

<b>REPORT REFERENCE NO.</b>	<b>APRC/17/13</b>
<b>MEETING</b>	<b>AUDIT &amp; PERFORMANCE REVIEW COMMITTEE</b>
<b>DATE OF MEETING</b>	<b>28 JUNE 2017</b>
<b>SUBJECT OF REPORT</b>	<b>PUBLICATION OF THE FINANCIAL STATEMENTS 2017-18</b>
<b>LEAD OFFICER</b>	<b>Treasurer to the Authority</b>
<b>RECOMMENDATIONS</b>	<p><b>(a) <i>That the draft accounts for 2017-18 onwards are signed off for publication to the Authority website by the Treasurer to the Authority without any prior consideration by the Audit &amp; Performance Review Committee; and</i></b></p> <p><b>(b) <i>That the draft Annual Statement of Assurance will continue to be considered and monitored ahead of publication by the Audit &amp; Performance Review Committee.</i></b></p>
<b>EXECUTIVE SUMMARY</b>	This report provides the Committee with updated timescales for the closure of the accounts and subsequent publication of the draft and final financial statements per the Accounts and Audit Regulations 2015.
<b>RESOURCE IMPLICATIONS</b>	As indicated in the report.
<b>EQUALITY IMPACT ASSESSMENT</b>	An initial assessment has not identified any equality issues emanating from this report.
<b>APPENDICES</b>	A – Extract from The Accounts and Audit Regulations 2015
<b>LIST OF BACKGROUND PAPERS</b>	None.

## **1. INTRODUCTION AND BACKGROUND**

- 1.1 The Accounts and Audit Regulations 2015 ("The Regulations"), which apply to the Authority, introduced a new timetable for preparation, audit and publication of both the draft and final Financial Statements. The Financial Statements comprise the Statement of Accounts, including the Narrative Statement, and the Annual Governance Statement. Whilst the Regulations came in to force in 2015 the revisions to the timescales for publication apply from the 2017-18 financial year onwards and therefore to the Accounts for the year ending 31 March 2018.
- 1.2 The Regulations require the final financial statements to be signed off by the Authority and this is delegated to the Audit & Performance Review Committee. The 2015 Regulations also introduced a requirement that the draft Financial Statements be available for inspection on the Authority website and this practice commenced for the 2015-16 financial year. It has always been a requirement that the draft Financial Statements be available for public inspection but as 2015-16 was the first time that the draft be made available in electronic rather than hard copy format, the drafts were taken to the June 2016 Audit & Performance Review Committee for consideration prior to publication.
- 1.3 The Regulations state that the Responsible Financial Officer of the Authority – The Treasurer for this Authority - sign and date the statement of accounts, and confirm that they are satisfied that it presents a true and fair view of the financial position of the Authority at the end of the financial year to which it relates.

## **2. REVISED TIMETABLE FOR CLOSURE OF THE ACCOUNTS**

- 2.1 The 2015 Regulations state that the financial statements must be prepared and published to compressed timescales and these are outlined in Table 1 below:

Table 1 – Revised deadlines for publication of the financial statements under the Accounts and Audit Regulations 2015

<b>Requirement</b>	<b>Current Deadline</b>	<b>Revised Deadline</b>
Draft Financial Statements signed off by Treasurer	End of June following the year end 31 <sup>st</sup> March	End of May following the year end 31 <sup>st</sup> March
Publication of draft financial Statements on the website	End of June following the year end 31 <sup>st</sup> March	End of May following the year end 31 <sup>st</sup> March
Audit of the draft financial statements and publication of the Auditors report	End of September following the year end 31 <sup>st</sup> March	End of July following the year end 31 <sup>st</sup> March
Sign off by APRC	End of September following the year end 31 <sup>st</sup> March	End of July following the year end 31 <sup>st</sup> March
Publication of the Final Financial Statements and Audit report on the website	End of September following the year end 31 <sup>st</sup> March	End of July following the year end 31 <sup>st</sup> March

- 2.2 The revised deadlines mean that the important work of preparing the draft Financial Statements must be completed a month earlier, by end of May each financial year, placing an increased burden on budget holders and the Service Finance Team to become more efficient and effective whilst maintaining a high level of accuracy. In preparation for the shortened timescales a trial run of the new timetable was made for the 2016-17 Financial Statements and these were prepared in good time by the end of May 2017.
- 2.3 Were the draft Financial Statements to be considered prior to publication by the Audit & Performance Review Committee in future years, the timetable would be further compressed to allow for preparation and publication of committee papers. In effect the amount of time available to prepare the statements would be reduced from three months to six weeks.
- 2.4 Due to existing committee cycles this would also require an additional meeting of the Audit & Performance Review Committee solely to consider the draft financial statements for publication in May of each year. The final statements would also need to be considered prior to publication at a meeting in July of each year. The sign off of both the draft and final Financial Statements would place additional burden on both Members and the officers of the Authority for a practice which is not required under the Regulations.
- 2.5 Historically there have not been significant changes made to the Financial Statements between publication of the draft and final versions and following scrutiny by external auditors. In previous years the Treasurer, as Responsible Officer and signatory to the Annual Statement of Accounts, has scrutinised the Statements prior to publication of the draft and release to the External Auditors. The assurance and inspection by the Treasurer will continue to be carried out each year per current practice and as required under the Regulations.
- 2.6 Given that the Annual Governance Statement is prepared independently of the Annual Statement of Accounts it will still be possible to bring a draft copy of the document to the April meeting of the Audit & Performance Review Committee with the final version being considered at the July meeting alongside the Accounts and External Auditors Report.

**KEVIN WOODWARD**  
**Treasurer to the Authority**

**EXTRACT FROM THE ACCOUNTS AND AUDIT REGULATIONS 2015**

**The Statutory Instrument can be found in full here**

**[http://www.legislation.gov.uk/ukxi/2015/234/pdfs/ukxi\\_20150234\\_en.pdf](http://www.legislation.gov.uk/ukxi/2015/234/pdfs/ukxi_20150234_en.pdf)**

**Signing and approval of statement of accounts for Category 1 authorities**

**9.—**(1) The responsible financial officer for a Category 1 authority must, on behalf of that authority, in the following order—

(a) sign and date the statement of accounts, and confirm that they are satisfied that it presents a true and fair view of—

(i) the financial position of the authority at the end of the financial year to which it relates; and

(ii) that authority's income and expenditure for that financial year;

(b) commence the period for the exercise of public rights in accordance with regulations 14 and 15; and

(c) notify the local auditor of the date on which that period was so commenced.

(2) Subject to paragraph (3), a Category 1 authority must, following the conclusion of the period for the exercise of public rights in regulation 14, in the following order—

(a) consider, either by way of a committee or by the members meeting as a whole, the statement of accounts;

(b) approve the statement of accounts by a resolution of that committee or meeting;

(c) ensure that the statement of accounts is signed and dated by the person presiding at the committee or meeting at which that approval is given.

(3) The responsible financial officer for a Category 1 authority must re-confirm on behalf of that authority that they are satisfied that the statement of accounts presents a true and fair view of—

(a) 2003 c. 26.

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(a) the financial position of the authority at the end of the financial year to which it relates; and

(b) that authority's income and expenditure for that financial year, before that authority approves it.

**Publication of statement of accounts, annual governance statement and narrative statement for Category 1 authorities**

**10.—**(1) A Category 1 authority must, after approving the statement of accounts in accordance with regulation 9(2) but not later than 31st July of the financial year immediately following the end of the financial year to which the statement relates, publish (which must include publication on the authority's website)—

(a) the statement of accounts together with any certificate or opinion, entered by the local auditor in accordance with section 20(2) of the Act;

(b) the annual governance statement approved in accordance with regulation 6(2); and

(c) the narrative statement prepared in accordance with regulation 8.