

ANNUAL ACCOUNTS 2005-06

1 INTRODUCTION

- 1.1 This report advises the Audit Committee on the plans in place for financial year end 31 March 2006 and the preparation of the Council's annual accounts for 2005-06.

2 RECOMMENDATIONS

- 2.1 To note that plans are in place to prepare the Council's annual accounts, consistent with the Accounting Code of Practice and submit them to Council prior to 30 June 2006 in line with the Scottish Executives requirements.

3 DETAIL

- 3.1 "An Audit Committees – Practical Guidance for Local Authorities" has been issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). This suggests that Audit Committees should have an overview of the plans made for preparation of the council's annual accounts.
- 3.2 A set of instructions for the end of the financial year have been drafted. These cover close down at the end of the council's financial systems and the preparation of a set of accounts in line with professional and legislative requirements.
- 3.3 The project plan included with the instructions is detailed and includes the following milestones:
- Capital expenditure, capital charges and treasury management revenue accounts completed by 28 April.
 - Revenue expenditure, creditors, debtors, accruals and prepayments completed by 28 April.
 - Council Tax and NDR entries completed by 16 May
 - Review and adjustments to ledger and central department cost allocations completed by 19 May.
 - Preparation of draft annual accounts including report by Head of Strategic Finance by 7 June.
 - Draft annual accounts considered by a meeting of the Full Council on 28 June.

- 3.4 The plans are in line with previous years. Previously external Audit has been satisfied with the quality of working papers and general arrangements for preparation of the annual accounts. The plan should result in annual account prepared by the required deadline of 30 June 2006 and with supporting documentation of a standard to enable completion of the audit by the required deadline of 30 September 2006.
- 3.5 From 2005/2006 all councils are required to prepare group accounts. Argyll and Bute Council opted for the transitional arrangements for the 2004/2005 Accounts to apply. These arrangements did not require group accounts to be prepared. The Council has now fully adopted the 2004 SORP's requirements for Group Accounts. Full comparatives are now required for 2004/2005. A separate group accounts timetable has been prepared to ensure that full compliance is achieved in respect of group accounts. This ensures that the group financial statements will be included in the annual accounts which will be considered by the Full Council on 28 June.
- 3.5 Copies of both sets of instructions / timetables are available from Head of Strategic Finance if required.

Bruce West
Head of Strategic Finance
3 March 2006