



## AGENDA NO: 8

### INDEPENDENT AUDIT COMMITTEE - 17 July 2018

#### ANNUAL FINANCIAL REPORT 2017/18

#### REPORT BY ALEXIS GARLICK (on behalf of 4x s151 Officers)

#### PURPOSE OF THE REPORT

*The purpose of this report is to provide the Independent Audit Committee with an overview of the audited accounts for 2017/18, for Devon & Cornwall and for Dorset, for its consideration.*

#### 1. INTRODUCTION

- 1.1 The final audited accounts are now presented for review. The Committee will receive a presentation on both the Devon & Cornwall and the Dorset final accounts at the meeting. This will highlight the key messages of the accounts and the changes that have been made since the draft (unaudited) accounts were published.
- 1.2 At the time of writing the auditors have not fully completed their work. The Statutory deadline for the publication of audited accounts is 31 July (previously 30 September).
- 1.3 The CIPFA guidance on Audit Committees recommends the following in relation to financial reporting:

#### **Financial Reporting**

The committee will provide advice and recommendations to the PCC or Chief Constable in relation to:

- Review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit of the financial statements that need to be brought to the attention of the PCC and/or the chief constable
- Consider the external auditor's report to those charged with governance on issues arising from the audit of the financial statements.

- 1.4 The External Auditor's report is being considered elsewhere on the agenda. It is expected that an unqualified audit opinion will be received.
- 1.5 The Statement of Accounts includes:
  - A Narrative Statement

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- The Audited Statement of Accounts for 2017/18
- The Annual Governance Statement.

## **2. Faster Close**

- 2.1 With effect from 2017/18 we are required to prepare draft financial statements by 31 May and final audited and published accounts by 31 July. This allows 2 months following the end of the year for the preparation of the draft accounts and working papers and 2 months for the completion of the audit, any revisions and sign off. The previous timescales were 3 months each with publication of the draft accounts by 30 June and final audited accounts by 30 September.
- 2.2 The draft publication date of 31 May was achieved by the Alliance Finance team for all four corporations sole. This was managed by early preparation and a clear project plan and some exceptional individual effort. An early review of the process is planned as the first step of the planning for next year.
- 2.3 The date of the July Committee meeting has added some pressure to the timetable for finalising the audit and the accounts, necessitating papers being issued after the initial agenda despatch. For next year it is requested that the committee considers a meeting as late as possible during week ending 26<sup>th</sup> July 2019. It is believed that this would still allow sufficient time for reporting back to the PCC and CC before final sign off.

## **3. Presentation / Format of Accounts**

- 3.1 At its meeting in March the committee noted the work undertaken to align the accounts presentation. This has delivered a consistent presentation of the accounts and adoption of best practice which, it is planned, will be further developed for next year.

## **4. Annual Governance Statement**

- 4.1 The Annual Governance Statements have been updated since the last meeting of the Audit Committee on 13 March 2018, taking into account the Audit Committee's review and comments made.

## **5. RECOMMENDATIONS**

- 5.1 The Audit Committee are asked to consider the following and to report back to the respective PCC and CC on the results of its considerations:
- the selection of appropriate accounting policies;
  - any concerns arising from the audit of the accounts; and
  - the Annual Governance Statement.
- 5.2 That consideration is given to the meeting date for next year being as late as possible during week ending 26<sup>th</sup> July 2019.
- 5.3 That the achievement of the Alliance Finance team and the commencement of planning for next year, is noted.

## **Appendices**

- a (i) Statement of Accounts 2017/18 – Devon & Cornwall PCC and Group
- a (ii) Statement of Accounts 2017/18 – Devon & Cornwall CC
- b (i) Statement of Accounts 2017/18 – Dorset PCC and Group

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b (ii) Statement of Accounts 2017/18 – Dorset CC

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