

**REPORT ON PREPARATION FOR THE 2016/17 ACCOUNTS**

Report of the Assistant Director - Finance

Author: Claire Cook, Assistant Director Finance (Tel: 01992 555737)

**1. Purpose of the Report**

- 1.1 To update the Committee on actions taken in preparation for the 2016/17 Statement of Accounts.

**2. Summary**

- 2.1 Ernst Young LLP (EY) issued an unqualified opinion on the 2015/16 accounts, and made no specific recommendations. As reported in November, a number of actions are under way to ensure the 2016/17 accounts and audit achieve the same high standards, and to address new requirements. This report provides an update of progress against these actions.

**3. Recommendations**

- 3.1 The Committee is invited to note and comment upon this report.

**4. Actions to prepare for 2016/17 and subsequent audits**

- 3.1 Finance has continued to build on the outcomes of the review of the 2015/16 accounts closure and audit process, as it develops its plans for the 2016/17 close.
- 3.2 From 2017/18, there is a statutory requirement to produce the draft accounts by 31 May and final audited accounts by 31 July. A detailed project plan and timetable has been prepared for 2016/17 closure, to provide a 'dry run' and to build on and embed the new approaches introduced in the 2015/16 accounts closedown. This plan has identified critical path activities, to see where efficiencies can be achieved. A number of tasks have been brought forward, for example earlier delivery of asset revaluations and actuary estimates.
- 3.3 Finance is also continuing to work with EY on ways of streamlining and bringing forward the audit process. These include early testing of April – December 2016 transactions, and the agreement of accounting policies and changes to the format of accounts before the main audit.
- 3.4 Officers have attended joint CIPFA / EY training covering changes that impact the 2016/17 accounts. These include a new presentation of the Comprehensive Income and Expenditure Statement, and supporting notes, introduced as part of CIPFA's "Telling the Story" review to give a clearer view of authorities' spend and funding, better aligned to management reporting. In house training is being delivered to the

wider Finance team, and guidance materials for budget managers have been reviewed and communicated.

### 3.5 Accounting Policies

Officers have also reviewed the Accounting Policies to ensure these remain compliant with relevant accounting standards, and that accounting practice in preparing the accounts is aligned with policies. There are no changes in accounting standards or other statutory requirements that impact the Council's 2016/17 accounts, and no changes to accounting policies are proposed.

## **4 Financial Implications**

4.1 There are no additional financial implications.