

Chichester District Council

CORPORATE GOVERNANCE & AUDIT COMMITTEE

30 March 2017

Carry Forward Requests

1. Contacts

Report Author:

David Cooper, Group Accountant,

Tel: 01243 534733 E-mail: dcooper@chichester.gov.uk

2. Recommendation

- 2.1. That the Committee considers and recommends to Cabinet the requests for budgets to be carried forward to 2017-18 totalling £120,800.**

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 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 has implemented a number of initiatives to accelerate the closedown process. This includes:
- 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 introduction of a mini closedown at the end of quarter three (December) for the capital accounts; and,
 - the bringing forward of approvals for carry forward requests.

- 4.3. The closedown of accounts for financial year 2016-17 therefore provides the opportunity for a further dry run to assess the changes implemented to ensure that the statutory deadlines for 2017-18 are achieved.
- 4.4. The Council's financial system provides 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-service the system for themselves. Therefore budget managers are now better placed to be able to forecast their year-end budgetary position earlier than before.
- 4.5. 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.
- 4.6. The earlier approval of carry forward request benefits the Accountancy Service with the year-end closure process, and also budget managers as approved carry forwards will be available in their budgets from the start of the new financial year.
- 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 2017-18. These requests are supported by the Chief Executive and the Head of Finance and Governance Services.

5. Appendices

- 5.1. Schedule of Carry Forwards Requests from 2016-17 to 2017-18

6. Background Papers

- 6.1. None.