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|------------------------------------|--------------------------------|--|---|
| <b>Item No.</b><br>12.             | <b>Classification:</b><br>Open | <b>Date:</b><br>6 June 2018                  | <b>Meeting Name:</b><br>Audit, Governance and Standards Committee |
| <b>Report title:</b>               |                                | 2017-18 draft statement of accounts          |   |
| <b>Ward(s) or groups affected:</b> |                                | All  |   |
| <b>From:</b>                       |                                | Strategic Director of Finance and Governance |   |

## RECOMMENDATION

1. That the audit, governance and standards committee reviews the draft statement of accounts for 2017-18 (appendix 1).

## BACKGROUND INFORMATION

2. The publication of the statement of accounts is an essential feature of public accountability and stewardship as it provides an annual report on how the council has used the public funds for which it is responsible. The closing of accounts is also important for financial management since it confirms the availability of reserves and balances for future use.
3. From 2017-18 onwards, the Accounts and Audit Regulations 2015 require local authorities to approve their final audited accounts by 31 July each year. The regulations also require the draft accounts to be reviewed by the council's responsible financial officer (the strategic director of finance and governance) by 31 May, and for those accounts to be published for public inspection by no later than 1 June.
4. The external audit of the draft accounts will commence on 1 June 2018. As the council's external auditors, Grant Thornton are required to satisfy themselves that the council's accounts comply with statutory requirements and that they have been compiled according to proper practices. In addition they are also required to conclude as to whether the council has arrangements in place for securing economy, efficiency and effectiveness in the use of resources.
5. Under the constitution, the audit, governance and standards committee is the body that formally receives and approves the annual accounts. The audited accounts together with the external auditors report on the accounts are scheduled to be presented to the audit, governance and standards committee at their meeting on 18 July 2018

## KEY ISSUES FOR CONSIDERATION

6. The Accounts and Audit Regulations 2015 brought forward the statutory deadline for having the draft accounts available for audit and also reduced the time available for auditors to complete their assurance work:

|                     | <b>2016-17 Accounts</b> | <b>2017-18 Accounts</b> |
|---------------------|-------------------------|-------------------------|
| Draft accounts by   | 30 June                 | 31 May                  |
| Accounts audited by | 30 September            | 31 July                 |

7. Under the 2015 regulations, the accounts are required to present a true and fair view of the financial position of the council and comply with 'proper accounting practices'. The Local Government Act specifies the Chartered Institute of Public Finance Accountants (the CIPFA) Code of Practice on local authority accounting as representing proper accounting practices for this purpose.
8. The council has produced its draft accounts in accordance with the CIPFA Code and in line with the statutory deadline. The draft accounts were approved by the strategic director of finance on 31 May 2018, three weeks earlier than in 2016-17.
9. The audited accounts, together with the external auditors report, are scheduled to be presented to members at their 18 July 2018 meeting for scrutiny and approval. The draft accounts are presented to members now to inform and enable early scrutiny of the key figures ahead of the July meeting.
10. Under the new statutory timescales there was insufficient time for committee papers to be circulated ahead of the start of public inspection.

**Community impact statement**

11. This report and the accompanying accounts are not considered to have a direct impact on local people and communities. However, good financial management arrangements are important to the delivery of local services and to the achievement of outcomes.

**Resource implications**

12. There are no direct resource implications in this report.

**Consultation**

13. Consultation on the accounts is carried out through public inspection. The accounts are open for public inspection from 1 June 2018 until 12 July 2018.

**SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

14. None required.

**Reasons for lateness**

15. As the deadline for the final draft accounts was 31 May 2018, this was after the dispatch of the audit, governance and standards committee agenda.

**Reasons for urgency**

16. The draft accounts are brought to the committee for review before the final accounts are signed off, which is due at the next meeting of the audit, governance and standards committee.

**BACKGROUND DOCUMENTS**

| Background Papers            | Held At  | Contact                       |
|------------------------------|--|-------------------------------|
| Finance and Governance files | Finance and Governance,<br>Second Floor, Tooley Street | Rob Woollatt<br>020 7525 0614 |

## APPENDICES

| No.        | Title                               |
|------------|-------------------------------------|
| Appendix 1 | Draft 2017-18 Statement of Accounts |

## AUDIT TRAIL

|   |  |                          |
|---|--|--------------------------|
| <b>Lead Officer</b>   | Jennifer Seeley, Director of Finance               |                          |
| <b>Report Author</b>  | Rob Woollatt, Interim Departmental Finance Manager |                          |
| <b>Version</b>  | Final  |                          |
| <b>Dated</b>  | 31 May 2018  |                          |
| <b>Key Decision?</b>  | No   |                          |
| <b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b> |  |                          |
| <b>Officer Title</b>  | <b>Comments Sought</b>                             | <b>Comments included</b> |
| Director of Law and Democracy   | No   | N/A                      |
| Strategic Director of Finance and Governance                            | N/A  | N/A                      |
| <b>Cabinet Member</b>   | N/A  | N/A                      |
| <b>Date final report sent to Constitutional Team</b>                    | 31 May 2018  |                          |