

	<p style="text-align: center;">Audit Committee</p> <p style="text-align: center;">19 April 2018</p>
<p style="text-align: right;">Title</p>	<p>Accounts Closure Improvement Plan – Progress Report</p>
<p style="text-align: right;">Report of</p>	<p>Director of Finance</p>
<p style="text-align: right;">Wards</p>	<p>All</p>
<p style="text-align: right;">Status</p>	<p>Public</p>
<p style="text-align: right;">Urgent</p>	<p>No</p>
<p style="text-align: right;">Key</p>	<p>No</p>
<p style="text-align: right;">Enclosures</p>	<p>Appendix 1 – Accounts Closure Improvement Plan</p>
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Summary

At its meeting on 2 November 2017, the Committee considered an accounts closure improvement plan which was developed to address the misstatements and weaknesses in the 2016/17 accounts preparation process. The Committee also received a progress report at its meeting on 31 January 2018.

Progress against the plan is updated and monitored on a fortnightly basis in conjunction with the Director of Finance and Head of Finance. This report provides the Committee with an update on Customer and Support Group's (CSG's) reported progress against the key actions in the improvement plan.

Whilst some of the originally planned delivery dates were revised over the course of delivering the plan, all actions that impact significantly on the closure of the accounts are now complete. The improvement plan is therefore materially complete and the closure of accounts process, which is now in progress, is being managed through the detailed accounts closure timetable. There are currently no significant concerns that this year's accelerated timetable will not be achieved and any issues that have been raised to date have been mitigated. This will remain under review as the project nears its conclusion.

Recommendations

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| 1. The Audit Committee are asked to note progress against the accounts closure improvement plan. |
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1. WHY THIS REPORT IS NEEDED

- 1.1 At its meeting on 2 November 2017, the Committee considered an accounts closure improvement plan which was developed to address the misstatements and weaknesses in the 2016/17 accounts preparation process. A progress report was also presented to the Committee on 31 January 2018.
- 1.2 The improvement plan focuses on the following themes:
- Resourcing issues;
 - End to end management of the accounts and audit process;
 - Changes in the presentation of the financial statements;
 - Specific issues raised in the Audit Completion Report;
 - Pension Fund accounts;
 - External audit process.
- 1.3 Since the last Audit Committee, progress against the improvement plan has continued to be monitored on a fortnightly basis in conjunction with the Council's Director of Finance (S151 officer) and Head of Finance (Deputy S151 officer). This report provides the Committee with an update on CSG's reported progress against the key actions in the improvement plan.
- 1.4 Whilst some of the originally planned delivery dates were revised over the course of delivering the plan, all actions that impact significantly on the closure of the accounts are now complete. The improvement plan is therefore materially complete and the closure of accounts process, which is now in progress, is being managed through the detailed accounts closure timetable. Any items on the improvement plan which are not complete at this point will be monitored as business as usual through the closure timetable.
- 1.5 CSG are confident of achieving the deadlines set within the Closure of Accounts year end timetable and that a robust set of accounts, free of significant errors, will be produced.
- 1.6 The Section 151 Officer and Deputy confirm that all issues and actions of which they are aware are progressing in a way which would indicate they will be delivered to time. Any risks to the closure of accounts timetable that have been identified have been mitigated and work has been undertaken to improve processes and address issues earlier than ever before. The Section 151 Officer and Deputy will continue to monitor and deal with issues as and when they arise.

2. REASONS FOR RECOMMENDATIONS

- 2.1 To ensure that the Audit Committee has appropriate oversight and assurance of the actions being taken to improve the timeliness and quality of the Statement of Accounts and Pension Fund Accounts.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 None.

4. POST DECISION IMPLEMENTATION

- 4.1 The Director of Finance (S151 officer) and Head of Finance (Deputy S151 officer) will continue to monitor delivery of the closure of accounts process by CSG Finance.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The Audit Committee provides the Council with independent assurance and effective challenge and, therefore, the Committee is central to the provision of effective governance that supports delivery of all corporate priorities.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 The improvement plan has been delivered by CSG finance with support from elsewhere in Capita Local Government Services. Additional resources have been added to the CSG closing team, funded by Capita.

5.3 Legal and Constitutional References

- 5.3.1 The Council's Constitution (Article 7) sets out the terms of reference for Committees. The responsibilities for the Audit Committee include providing "independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment and to oversee the financial reporting process".

5.4 Risk Management

- 5.4.1 Delivery of the improvement plan and ongoing close monitoring of the closure of accounts timetable will help to mitigate the risk of similar issues reoccurring in 2017/18 and future years.

5.5 Equalities and Diversity

- 5.5.1 None in the context of this report.

5.6 Consultation and Engagement

- 5.6.1 N/A.