

CYNGOR SIR POWYS COUNTY COUNCIL

AUDIT COMMITTEE

4th November 2016

REPORT AUTHOR: Acting Head of Financial Services

**SUBJECT: Closure of Accounts and completion of Statement of
Accounts Project 2016/17**

REPORT FOR: Information

1. Introduction

- 1.1 Committee will be aware that the Statement of Accounts for 2015/16 were approved and that an unqualified report by the Wales Audit Office (WAO) was presented to Audit Committee on the 30th September 2016, which met the statutory deadline.
- 1.2 The closure of accounts process and completion of the Statement of Accounts for 2015/16 was once again delivered under a project management approach. The approach has been adopted for 2 years and has led to continued improvements both to the quality of the draft financial statements and the information available to support them, the Wales Audit Office have one again recognised improvement in their report to the Committee on the 30th September 2016.
- 1.3 The Project Management approach will continue for the 2016/17 Closure of Accounts and completion of the Statement of Accounts. This will build on the progress made in previous years.

2. Project Update

- 2.1 The Project Team remains in place and the Project Plan for 2016/17 is being developed. A review of last years 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 changes arising from this year's audit, actions identified from this report will also be incorporated into our plan.
- 2.3 Officers are considering changes across the Council where services are considering alternative delivery models such as Joint ventures or Local Authority

Trading Companies. These models will require changes in our Financial Reporting Statements, the requirements and exchange of data need to be understood and developed within any contractual arrangements as well as incorporated within the Statement of Accounts. A specific workstream will also be included in our project plan.

- 2.4 Other changes are also being introduced for the 2016/17 accounts. The introduction of new measurement requirements within the CIPFA Code of Practice on the Highways Network Asset will have a significant impact. Further information on these changes will be provided for the Committee at its next meeting. Officers are working with other South Wales authorities in preparing for these changes.
- 2.5 Officers are attending seminars and training events to better understand the changes and requirements.
- 2.6 The Acting 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, the audit deliverables and timescales.
- 2.8 The earlier publication and audit of the Accounts will be required for the 31st July by 2020/21, with a phased approach imposing the 31st August deadline for 2018/19. These changes will be considered as part of our annual planning with improvements focused on meeting these revised timelines. Some Welsh Authorities piloted shorter closing periods this year and a seminar is being held by the Wales Audit Office on the 10th November 2016. The event "Making a reality of earlier closure" will draw on the experience of the pilot Authorities and a series of workshops will enable delegates to share and learn from each other. We will also engage with colleagues from the pilot authorities on an ongoing basis to further share ideas, plans and good practice.

Recommendation:	Reason for Recommendation:
<p>That Audit Committee notes the contents of the report.</p> <p>That Audit Committee receive regular updates on the Delivery of the Project.</p>	<p>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 2016/17 accounts.</p>

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