reporting requirements.
- 2.6 The Head of Financial Services will report progress and identify issues with the Strategic Director of Resources (Section 151 Officer), and regular updates are provided under a standard item at the Resources Management Team. Regular update reports will be submitted to Audit Committee.
- 2.7 Discussions will take place with officers from the Wales Audit Office during the next few months to prepare for next year's audit, we will explore what work can be undertaken throughout the year to assist in the audit and how future workshops can be utilised to further improve the process. A clear audit plan will be requested that outlines the audit approach, and audit deliverables and timescales.

<b>Recommendation:</b>	<b>Reason for Recommendation:</b>
<b>That Audit Committee notes the contents of the report.</b>	<b>To continue the improvement in accounts closure and that the continuing use of project management principles is endorsed for the closure and audit of the 2017/18 accounts.</b>

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