

CYNGOR SIR POWYS COUNTY COUNCIL

AUDIT COMMITTEE

15th April 2016

REPORT AUTHOR: Professional Lead for Finance

SUBJECT: Closure of Accounts and completion of Statement of Accounts 2015/2016 – Project Update

REPORT FOR: Information

1. Introduction

- 1.1 The Auditor General issued an unqualified opinion on the 2014/15 Accounts on 30 September, 2015, but at that time could not issue a certificate concluding the audit as there was a matter outstanding. This has now been concluded and as a result there have been no changes to the accounts. The Strategic Director of Resources (Section 151 Officer) and the Chair of Audit Committee re-signed the accounts and the Auditor General issued the audit certificate on the 2nd March, 2016 certifying that the audit has been completed in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.
- 1.2 The Closure of Accounts for the financial year ending 31st March 2016 and the completion of the Statement of Accounts is once again being delivered under a project management approach.
- 1.3 The project continues to build on the improvements in previous years.
- 1.4 The Committee received a presentation at its meeting on the 4th February, 2016 which outlined the key elements of the project plan. It also informed the committee of the progress to date, the next steps, and that the timetable and risk register were in place.
- 1.5 This report provides an update on the progress of the project since the previous committee.

2. Project Progress

- 2.1 The Welsh Audit Office recommendations made within the Management Letter presented to the committee on the 4th February have been built into the Project plan workstreams, progress on these is monitored by the project group and Appendix A details the action being taken to address the recommendations.

- 2.2 Detailed instructions were issued to staff across the council for all aspects of the accounts closure which included clear timescales for completion of each element.
- 2.3 The workshop with Finance staff and WAO officers took place on the 21st March, issues and concerns were raised and discussed and actions identified which are being taken forward.
- 2.4 The project team meet fortnightly to manage the project, monitor progress, and discuss and resolve issues. Completion dates for actions on the timetable have in the main been met. Some items have slipped but at this stage will not have an adverse impact in delivering the project. These include review of Trading Accounts and some delayed valuations.
- 2.5 Phase 1 of the project has been completed and Phase 2 is progressing, this phase will finalise housekeeping of the systems, review the expenditure and income records across service areas, ensure all creditors, debtors, and other accruals are identified and entered, grants will be reconciled and all inter department transactions will be completed. Phase 2 is targeted to complete by the 29th of April, this target date has significantly improved over the last few years and it is essential that we continue to shorten these timelines as we prepare to meet the shorter statutory timescales required by 2018/19 and 2020/21.
- 2.6 The Audit Team are on site and substantive testing has begun. An issues log is in place. The Audit Plans for both Powys County Council Accounts and the Pension Fund Accounts have been received. The plans include the risks of material misstatement which the Auditor General considers to be significant and which therefore require special audit consideration. These areas have been reviewed by the project team and incorporated into the relevant workstreams.
- 2.7 Progress will continue to be reported regularly to the Resources Management Team.

3. Key Milestones

Milestone	Deliverable	Start	Completion	RAG Status
Project Team established	Ownership and Delivery of project	Oct 15	Oct 15	Complete
Timetable and Individual Task lists completed	Planning and Delivery of Project	Dec 15	8th Jan 16	Complete

Adequate resourcing of all tasks identified	Delivery of Project	Jan 15	8 th Jan 16	Complete
Valuations completed	Accurate Valuation of land and property within the Accounts	Apr 15	Feb 16	Green
Audit Committee	Present Project Plan and update on project deliverables	Oct 15	Nov 15	Complete
Phase 1	Budget holder/Business services complete transactional elements of year end	Jan 16	31 st March 16	Complete
Phase 2	System Interfaces all completed, Accountancy Teams closing of Service Areas.	1 st April 16	29 th April 16	Green
Phase 3	Pulling together of Financial Statements	18 th April 16	17 th June 16	Green
Phase 4	Review	17 th June 16	30 th June 16	
Audit Committee	Governance and Review	30 th June 16	30 th June 16	
Publish Statement of Accounts & release to WAO	Statutory Requirement	30 th June 16	30 th June 16	
Phase 5	Audit and issue of Audit Opinion	1 st July 16	23 rd Sep 16	
Audit Committee	Approval of Statement of Accounts	30 th Sept 16	30 th Sept 16	
Publish Statement of Accounts	Statutory Requirement	30 th Sept 16	30 th Sept 16	

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Background Papers used to prepare Report:

Closure of Accounts Project Plan

WAO Management letter

WAO Audit Plans