

AUDIT COMMITTEE

22June 2016

Subject Heading:	Statement of Accounts 2015/16
CMT Lead:	Andrew Blake-Herbert
Report Author and contact details:	Contact: Mike Board Designation: Corporate Finance & Strategy Manager Telephone: (01708) 432217 E-mail address: mike.board@oneSource.co.uk
Policy context:	This report advises the Audit Committee of the progress to date in preparing for the Closure of Accounts 2015/16
Financial summary:	There are no direct financial implications to the report.

The subject matter of this report deals with the following Council Objectives

Havering will be clean and its environment will be cared for	<input type="checkbox"/>
People will be safe, in their homes and in the community	<input type="checkbox"/>
Residents will be proud to live in Havering	<input checked="" type="checkbox"/>

SUMMARY

As required by the Accounts and Audit Regulations 2011, the Council's Statement of Accounts must be approved and signed by the Group Director of Communities and Resources no later than 30th June 2016. The accounts must be published after the conclusion of the external audit of accounts; no later than 30th September 2016.

RECOMMENDATIONS

The Committee is asked to note that:

- a) The Council's Statement of Accounts must be approved and signed by the Council's Chief Financial Officer; the Chief Executive no later than 30th June 2016.
- b) A verbal update on progress in preparing the statement of accounts will be given by officers on the night.
- c) The draft statement of accounts will be published on the Council's website on 30th June 2016.
- d) The accounts are planned to be considered and approved by the Audit Committee on 27th September 2016.
- e) The accounts must be published following the conclusion of the audit, no later than 30th September 2016.

REPORT DETAIL

1. Statement of Accounts 2015/16

- 1.1. At the time of preparing the report the statement of accounts were nearing completion. A verbal update will be given to the Committee on the night.
- 1.2. As previously reported to the Committee, there are no significant changes in, to the code of practice which affect the 2015/16 closedown. However, the following changes were noted as being matters of significant concern to the closure of accounts programme
 - a) Preparing for early closedown.
 - b) Transformation and One-Source service review.
 - c) Implementation of One Oracle at Newham

These matters have not impacted upon the completion of the accounts within the statutory timescale. Progress has been made in developing the earlier closedown timetable although much work is still required to bring the publication date forward to 31 May by 2017/18. This matter is discussed further in paragraph 2.

- 1.4. In accordance with the Accounts and Audit (England) Regulations 2011. The Completed accounts will need to be approved and signed by the Chief Financial Officer no later than 30th June 2016.
- 1.5 The draft accounts will then be subject to audit by the Council's external auditors Ernst & Young. Following the conclusion of the audit, the accounts

must be approved by the Audit Committee (on 27th September 2016) and published no later than 30th September 2016.

2. Planning for Early Closedown 2017/18

- 2.1 In 2017/18 the statutory closedown period will be brought forward by one month. (i.e. closure and production of the statement of accounts by the 31 May and conclusion of the audit by 30 August).
- 2.2 In 2015/16 officers introduced changes to the closedown timetable in an attempt to bring forward the deadlines and to test the Council's ability to achieve the closure of accounts within the proposed timescales.
- 2.3. Despite some notable successes, in particular the production of the pension fund accounts by 31 May, the earlier closedown timetable slipped by approximately two weeks mainly as a consequence of the following:
 - a) The launch of the finance transformation review in April 2016 which led to resources being re-directed to that process at key points in the closedown programme.
 - b) A delay in the Capital closedown programme as a consequence of additional testing requirements associated with an upgrade in the Asset Register and staff vacancies in the capital accounting team. Capital remains the most complex year end procedure and has a major impact on the financial statements.
- 2.4. It is intended to carry out a review of the process after the publication of the draft accounts in order to inform the development next year's closedown programme.

Financial Implications and risks:

There are no direct financial implications arising from the publication of the 2015/16 Statement of Accounts.

Legal Implications and risks:

Regulation 8 of the Accounts and Audit (England) Regulations 2011 require the approval and publication of the Statement of Accounts after the conclusion of the audit but in any event no later than the 30th September 2016.

There are no apparent legal implications in noting the content of the Report.

Human Resources Implications and risks:

None arising directly

Equalities and Social Inclusion Implications and risks:

None arising directly

Staff Contact: Mike Board
Designation: Corporate Finance and Strategy Manager
Telephone No: 01708 432217
E-mail address:mike.board@haverling.gov.uk

ANDREW BLAKE-HERBERT
Chief Executive

Background Papers List