

Chichester District Council

CORPORATE GOVERNANCE & AUDIT COMMITTEE 22 March 2016

Carry Forward Requests

1. Contacts

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2. Recommendation

2.1. To request the Cabinet to approve the requests totalling £88,600 for budgets to be carried forward in 2016-17.

3. Background

3.1. In accordance with Financial Regulations, at the end of each financial year the Committee may determine that unspent balances of a specific nature may be carried forward into the following financial year.

3.2. Unspent balances at the year-end normally revert to general balances and are taken into account when considering the budget strategy for future years. Exceptionally, however, the Committee may take the view that an underspend arises from circumstances outside the control of the budget manager and that it is in the Council's best interests to carry forward a budget.

4. Main Report

4.1. The Accounts and Audit Regulation 2015 came into force on 1 April 2015. These new regulations retain the present deadlines for the issue and publications of the Council's Statement of Accounts (30 June and 30 September respectively) for the 2015-16 and 2016-17, but shorten this timetable from 2017-18 onwards. From 2017-18 the Council will be required to issue its Statement of Accounts by 31 May, and approve and publish its audited accounts by 31 July.

4.2. In preparation for this earlier deadline the Accountancy Service is exploring ways to streamline current practice by reviewing procedure and processes that will include:

- the de-cluttering of the accounts with the removal of disclosures that are not considered material to the reader of the financial statements;
- a review of materiality and wider use of estimates;
- the possibility of introducing a mini closedown at the end of quarter three (December) for the capital accounts; and,

- the bringing forward of year-end approvals such as carry forward requests.
- 4.3. The closedown of accounts for financial years 2015-16 and 2016-17 therefore provide the opportunity for two dry runs to assess the changes implemented to ensure that the statutory deadlines for 2017-18 are achieved.
 - 4.4. The new financial system implemented in April 2014 provides the Council's budget managers with easy access to the financial data relating to their approved budgets. As a result, these managers no longer need to rely on the accountancy service to provide them with up to date financial information as they are able to self-serve the system for themselves. In addition all budget managers have been provided with financial training supplied by trainers from the Chartered Institute of Public Finance and Accountancy (CIPFA), and also offered the opportunity to have one-to-one assistance with an accountant at a number of drop-in sessions provided by the Accountancy Service during the past year. As a result, budget managers are now better placed to be able to forecast their year-end budgetary position earlier than before.
 - 4.5. Previously carry forwards requests were considered after the year-end and submitted to this Committee in June. It is now considered appropriate to bring forward their approval process. Earlier approval will not only assist the Accountancy Service with the year-end closure process, but will also benefit budget managers as approved carry forwards will be available in their budgets in April as opposed to having to wait until July following the meeting of this Committee at the end of June.
 - 4.6. All carry forward requests agreed by this Committee, are agreed in principle, subject to the funds being available and unspent at the year end. It may be necessary to claw-back the approval if it is found that the budget requested to be carried forward has been spent or the income not received when the Council's outturn position is established.
 - 4.7. The carry forward requests in Appendix 1 have been received from budget managers. The Committee is asked to consider the reasons behind each carry forward requested to satisfy itself that the underspends have not arisen due to poor performance, and request the Cabinet to approve their carry forward into 2015-16. These requests are supported by the Chief Executive and the Head of Finance and Governance Services.

5. Background Papers

- 5.1. None.

6. Appendices

- 6.1. Schedule of Carry Forwards Requests from 2015-16 to 2016-17.