

## **CAMBRIDGE CITY COUNCIL**

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REPORT OF: Head of Finance

TO: Civic Affairs Committee

28/6/2017

WARDS: None directly affected

### **TIMETABLE AND PROCESS FOR THE APPROVAL OF THE STATEMENT OF ACCOUNTS FROM 2017/18**

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#### **1 INTRODUCTION**

- 1.1. The Audit and Accounts Regulations govern the preparation, approval and publication of local authority accounts. From the 2017/18 financial year these regulations will change the statutory timetable for the approval and audit of the Statement of Accounts.
- 1.2. The change in statutory dates requires the Council to reconsider the timetable for meetings of the Civic Affairs Committee from 2018 onwards and the current process for approval of the Statement of Accounts.

#### **2. RECOMMENDATIONS**

- 2.1 The Committee are asked to agree to take a report at the February meeting in each year at which approval will be sought for any required changes in accounting policy and any expected significant areas of judgement will be highlighted.
- 2.2 The Committee are asked to approve a change in the calendar to move the meeting normally held in June each year until the end of July to facilitate the statutory requirement for them to approve audited accounts by the 31 July.

#### **3. BACKGROUND**

- 3.1 The Audit and Accounts Regulations govern the preparation, approval and publication of local authority accounts. For the 2017/18 financial year there is a requirement for the Council's Chief Financial (Section 151) Officer to approve draft accounts by the 31 May in each year (one month earlier than currently) and for the audited

accounts to be approved by resolution of a committee of the Council (or the full Council) by 31 July (two months earlier than currently). Under the Council's Constitution, the responsibility for accounts approval rests with the Civic Affairs Committee.

#### **4 PROPOSED CHANGES**

- 4.1 The draft accounts are currently presented to Civic Affairs at the end of June and the Committee is asked to note any areas of significant judgement and to approve any required changes in accounting policy.
- 4.2 It is proposed to bring a report highlighting any required changes to accounting policy and expected areas of significant judgement in preparing the accounts to the February meeting of Civic Affairs. This will be before the end of the financial year, but sufficiently close to it that changes and issues relating to the year will have been identified. This approach is adopted by many other councils and the Council's external auditors, Ernst and Young LLP, have indicated that it is acceptable to them.
- 4.3 The current June meeting will need to be moved to the end of July to allow for the Committee to approve the audited accounts prior to the new statutory deadline. Given the challenging deadlines, particularly for the audit of the accounts, the meeting needs to be held as close to the end of the month of July as possible. The Council would normally try to avoid Committee dates during the school holidays but there is no other option in this case. It may be possible to reconsider this in future years once the new arrangements are established and the timing of audit work evolves.
- 4.4 There is a statutory requirement for the draft accounts and the draft Annual Governance Statement to be published and open for public inspection for a period of 30 working days, which must include the first two weeks of June from 2018 to align with the new 31 May deadline for preparation of the accounts. It is proposed that the Annual Governance Statement as drafted by senior officers is published alongside the draft accounts and is then presented to the Committee for their approval at the meeting in July.
- 4.5 The draft accounts will no longer be presented to the Committee, but it is proposed to circulate them and offer a briefing to members of Civic Affairs shortly after their publication at the end of May.

## 5 IMPLICATIONS

- (a) **Financial Implications** None.
- (b) **Staffing Implications** None
- (c) **Equality & Poverty Implications** None
- (d) **Environmental Implications** None
- (e) **Procurement** None
- (f) **Consultation and communication**

As detailed in the report the draft accounts will be published for public inspection in line with the requirements of the Accounts and Audit Regulations.

- (g) **Community Safety**

**BACKGROUND PAPERS:** The following are the background papers that were used in the preparation of this report:

Accounts and Audit Regulations 2015

To inspect these documents contact Charity Main on extension 8152.

The author of this report is Charity Main. The contact officers for queries on the report are Charity Main on extension 8152 or Caroline Ryba on extension 8134.

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