

CLOSURE OF ACCOUNTS 2006 - 2008

EXECUTIVE MEMBER: Cllr Elaine Woodburn, Leader
LEAD OFFICER: Liam Murphy, Chief Executive
REPORT AUTHOR: Liam Murphy, Chief Executive

Summary and Recommendation:

The Executive are asked to note the situation with the closure of the financial accounts for 2006 – 07 and 2007 – 08.

1. INTRODUCTION

- 1.1 Every year the Council has a statutory requirement to close its accounts as a matter of record of public expenditure for the preceding financial year.
- 1.2 To ensure proper accountability the Council is required to adopt a set of accounts by the 30th June and to close (sign-off) accounts by the 30th September.
- 1.3 This report explains the current situation with the Council's closure of accounts for the period 2006 – 08, and the resulting pressure on officer capacity.

2. FINANCIAL ACCOUNTS FOR 2006 - 2007

- 2.1 The accounts for 2006 – 2007 were adopted by the Council by the appropriate statutory deadline last year. Before the accounts could be signed-off however they were subject to an objection by a private citizen of the borough.
- 2.2 The objection, over a sale of Council property, was investigated by the Audit Commission and they found in the Council's favour. This investigation was only concluded within the last month (June 2008). Consequently, the final work to close the accounts has only recently begun.

3. FINANCIAL ACCOUNTS FOR 2007 - 2008

- 3.1 As a consequence of the preceding year's accounts being left 'open' it has not been possible to close the most recent set of accounts as the opening balance of these accounts is based upon the closing balance of the previous set.

4. CLOSURE OF THE ACCOUNTS

- 4.1 As a consequence of these events, the Council must close the accounts for 2006 – 07 as soon as possible, the statutory deadline having being missed, but we are still required to close the accounts for 2007 – 08 within the statutory deadline of the 30th September 2008.
- 4.2 Under our current capacity it is unlikely that we will address all the issues raised in our annual audit letters for 2007 and 2008 through the closure of accounts and it is therefore unlikely that we will make the September deadline.
- 4.3 The District Auditor has informed the Chief Executive that there are no acceptable reasons to miss this deadline. As a result the Chief Executive has looked to engage additional resource to assist finance staff with the necessary tasks.
- 4.4 Given the nature of the current circumstances, the Chief Executive is looking to procure the additional resource under the 'urgent' exemption clause of the Council's procurement policy. This request for the exemption and the proposed procurement decision are included in the accompanying Part II report on this meeting's agenda.

5. FINANCIAL AND HUMAN RESOURCES IMPLICATIONS (INCLUDING SOURCES OF FINANCE)

These are considered in the accompanying Part II report.

6. IMPACT ON CORPORATE PLAN

No immediate impact but failure to resolve the Council's accounts could delay future project and initiative planning and delivery.

List of Consultees:

Executive
Corporate Team

CHECKLIST FOR DEALING WITH KEY ISSUES

Please confirm against the issue if the key issues below have been addressed. This can be by either a short narrative or quoting the paragraph number in the report in which it has been covered.

Impact on Crime and Disorder	Not applicable
Impact on Sustainability	Not applicable
Impact on Rural Proofing	Not applicable
Health and Safety Implications	Not applicable
Impact on Equality and Diversity Issues	Not applicable
Children and Young Persons Implications	Not applicable
Human Rights Act Implications	Not applicable
Section 151 Officer Comments	There are several specific tasks which are quite time consuming in the closing of the accounts.
Monitoring Officer Comments	No specific comments.