

## **Management Procedures for Preparing the Statement of Accounts**

The Statement of Accounts is a complex technical document which requires a significant amount of preparation to produce. Management ensure that detailed procedures and timetables are produced to complete the Statement of Accounts on time, with minimal errors and in line with accounting guidance.

The main elements involved are:

- Production of a Closedown Timetable and Guidance
- Weekly closedown meetings during April
- Critical Review
- Liaison with the Audit Commission
- Training and Development
- Post completion review

### **Closedown Timetable and Guidance**

In February the Accounts Closedown Timetable and Guidance is prepared by the Corporate Accounting team. This is reviewed and approved by the Finance Management Team and distributed to all finance staff and covers issues such as:

- Responsibilities of service managers and officers in respect of their service accounts, capital schemes and other financial affairs
- Preparation prior to year end covering:
  - Outstanding commitments on the financial system
  - Petty Cash reconciliations
  - Local Banking
- Payments. Details of final payment runs and dates.
- Manual Creditors. Guidance on accounting for outstanding amounts relating to goods and services which have been received by 31 March but for which bills have not yet been received and passed for payment.
- Manual Debtors. Guidance on accounting for payments made in the old year which relate to the new year. Also guidance on accounting for income relating to the old year banked in the new year.
- Work in Progress. Dates and procedures for accounting for Work in Progress.
- Income. Guidance on banking of cash and relevant deadlines.
- Petty Cash. Guidance on certificates which need to be completed at the year end.
- Error Corrections and Journals. Deadlines and procedures for correcting errors and transferring amounts on the financial system.
- Project Costing and Billing. Deadlines for input of timesheets.
- SSP/Capita. Procedures for dealing with invoices from Capita.
- Government Grants. Eligibility rules for grant claims.
- Capital. Procedures for completing capital financing statements and providing information on capital for the Statement of Accounts.
- Stocks. Guidelines for accounting for stocks.

A Key Dates Calendar is produced which lists approximately 80 events and the date by which they need to be completed. This starts with a pre-closedown meeting for finance staff held in February and ends with the Publication of the Accounts on the 30 September.

### **Closedown Meetings**

From late March through to the end of April weekly closedown meetings are held with representatives from each portfolio to discuss key processes/deadlines and resolve any issues.

### **Critical Review**

Following the deadline for portfolios to complete their accounting transactions (around 3 weeks after the end of March), the central Corporate Accounting team convert the figures from the financial system into the various accounting statements and notes which form the Statement of Accounts.

This process includes a period of critical review by senior management before the approval of the accounts by the Standards & Governance committee prior to the 30<sup>th</sup> June.

### **Liaison with the Audit Commission**

An important aspect of the preparation of the accounts is liaison with the audit commission prior to the year end to discuss new requirements in accounting regulations and any changes to the Council's accounting policies. Officers are keen to engage with the Audit Commission to discuss the Council's proposed accounting treatment on potentially contentious issues to try and gain agreement before the accounts are completed and the audit begins.

Examples of issues that officers have raised with the Audit Commission in preparation for the 2007/08 accounts include:

- Accounting treatment for the transfer of IT assets to Capita
- Pension costs in relation to staff transferred to Capita
- New accounting regulations on financial instruments
- New accounting regulations on Minimum Revenue Provision

### **Training and Development**

The accounting officers involved in the preparation of the Statement of Accounts attend training courses run by CIPFA which cover new and future developments in Local Authority accounting regulations.

In addition, the Council's Treasury Management advisors have a technical director who is able to provide advice and assistance on capital and treasury accounting issues.

### **Post Completion**

Following the completion of the Statement of Accounts two post completion meetings are held in order to review how the process went and what lessons can be learned for future years. One meeting is held with finance staff from the portfolios and another is held between the central accounting team.