

Summary Sheet

Council Report

Audit Committee

Title

Publication of unaudited Statement of Accounts 2017/18

Is this a Key Decision and has it been included on the Forward Plan?

No.

Strategic Director Approving Submission of the Report

Judith Badger – Strategic Director of Finance & Customer Services

Report Author(s)

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Ward(s) Affected

All

Executive Summary

The Council's annual accounts are the principal means by which the Council is held publicly accountable to local and national stakeholders over the stewardship of its resources.

The report to Audit Committee in February 2018 highlighted the approach taken by the Council in ensuring that the draft unaudited Statement of Accounts would be published in accordance with the revised timescales in accordance with the Accounts and Audit Regulations 2015.

The draft unaudited Statement of Accounts 2017/18 were published on the Council's website on 31 May 2018 which are available through the following link:

http://www.rotherham.gov.uk/downloads/download/361/financial_reports_and_documentation_2018

It also provides Members with an opportunity to consider the draft unaudited Statement of Accounts before Audit Committee is asked to formally approve them, post completion of KPMG's audit, at its meeting in July.

Recommendation

The Audit Committee is asked to receive the draft unaudited Statement of Accounts 2017/18.

List of Appendices Included

Appendix A – Narrative Report

Appendix B – Highlights Report setting out key matters reported in the 2017/18 accounts

Appendix C – Draft Unaudited Statement of Accounts 2017/18

Background Papers

CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2017/18

Accounts and Audit Regulations 2015

Audit Committee meeting – 6 February 2018

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

No

Publication of the draft unaudited Statement of Accounts 2017/18

1. Recommendation

The Audit Committee is asked to receive the draft unaudited Statement of Accounts 2017/18.

2. Background

2.1 The Code of Practice on Local Authority Accounting 2017/18 together with the Accounts and Audit Regulations 2015 set out the accounting and statutory framework for local authority financial reporting.

2.2 Under the Accounts and Audit Regulations 2015, local authorities are required to publish their unaudited accounts no later than 31 May accompanied by a Narrative Report and draft Annual Governance Statement. This triggers a period of 30 working days for local electors to exercise their rights to inspect the accounts and supporting records and to ask questions of the external auditor. The 2017/18 draft unaudited Statement of Accounts were published on the Council's website alongside the Narrative Report and draft Annual Governance Statement on 31 May 2018. The period for local electors to exercise their rights will cease on 12 July 2018.

- 2.3 The external audit of the 2017/18 accounts commenced on 11 June 2018. KPMG will report the findings from their audit to Audit Committee at its July meeting. Where appropriate, they will set out any material adjustments made to the accounts and any uncorrected differences of a non-trivial nature (KPMG have set an overall materiality level of £11 million and triviality threshold of £0.550 million for their audit of the 2017/18 accounts). Audit Committee will then be asked to formally approve the audited Statement of Accounts for publication having regard to KPMG's findings and KPMG will give their opinion on whether the accounts give a true and fair view of the Council's financial performance for the year and its financial position at the end of the year and whether they have been prepared in accordance with proper practice. The deadline for publishing the audited accounts is 31 July 2018.

3. Key Issues

3.1 Draft unaudited Statement of Accounts

- 3.1.1 The Council's draft unaudited Statement of Accounts 2017/18 as published on the Council's website are attached as Appendix C.
- 3.1.2 There have been no significant accounting policy changes to the accounts since 2016/17.

4. Options considered and recommended proposal

- 4.1 Compliance with the Accounts and Audit Regulations 2015 is a statutory requirement. The Regulations state that the Council's "responsible financial officer" is required to sign-off the draft unaudited Statement of Accounts by 31 May and confirm that they are satisfied it presents a true and fair view of the Council's financial position for the financial year. However, the Audit Committee does have discretion over whether it wishes to receive the unaudited accounts before they are formally required to approve them for publication post audit.

5. Consultation

- 5.1 Close liaison continues to be maintained with the Council's External Auditors to ensure that complex accounting issues and action taken in response to changes to the local authority accounting framework are agreed in advance of the accounts being prepared.

6. Timetable and Accountability for Implementing this Decision

- 6.1 The statutory deadline for publishing the draft unaudited Statement of Accounts by 31 May has been met. The statutory deadline for publishing the audited financial statements is 31 July.

7. Financial and Procurement Implications

- 7.1 There are no financial or procurement implications directly associated with closure of the accounts, other than the impact on the audit fee of having good quality financial statements and supporting working papers which meet KPMG's expectations.

8. Legal Implications

- 8.1 None, other than ensuring compliance with the requirements of the Accounts and Audit Regulations 2015.

9. Human Resources Implications

- 9.1 There are no Human Resource implications arising from the report.

10. Implications for Children and Young People and Vulnerable Adults

- 10.1 There are no implications arising from the proposals to Children and Young People and Vulnerable Adults.

11. Equalities and Human Rights Implications

- 11.1 There are no implications arising from this report to Equalities and Human Rights.

12. Implications for Partners and Other Directorates

- 12.1 The NHS requires information on how the pooled budgets operated under the Better Care Fund have been spent to an earlier timetable than that of the Council. Arrangements have been made to ensure this earlier timetable is met. There are no other implications arising from this report to Partners or other directorates.

13. Risks and Mitigation

- 13.1 Robust project management arrangements have been put in place to ensure that the timetable is adhered to and quality standards met.

14. Accountable Officer(s)

Judith Badger - Strategic Director of Finance & Customer Services)

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<http://moderngov.rotherham.gov.uk/ieDocHome.aspx?Categories=>