

Achieving Faster Closedown – Oldham Experience

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Oldham
Council

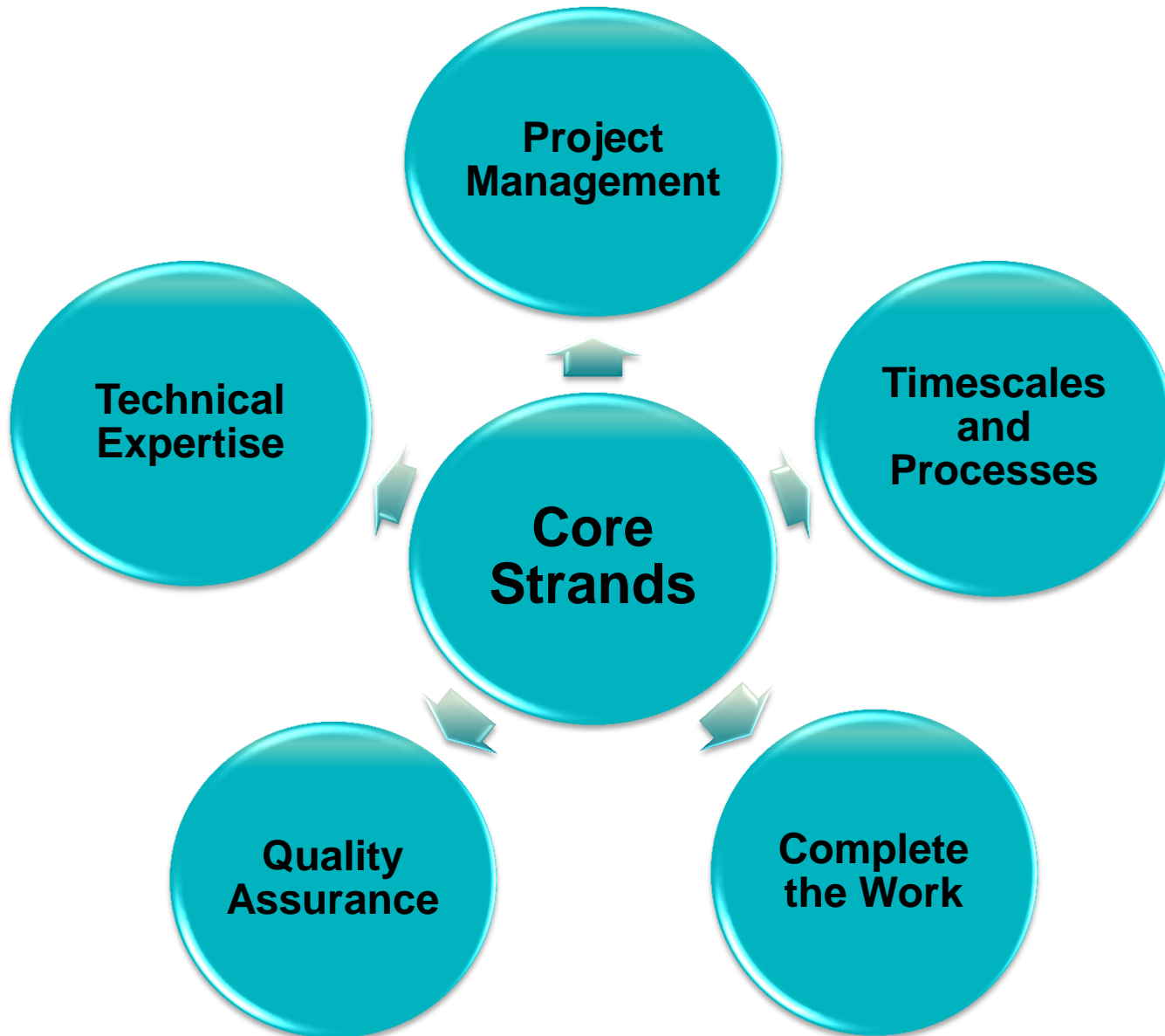
The Oldham Journey

Financial Year	Submitted For External Audit	Audit Opinion & Published Accounts	National Ranking	Staff
2008/09	30 June 2009	30 September 2009		95
2009/10	27 May 2010	31 August 2010	Top 6 Council and 1 st Met Authority	90
2010/11	19 May 2011	29 July 2011	Joint 1 st Council	103
2011/12	3 May 2012	25 June 2012	1 st Local Gov Body (LGB)	91
2012/13	26 April 2013	31 May 2013	1 st LGB, top 60% FTSE 100	84
2013/14	17 April 2014	28 May 2014	1 st LGB, top 50% FTSE 100	82
2014/15	14 April 2015	19 May 2015	?	78

Why? – The Benefits

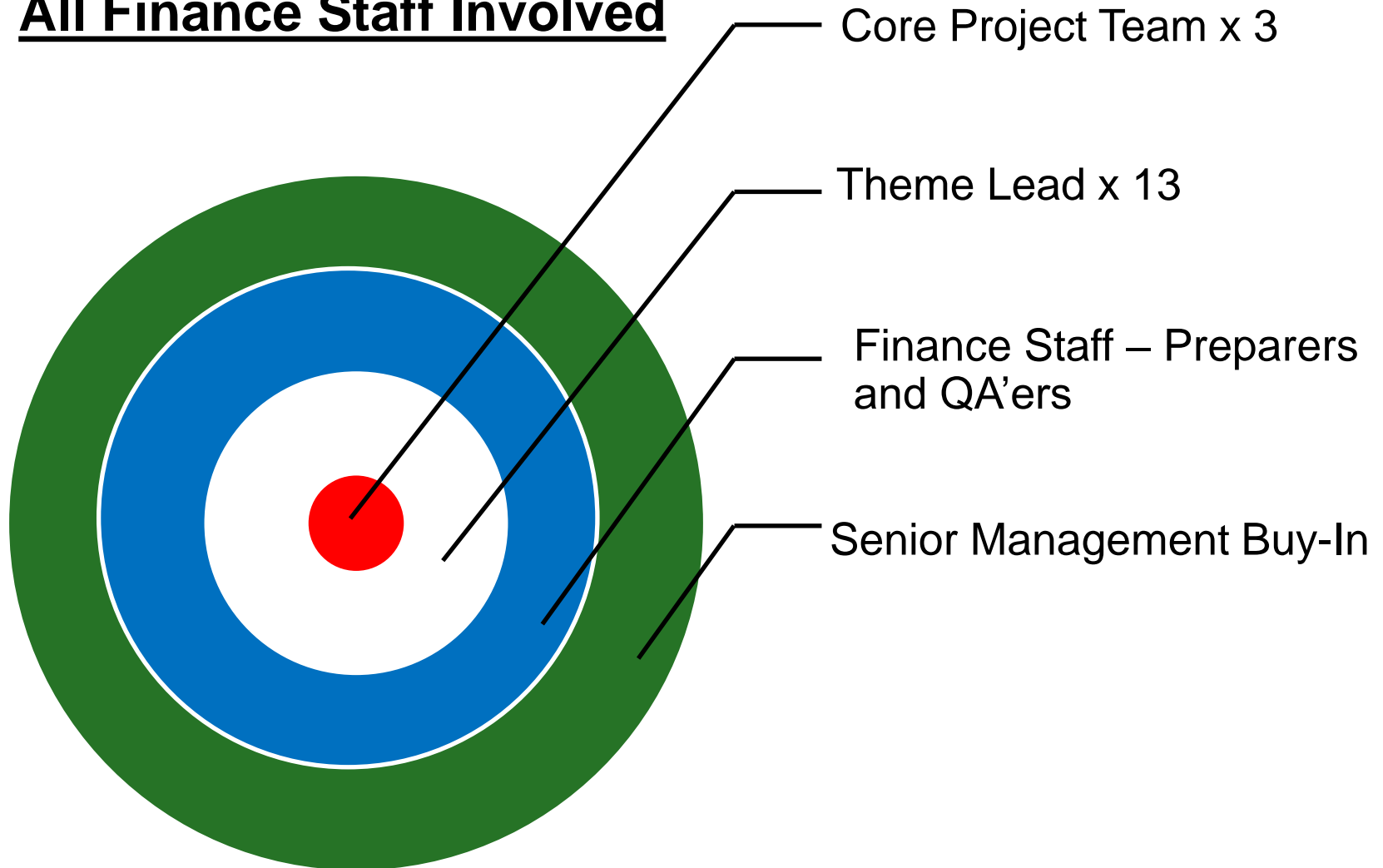
- Apart from requirement from 2017/18....
- Allows Finance to focus on value adding tasks
- Continuous improvement
- Transformation of Financial Management - NOT just Final Accounts
- Emerging issues addressed early
- Set standard for quality and timeliness
- Example of Finance leading from the front

How?



Project Management

All Finance Staff Involved



Challenge Timescales

- Early planning
 - Key dates set
 - Comprehensive timetable
 - Progress monitoring – Month 6 and 9 closedown
 - Lessons learnt reviewed
 - Continuous identification of risks and mitigating actions
 - Identify technical resource requirements and gaps
- Early engagement with External Auditors
- Early engagement with Third Parties

Challenge Processes

- Lean review – what can be done differently?
- Report automation
- Standardise working papers
- Use of checklists
- Use of estimates
- Materiality - decluttering the accounts
- Continuous improvement encouraged

Complete The Work

- **Still same amount of work to be completed BUT...**
- Workload smoothed throughout the year
- Complete as much work as possible early
- Quicker doesn't mean poor quality
- All timetable tasks allocated
- Team work is essential
- Early recognition of individual pressures

Quality Assurance

Completer

Complete the required task with reference to the guidance and checklist

Quality Assurer - Primary

Quality assure the working paper and review the detailed calculations and requirements from the QA Checklist

Quality Assurer – Secondary

Check both Completer and Preparer have completed QA Checklist
Eyes over and Lockdown.
Cross Casting Checks

Technical Expertise

- **Technical Expertise...**
- Still need key individuals to be technical experts, but ensure knowledge sharing to provide resilience
- Technical issues identified early and resolved before year end
- Early resolution of technical issues through...
 - Local technical groups
 - Regular External Audit liaison

External Audit Engagement

- in new issues
- in key decisions
- in key estimates and judgements
- in any uncovered skeletons - particularly relating to financial systems
- regular meetings between finance team and audit
 - from month 6 – monthly
 - from month 9 – fortnightly
 - from production - weekly

Working Papers – Accessibility for Audit

- electronic files
- access for auditor
- structure of filing system

Working Papers – Individual Working Papers

- agree in advance what is needed and what isn't – it may surprise you!
- agree pro-forma documents
- all significant ledger balances
- transaction prints

Working Papers – Supporting Documentation

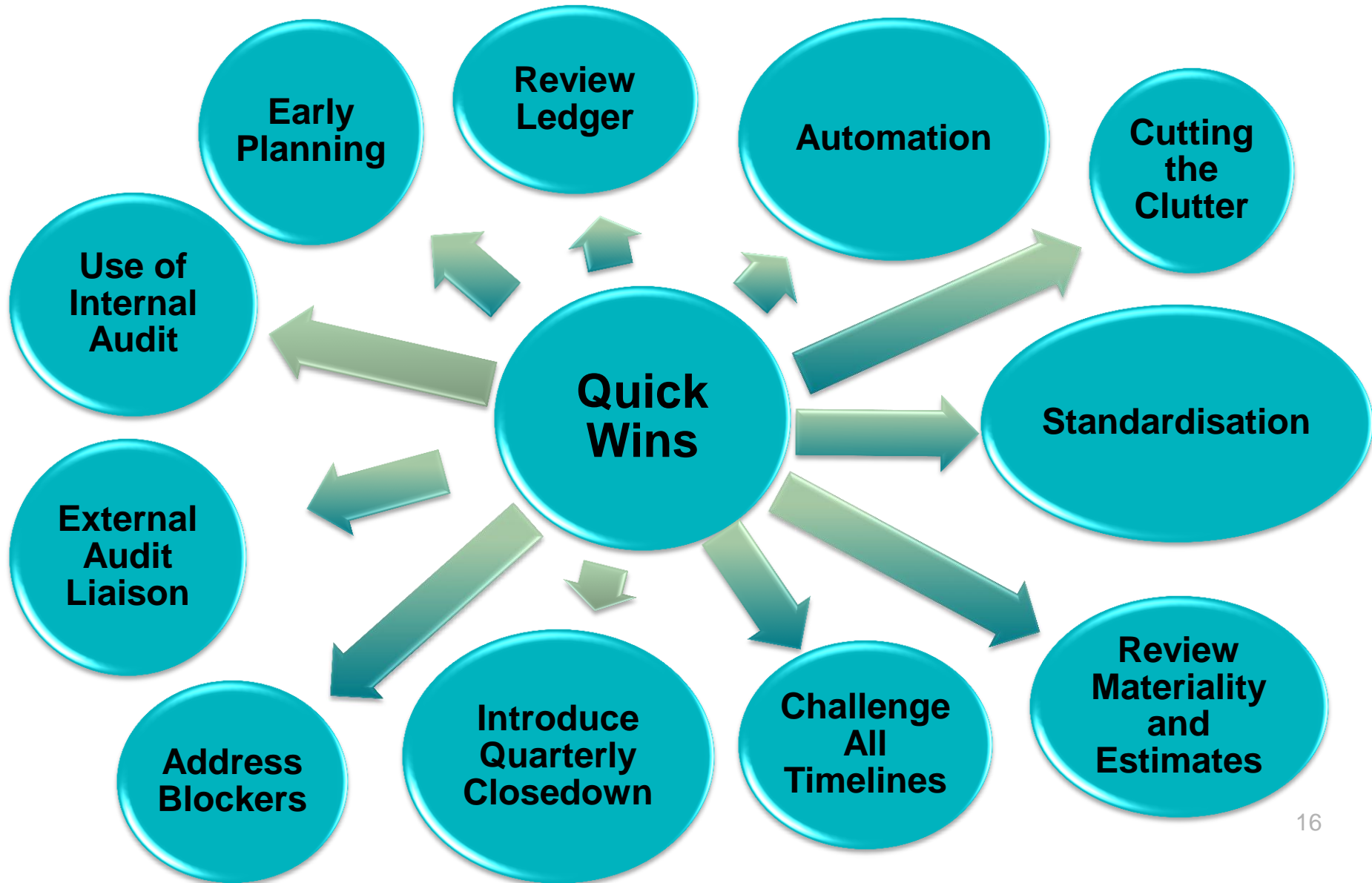
- analytical review – share it
- quality checklist/ review papers – share them
- other significant documents – agree list

Final Thoughts

it's a joint project **with** your auditor

- project plan is crucial (from a long way out)
- no surprises
- discipline in keeping to timetable
- requires commitment and understanding from both sides
- remember - risk appetite may differ between firms and even individual auditors – so agree in advance!

Faster Closedown - Quick Wins



Summary

- A well managed and planned approach results in...
 - Lean Process
 - Effective and Efficient
 - High Quality
 - Best Practice
 - Faster Closedown

Short term pain resulting in longer term gain to the organisation and the Finance Team

Questions



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