

North Tyneside Council Report to Audit Committee Date: 27 September 2017

ITEM 4

Title: Annual Statement of
Accounts 2016/17

Report from Service: Finance

Report Author: Janice Gillespie, Head of Finance (Tel: 643 5701)

Wards affected: All

PART 1

1.1 Executive Summary:

1.1.1 The purpose of this report is to update the Audit Committee on the production of the 2016/17 Annual Statement of Accounts (the Accounts) and how the lessons learnt will be incorporated into the 2017/18 closedown process.

1.2 Recommendation(s):

1.2.1 It is recommended that the:

(a) Audit Committee note the work undertaken in respect of producing the 2016/17 Accounts; and

(b) Audit Committee note how the lessons learnt from the 2016/17 closedown process will be incorporated into the 2017/18 plan.

1.3 Forward plan:

1.3.1 This report is included within the annual workplan for the Audit Committee.

1.4 Council plan and policy framework:

1.4.1 The Annual Statement of Accounts covers all the service responsibilities as identified within the Council Plan.

1.5 Information:

The changes in legislation governing the preparation of the Annual Statement of Accounts

- 1.5.1 As detailed in previous reports presented to the Audit Committee changes have been made to The 'Accounts and Audit Regulations 2015' in respect of the approval process required for the Annual Statement of Accounts. Currently the Chief Finance Officer is required, no later than 30 June, to sign and certify that the Statement of Accounts present a true and fair view of the Authority's financial position for the year to 31 March. The audited set of accounts should, no later than the 30 September, be approved and subsequently published. These dates will change to 31 May and 31 July respectively as a result of the new legislation. These changes are effective from 2017/18.

Preparation of the 2016/17 Annual Statement of Accounts

- 1.5.2 As detailed in the 30 November 2016 report to the Audit Committee, a target date of 31 May 2017 was set for handing over a draft set of Accounts to the Chief Finance Officer with the acknowledgement that not all improvements and process were fully in place that would allow this date to be met.
- 1.5.3 A draft set of Accounts were prepared for this date and passed over for review to the Chief Finance Officer. However, issues around valuations and the need to restate previous years' Accounts meant that the document that was passed across still needed to undergo a thorough quality assurance.
- 1.5.4 The signed and certified set of Accounts were published on the 16 June 2017 – 2 weeks earlier than the statutory deadline.
- 1.5.5 The additional work around the necessity to restate previous years' Accounts had an impact on being able to achieve an earlier certification date. However, it is felt that without this issue then we would have been in a position to have had a fully prepared draft set of accounts for publication by 31 May 2017.
- 1.5.6 It is acknowledged that there are still areas that need to be improved and developed that will ensure we meet both the statutory deadline of publishing the draft Accounts by the 31 May and a fully audited set by 31 July.
- 1.5.7 A comprehensive review of the timetable is being undertaken to identify any problem areas and tasks that can be completed earlier. We are working with both ENGIE and Capita to ensure that everyone is fully conversant with the deadlines together with identifying any changes that can be made to aid in the closedown process.
- 1.5.8 A timetable for the 2017/18 closedown process is currently being drafted with the intention this will be circulated to the relevant sections and individuals early October. A debriefing session has been arranged with the Chief Finance Officer and all those involved in the closedown process, including ENGIE and Capita, to go through all issues identified and to start the process for the 2017/18 closedown.

1.5.9 Discussions are also being held with the external auditors to ensure that we work closely together to determine what is required from everyone to allow the Authority to meet the required statutory deadlines.

1.6 Decision options:

The options available are:

- (a) To accept the recommendations made in section 1.2.1; or
- (b) To reject the recommendations made within this report.

1.7 Reasons for recommended option:

The production of an Audited Annual Statement of Accounts is a requirement of the Accounts and Audit Regulations 2015.

1.8 Appendices:

1.9 Contact officers:

Janice Gillespie – Head of Finance - Tel: 643 5701
Cathy Davison – Principal Accountant – Tel 643 5727
Mary Gascoigne – Principal Accountant – Tel 643 5731

1.10 Background information:

The following background papers and reports have been used in the compilation of this report and are available for inspection at the offices of the author:

- (a) Accounts and Audit Regulations 2015
- (b) 2016/17 Statement of Accounts

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

There are no financial implications as a result of the recommendations within this report.

2.2 Legal

The Annual Statement of Accounts is produced annually in accordance with the Accounts and Audit Regulations 2015.

2.3 Consultation / community engagement

Consultation will take place with the key personnel and interested parties involved in the closedown process.

2.4 Human rights

There are no Human Rights implications as a result of the recommendations in this report.

2.5 Equalities and diversity

There are no Equalities and Diversity implications as a result of the recommendations in this report.

2.6 Risk management

A risk log has been set up which identifies the key risks and issues associated with the closedown process. The management of these risks are part of the overall process.

2.7 Crime and disorder

There are no crime and disorder implications as a result of the recommendations in this report.

2.8 Environment and sustainability

There are no environment and sustainability implications as a result of the recommendations in this report.