

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO ACCOUNTS AND AUDIT COMMITTEE

Agenda Item No

meeting date: 24 MARCH 2010
title: CLOSURE OF ACCOUNTS TIMETABLE 2009/10
submitted by: DIRECTOR OF RESOURCES
principal author: LAWSON ODDIE

1 PURPOSE

- 1.1 To remind members of the statutory requirement to closedown our accounts by 30 June 2010 and publish them by 30 September 2010.
- 1.2 To inform members of the benefits of closing down our accounts by these deadlines, in particular the good governance aspects.
- 1.3 To consider the detailed timetable to be adhered to if we are to achieve the required deadlines.

2 BACKGROUND

- 2.1 The Accounts and Audit Regulations (2003) set out detailed prescription about the format and content of the statement of accounts and allocate certain responsibilities to participants in the accounts production process. In addition the Accounts and Audit Regulations (2006) introduced significant changes to these regulations.
- 2.2 The Regulations state that authorities must closedown their accounts by the end of June each year. This deadline was brought forward by three months over consecutive financial years. This had important implications for local authorities in terms of planning to ensure critical tasks were met and the approval of accounts carried out by the deadline.

3 THE ACCOUNTS AND AUDIT REGULATIONS 2003 & 2006 (AMENDMENT)

- 3.1 The principal matters covered by the regulations relevant to accounts preparation are:
 - the director of finance must ensure that the accounting records kept by the authority are sufficient to enable the preparation of the statement of accounts
 - the statement of accounts is required to be prepared in accordance with the Regulations and proper practices, where specific proper practices are not identified, the accounts must conform with UK GAAP
 - the director of finance is required to certify that the accounts “present fairly”
 - a committee or members meeting as a whole are to approve the accounts as soon as is reasonably practicable
 - an annual review of the effectiveness of internal controls is required, which will feed into a statement on the system of internal control to be included in the statement of accounts (England only)
 - the authority is to advertise electors’ rights before the statutory inspection period and upon certification that the audit is complete

- the authority is to allow access to the accounts and specified supporting documents during the public inspection period
- publication of the accounts is to be achieved by particular dates, with or without the audit opinion

The Regulations stipulate various responsibilities for the closure of accounts;

Members

- Ensuring adequate and effective financial management
- Ensuring that the authority has a sound system of internal control that facilitates the effective exercise of its functions and which includes arrangements for the management of risk
- Maintaining an adequate and effective system of internal audit in accordance with proper audit practices (the CIPFA Code of Practice for Internal Audit in Local Government in the UK)
- Ensuring that the statement of accounts is prepared in accordance with the Regulations
- Approving by a resolution of a committee or members meeting as a whole as soon as is reasonably practicable
- Signing and dating of the statement of accounts by the presiding member at the approval

**Chief
Finance
Officer**

- Determining on behalf of the authority;
 - ✓ its accounting records (including the form of accounts and supporting accounting records)
 - ✓ its accounting control systems
 and ensuring that they are observed and that accounting records are maintained in accordance with 'proper practices' and are kept up to date
- Ensuring that accounting records are sufficient to show the authority's transactions and to enable the chief finance officer to ensure that the statement of accounts complies with the Regulations. In particular, the records shall contain:
 - ✓ entries from day to day of all monies received and expended and the matters to which the income and expenditure account relates
 - ✓ a record of the assets and liabilities of the authority
 - ✓ a record of income and expenditure in relation to claims for government contributions, grants and subsidies

- Ensuring that accounting control systems include:
 - ✓ measures to ensure financial transactions are recorded as soon as reasonably practicable and as accurately as reasonably possible
 - ✓ measures to enable the prevention and detection of fraud and corruption
 - ✓ the ability to reconstitute any lost records
 - ✓ identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions
 - ✓ procedures to ensure that uncollectable amounts (including bad debts) are not written off except with the approval of the responsible financial officer (RFO) (or their nominee) and that approval is shown in the accounting records
 - ✓ measures to ensure that risk is managed appropriately
- Signing and dating the statement of accounts and certifying that it presents fairly the financial position of the body at the end of the year and its income and expenditure

3.2 The Regulations also contain important procedural requirements for the accounts production process;

- ❖ Authorities are required to publish their accounts as soon as reasonably possible after the auditor has certified the audit closed and in any event no later than **30 September**.
- ❖ The Regulations do not define what constitutes 'publication', but do confirm that it must be something more than inclusion in the agenda papers of a council or committee meeting. In previous years we decided to 'publish' our accounts on our website. We intend to continue publishing our accounts via this method.
- ❖ Authorities must advertise that the audit has been concluded and that the statement of accounts is available for inspection by the electors
- ❖ The auditor is responsible for appointing a day on which electors may exercise their rights to ask questions about the accounts and make objections and for notifying the authority of the date. The authority must make available for public inspection the accounts and supporting documents for **20 working days** before the auditor's appointed day.
- ❖ The authority must advertise the inspection period at least **14 days before** it is to commence.

4 GOVERNANCE ISSUES

4.1 The early production of the statement of accounts is an essential element of good governance, therefore enabling members to;

- ❖ Receive assurance that accounting systems have operated adequately and have been closed down satisfactorily
- ❖ Have confidence that the budget for the current year has a secure foundation
- ❖ Understand the corporate financial performance during the year and also the position at 31 March
- ❖ Adopt the statement of accounts

4.2 It is important that members are aware of the comfort gained from having the statement of accounts published and also that this comfort should be provided at the earliest opportunity. If members fully scrutinise the accounts authorities are in an ideal situation:

- ❖ An interested readership will encourage a focus to disclosures
- ❖ A source of challenge for the content and presentation of the statement of accounts
- ❖ Demand for prompt production at the highest level in the authority that will provide muscle to attempts to meet deadlines

4.3 A statutory requirement from 2007/08 was introduced to produce an Annual Governance Statement (AGS). This forms part of the Statement of Accounts.

5 ISSUES FACING RIBBLE VALLEY

5.1 ***Budget Pressures***

Members will recall the difficulties in setting the 2010/11 budget. As in previous years significant savings had to be found to produce an affordable budget.

This process will need to be repeated for the 2011/12 budget round and therefore it is imperative that the accounts for the current year are closed as soon as reasonably practicable in order to inform the budget setting process. We will then be in a position to consider the council's reserves and balances and areas of over/under spending. Adding to the pressure is the uncertainty surrounding the level of future public sector funding.

5.2 ***Practical Issues***

Last year our accounts were approved by the Accounts and Audit Committee on 24 June 2009. The final accounts, following amendments suggested by our auditors (via their ISA 260 report), were also approved by the Accounts and Audit Committee on 16 September 2009. This arrangement worked very well with the Committee members able to give due consideration to the accounts and scrutinise areas they felt necessary.

For the 2009/10 closedown, we intend to bring the final accounts to your meeting on Wednesday 30 June 2010 for approval. This would ensure we comply with the statutory deadline.

The amended final accounts, following adjustments agreed with our auditors, will need to be approved by the end of September. In the proposed Committee Meetings Timetable for 2010/11 there is a meeting of the Accounts and Audit Committee scheduled for Wednesday 15 September 2010.

5.3 ***Resource Implications***

It should be stressed that the timetable attached assumes a full complement of accountancy staff. Whilst staff savings have been made in the financial services section in 2009/10, the closedown process should be helped this year as all establishment posts are now appointed to, including the Technical Accountant post. However, as members will be aware the impending introduction of International Financial Reporting Standards to local government will add pressures on the staffing resources of the section as the balance sheet for 2008/09 will need to be restated and also once the Statement of Accounts have been prepared and approved under UK GAAP, they will then need to be restated under International Financial Reporting Standards (IFRS).

5.4 ***Timetable***

Based on our past experience, the availability of our external auditors and the statutory deadlines we have determined a timetable for the closure of our accounts, attached at Annex 1. We firmly believe it is important that all staff are aware of the importance of achieving these deadlines and understand the vital roles they also play.

You will see this timetable is considerably detailed and clearly indicates who is responsible for which actions. We have used our experience from last year's closure to inform this year's deadlines. Again we intend to monitor when we actually achieve each individual task in order to inform future timetables, this is especially important given the new changes to the Accounts.

6 RECOMMENDED THAT COMMITTEE

6.1 Endorse the suggested approach for the closure of the 2009/10 accounts.

FINANCIAL SERVICES MANAGER

AA2-10/LO/AC
8 March 2010

Timetable for Closure of 2009/10 Accounts

No.		Completion Date	Task	Member of Staff Responsible	Date Actually Done	Comments
1	Mon	8 March 2010	Audit Commission – Chris Cooke, Sophia Iqbal and Janet Kearton on site Interim Audit looking at Financial Systems work	Lawson Oddie		
2	Thurs	18 March 2010	Circulation of closure memo and estimated creditor/debtor sheets	Neil Sandiford		
3	Thurs	18 March 2010	Review of “open” purchase orders , ie cancel/match up to invoice/keep under review to accrue	Trudy Holderness Neil Sandiford Robin Bramhall Louise Ashcroft		
4	Thurs	18 March 2010	Requests for year end creditor invoice training for members of staff responsible for entering invoices on Powersolve to be received	Karen Blackburn Service managers		
5	Thurs	25 March 2010	Last cheque run BACS/cheque date 31 March	Accounts team IT section		
6	Weds	31 March 2010	ALL stock takes to be carried out by	Trudy Holderness Robin Bramhall Neil Sandiford Service managers		
7	Weds	31 March 2010	Ensure Creditors/Debtors balance reports & Aged Debtors reports are run at night	Accounts Team		
8	Weds	31 March 2010	Ensure all Goods Received Notes are entered on to the Purchasing system where goods or services have been received by the end of 31 March 2010	All Staff Louise Ashcroft		
9	Thurs	1 April 2010	Receipt of petty cash books/floats/receipts	Sharon Callaghan		
10	Thurs	1 April 2010	Last date for receipt of staff timesheets for charging to capital schemes	Sharon Callaghan Service Managers		

No.		Completion Date	Task	Member of Staff Responsible	Date Actually Done	Comments
11	Thurs	1 April 2010	Roll Forward purchase order commitments to new financial year and provide reports to Accountants	Louise Ashcroft Robin Bramhall		
12	Thurs	1 April 2010	Finalise PWLB interest and average interest rate for investments	Trudy Holderness		
13	Thurs	1 April 2010	All income up to 31 March 2010 to be paid in to either cash office/the bank for: ❖ Level C & D receptions ❖ Pool ❖ Gym ❖ Museum ❖ TIC ❖ Gallery ❖ Castle Café ❖ Car Parks	All staff who pay cash in		
14	Thurs	1 April 2010	Income analysis sheets for Pool and Gym to be passed to Sharon Callaghan for period up to and including 31 March 2010	Diane Miller Sharon Callaghan		
15	Thurs	1 April 2010	Consider Ribble Valley Homes issues eg VAT shelter, pensions, paying over rents etc	Neil Sandiford Kay Plant		
	Fri	2 April 2010	Good Friday			
	Mon	5 April 2010	Easter Monday			
16	Tues	5 April 2010	Entry of year end cash journals	Sharon Callaghan		
17	Tues	6 April 2010	Last date for receipt of completed and authorised stock sheets	Trudy Holderness Robin Bramhall Neil Sandiford Service managers		
18	Tues	6 April 2010	Last date for receipt of council tax/NNDR prints	Mark Edmondson		
19	Tues	6 April 2010	Last date for receipt of undry debtor control sheets for 2009/10	Karen Keenan Service managers All Staff		
20	Thurs	8 April 2010	Completed Statement 1's & 2's up to & incl. Thurs 1 April 2010 to be passed to Sharon Callaghan and thereafter on a daily basis	Carole Lockwood Michelle West Sharon Callaghan		

No.		Completion Date	Task	Member of Staff Responsible	Date Actually Done	Comments
21	Thurs	8 April 2010	Completion of all system reconciliations	All Accountancy		
22	Thurs	8 April 2010	Last date for receipt of estimated debtor sheets	Neil Sandiford Service Managers		
23	Thurs	8 April 2010	Last day for entering old year invoices on Financials	Karen Blackburn		
24	Thurs	8 April 2010	Last day for receipt of holiday and lieu time records from PAs (for IFRS)	Neil Sandiford		
25	Tues	13 April 2010	Last day for receipt of estimated creditor sheets	Neil Sandiford		
26	Tues	13 April 2010	Bank reconciliation completed and authorised	Sharon Callaghan Robin Bramhall		
27	Fri	16 April 2010	Annual Governance Statement to be produced by	Amy Gaskell Jane Pearson		
28	Fri	23 April 2010	2008/09 Accounts to be reviewed and restated by	Lawson Oddie		
	Mon	3 May 2010	May Day			
29	Tues	4 May 2010	Send AGS to Leader and CE for signing	Amy Gaskell		
30	Wed	5 May 2010	Receipt of FRS17 information from Lancashire County Council	Lawson Oddie		
31	Wed	5 May 2010	Decision taken on assets to be added/written off	Jane Pearson		
	Thurs	6 May 2010	Potential General Election			
32	Fri	7 May 2010	Central establishment recharges done by	Trudy Holderness Robin Bramhall Neil Sandiford		
33	Tues	11 May 2010	FRS17 adjustment journals to be entered by	Lawson Oddie		
34	Fri	14 May 2010	Closedown collection fund	Lawson Oddie		
35	Fri	14 May 2010	Capital accounts finished and journals entered	Lawson Oddie Neil Sandiford		
36	Wed	19 May 2010	Interest allocated	Lawson Oddie		

No.		Completion Date	Task	Member of Staff Responsible	Date Actually Done	Comments
37	Wed	19 May 2010	Service committee accounts to be finished and general fund summary account complete	Trudy Holderness Robin Bramhall Neil Sandiford		
38	Thurs	27 May 2010	Produce I&E A/C, Balance sheet and HRA I&E A/C	Lawson Oddie		
	Mon	31 May 2010	Spring Bank Holiday			
	Tues	1 June 2010	Spring Bank Holiday			
39	Mon	7 June 2010	Produce notes to the accounts	Lawson Oddie		
40	Thurs	10 June 2010	Complete all other associated statements cash flow / STRGL / Statements of Movements on the GF Balance	Lawson Oddie Neil Sandiford		
41	Tues	15 June 2010	Complete Explanatory Foreword	Lawson Oddie		
42	Tues	15 June 2010	Statement of Accounts to be completed	Lawson Oddie		
43	By Mon	21 June 2010	Advertise accounts available for inspection from 5 July 10	Lawson Oddie		
44	Wed	30 June 2010	Accounts and Audit Committee meeting to approve accounts	Lawson Oddie Jane Pearson		
45	Mon	5 July 2010	Period of public inspection starts (20 working days before appointed day)	Lawson Oddie		
46	Mon	5 July 2010	Audit Commission commence final accounts audit – 6weeks	Audit Commission		
47	Mon	2 August 2010	Audit Commission appointed day	Audit Commission		
	Mon	30 August 2010	August Bank Holiday			
48	Fri	13 August 2010	Clearance meeting with Audit Commission	Audit Commission Jane Pearson Lawson Oddie		
49	Fri	27 August 2010	Complete ISA 260 adjustments and issue final Statement of Accounts/updated trial bal for both I&E & Bal sheet to Audit Commission	Lawson Oddie		

No.		Completion Date	Task	Member of Staff Responsible	Date Actually Done	Comments
50	Fri	3 September 2010	Final ISA 260 report and Final Set of Accounts to be received from AC to send out with Agenda for A&A Committee	Audit Commission		
51	Wed	15 September 2010	Accounts and Audit Committee meeting to consider the ISA 260 Report and approve amended Final Accounts	Jane Pearson Lawson Oddie Audit Commission		
52	Fri	24 September 2010	Receipt of signed accounts from Audit Commission	Audit Commission		
53	Fri	24 September 2010	Whole of Government Accounts return to be completed by	Lawson Oddie Neil Sandiford		
54	Mon	27 September 2010	Accounts to be published on website by	Lawson Oddie Kay Plant		
55	Thurs	30 September 2010	Summary Accounts to be prepared and published on website by	Lawson Oddie		