

REPORT



REPORT OF	MEETING	DATE	ITEM NO
FINANCE	CABINET	13 JUNE 2007	3

ACCOUNTANCY STAFFING

Public item

This item is for consideration in the public part of the meeting.

Summary

This report notes the challenges faced by the Accountancy service and the need to invest further to provide an appropriate level of financial service.

Recommendations

1. That members note the current difficulties and approve the recruitment of an extra post to be financed from efficiencies in the staffing budgets.
2. That a further review of the service be carried out in September as part of the review of the closedown process to the Audit Committee and once the financial systems have been further developed.

Cabinet Portfolio

The item falls within the following cabinet portfolio:

Finance and Efficiency

Councillor Paul Rigby

Continued....

Report

1 The Council is currently facing operational difficulties in the Accountancy Section due to:

- the implementation of new financial systems
- senior long term staff sickness
- high recent staff turnover
- increased demands on the service.

In November the new CIVICA financial systems were introduced in the Council and the intention was to fully develop them between November and March before closing the annual accounts. This process was led by the Accountancy Services Manager who unfortunately was off on long term sickness from the end of November to the middle of April when he started a phased return to work.

At the beginning of December one of the accountants also left the authority. This left the section in a difficult position to roll out the new systems and produce a budget including a differential rating option. In total, out of a section of five staff there has been a turnover of four staff in the last year. Nevertheless the budget was successfully achieved.

To help overcome these difficulties external resources were brought in for the budget. To help implement the new systems, staff from Wyre were utilised but unfortunately this arrangement had to be curtailed as Wyre themselves faced resourcing issues. However agreement has been reached to secure further support from Wyre at the end of June.

The action plan presented to the Audit Committee in March in response to the annual audit management letter had as one its actions to provide additional staff resources for the 2006/07 final accounts.

In the absence of the Accountancy Services Manager external resources were secured in the form of agency accountants but there was no-one available with the detailed CIVICA closedown experience which was required. This has led to difficulties in meeting the advanced national timetable for the closing and approval of accounts which has been brought forward from September 30th to June 30th in recent years.

In addition it is noted that the Audit Commission continue to raise the bar in their expectations of finance departments as defined in the 'Use of Resources' review which feeds into the CPA process. If the Council aspires to rise beyond the satisfactory level of service it will be necessary to invest further in the service.

In addition the establishment of the Lowther Trust and the setting up of a new company place extra demands on the service with the requirement for separate accounting arrangements including annual accounts.

The challenges highlighted above and particularly the implementation of new systems have set the service back and to recover lost ground and further develop the service it is recommended that one additional accountant be recruited and a more detailed review be provided to the Audit Committee in September after the accounts have been audited and the financial systems further developed.

IMPLICATIONS	
Finance	Additional cost of post is up to £32,000.
Legal	
Community Safety	
Human Rights and Equalities	
Sustainability	
Health & Safety and Risk Management	

REPORT AUTHOR	TEL	DATE	DOC. ID
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LIST OF BACKGROUND PAPERS		
NAME OF DOCUMENT	DATE	WHERE AVAILABLE FOR INSPECTION
Accountancy	June 2007	Finance Section, Town Hall, St Annes