

## AUDIT COMMITTEE - 4 DECEMBER 2018

### PART I – DELEGATED

#### 12. COMMUNICATING THE ACCOUNTS (DoF)

##### 1 Summary

1.1 This report is in response to a request by the Committee to consider how the dissemination of the information contained within the Statement of Accounts can be improved.

##### 2 Details

2.1 The financial statements are a vital part of the accountability framework of local authorities. A couple of years ago there was much in the press about the need to encourage an army of 'armchair auditors' but little recognition of how accounts could be made more accessible to the general public.

2.2 A number of years ago there was a period when local authorities started to produce summary statement of accounts, however, even those authorities that made progress in developing a summary stopped producing this after a few years. Feedback from some of those authorities involved suggests that the summary was not exploited properly due to insufficient thought being given to how it was going to be used and communicated. A couple of summaries have been included as examples of what was produced.

2.3 For 2017/18 CIPFA introduced the Expenditure and Funding Analysis (EFA) which intended to tie the statement of accounts to the original budget in a more understandable format. In addition the narrative requirements have been increased to provide a more comprehensive view of the authority's activities. The link to the annual accounts is: <https://www.threerivers.gov.uk/download?id=42680> . At the time of the review, CIPFA also produced a publication Understanding Local Authority Financial Statements including an explanation of the EFA, downloadable at: [https://www.cipfa.org/~media/files/policy%20and%20guidance/boards/cipfa%20asaac/understanding\\_lafs\\_v6.pdf?la=en](https://www.cipfa.org/~media/files/policy%20and%20guidance/boards/cipfa%20asaac/understanding_lafs_v6.pdf?la=en) .

2.4 The Committee may wish to consider whether more can be done to improve the presentation of the main Statement of Accounts and what is the key information, perhaps including the EFA, that could be presented on the website alongside the link to the full statement.

##### 3 Options and Reasons for Recommendations

3.1 The recommendations allow Committee to consider any recommendations they wish to make to improve the communication of the information within the statement of accounts.

#### **4 Policy/Budget Reference and Implications**

4.1 None specific.

#### **5 Financial, Legal, Equal Opportunities, Staffing, Environmental, Community Safety, Public Health, Customer Services Centre, Communications & Website, Risk Management and Health & Safety Implications**

5.1 None specific.

#### **6 Recommendation**

6.1 That: the Committee consider any recommendations they wish to make to improve the communication of the information within the Statement of Accounts.

Report prepared by: Alison Scott, Head of Finance.

#### **Data Quality**

Data sources:

SIAS Audit Update Report

SIAS

Data checked by:

Client Audit Manager (PSIAS).

Data rating:

<b>1</b>	<b>Poor</b>	
<b>2</b>	<b>Sufficient</b>	√
<b>3</b>	<b>High</b>	

#### **Background Papers**

TRDC annual accounts: <https://www.threerivers.gov.uk/download?id=42680> .

CIPFA, Understanding Local Authority Financial Statements [https://www.cipfa.org/~media/files/policy%20and%20guidance/boards/cipfa%20lasaac/understanding\\_lafs\\_v6.pdf?la=en](https://www.cipfa.org/~media/files/policy%20and%20guidance/boards/cipfa%20lasaac/understanding_lafs_v6.pdf?la=en)

#### **APPENDICES / ATTACHMENTS**

Example Summary Accounts