

# CYNGOR SIR POWYS COUNTY COUNCIL

## AUDIT COMMITTEE

7th February 2020

**REPORT AUTHOR:** Jane Thomas, Head of Financial Services

**SUBJECT:** Closure of Accounts

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**REPORT FOR:** Information

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### 1. Introduction

- 1.1 Committee will be aware that the Statement of Accounts for 2018/19 were issued an unqualified audit opinion by the Auditor General and approved by the Audit Committee on the 6<sup>th</sup> September. The accounts were then published on the public website before the statutory deadline of 15<sup>th</sup> September 2019.
- 1.2 The closure of accounts process and completion of the Statement of Accounts for 2018/19 was again delivered under a project management approach. The approach has been adopted for 5 years and has led to continued improvements both to the quality of the draft financial statements and the information available to support them. This was recognised within the ISA260 report presented by Wales Audit Office to Committee on 6<sup>th</sup> September 2019.
- 1.3 The project management approach will continue for the 2019-20 closure of accounts.

### 2 Project Update

- 2.1 At the most recent meeting of the group, officers were asked to review the project plan and feedback on any amendments by the middle of February.
- 2.2 Wales Audit Office have provided a draft deliverables list, identifying what information they require for the audit with timescales. Officers are reviewing the reasonableness of the timelines and allocating officers to each task.
- 2.3 CIPFA have produced a document titled Streamlining the Accounts, it is focussed on identifying readers needs and key messages alongside adopting right first time principles. It considers 3 aspects of streamlining. Materiality- key messages that are not obscured by excessive detail. Accounting policies – only important and relevant information should be included. Presentation and layout – considering the best ways to display the figures. A number of the notes were removed in 2018-19 as they were deemed to be below the materiality threshold, these will be monitored to see if this is still the case. The right first time process officers are trying to achieve should benefit the team and assist with the quality of working papers sent to the auditors.

2.4 A CIPFA closing workshop held on 21<sup>st</sup> January 2020 reported little in the way of code changes for 2019-20 but a significant time period was spent highlighting the introduction of the new leasing standard IFRS16 which will take effect from 2020-21. This change in standard was reported to the Audit Committee on 19<sup>th</sup> December 2019.

<b>Recommendation:</b>	<b>Reason for Recommendation:</b>
<b>That Audit Committee notes the contents of this report.</b>	<b>To ensure that the Council successfully completes the preparation and approval of the Annual Statement of Accounts for 2019/20 in order to receive an un-qualified audit opinion.</b>

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