

Inspecting the Accounts of your Council and also getting information about the Common Good

In June or July each year the Local Authority should put a public notice in the local newspaper. This will be headed up:

Local Government (Scotland) Act 1973 – Draft Accounts year to 31 March 200X

This will give the place and dates when the draft accounts of the Council can be inspected. Anyone can take copies of extracts of these, and all books, deeds, contracts, vouchers and receipts will also be made available. Enquiries concerning this will be directed to a designated officer of the council who will be named on the public notice.

The second part of the notice gives information about who is the auditor (which may be Audit Scotland or a firm of accountants) and the date when any objection about the draft accounts needs to be filed.

The first thing to do is to write off to the named officer of the council (usually the Director of Finance) and tell him when you propose to attend and what you want to see.

If you are specific about what you want, then there can be no excuses about not producing the documents! A list may include things like:

1. All vouchers and receipts relating to the income and expenditure of the Oldburgh Common Good Fund;
2. A list of the assets of the Oldburgh Common Good Fund, and all of the title deeds relating thereto;
3. All vouchers and receipts relating to the income and expenditure of the Oldburgh Public Hall, if not included in the above;
4. The title deeds of the Oldburgh Public Hall, Oldburgh Park and Oldburgh Common, if not included in the above.

The purpose of points 3 and 4 is to get the income and expense and the deeds of property which may be Common Good, but is not accounted for as Common Good by the council.

Based on this information, you should now know what the income is, what it was spent on and what assets (the Council thinks) are Common Good. By looking at the other title deeds of the public buildings and open space within the burgh, and applying the definition of Common Good provided by the Scottish Parliament, you can now find out if there is any property which is Common Good and not accounted for as such.

In the event that you think there is anything wrong, then the first thing is to give the council a chance to confirm or deny your suspicions by writing to the Director of Finance.

The next thing is to send an objection and a statement of the grounds of objection to the auditor, named in the notice, and copies to the Controller of Audit of the Accounts Commission, whose address is also on the notice.

Copies must also be sent to the Council and any officer concerned. I normally send copies to the Chief Executive, Chief Legal Officer and Chief Financial Officer as well as each of the local councillors to satisfy this.

The objection could be something like:

Scottish Local Authority – Draft Accounts for the year to 31 March 200X

In accordance with s101(2) (a) of the Local Government (Scotland) Act 1973 I hereby lodge objection to the above accounts on the following grounds:

Heritable property gifted to the former Oldburgh has not been included within the assets of the Oldburgh Common Good Fund. Consequently the assets of the Oldburgh Common Good Fund are understated and the assets of the council are overstated.

Income derived from the assets of the Oldburgh Common Good Fund has not been accounted for within the Common Good Fund, and consequently the income is understated and the income of the council is overstated.

Expenditure of the Oldburgh Common Good Fund has been incurred other than with regard to the interests of the inhabitants of Oldburgh and such expenditure is contrary to the provisions of statute.

You should provide sufficient detail to enable the auditor to understand what the point you are making is. You may also wish to request an opportunity to have a meeting with the auditor to explain your points more fully. If so, put that request in your letter.

You will probably then be invited to a meeting with the auditor at about the end of August or the beginning of September. Remember that the council's accounts need to be signed-off by 30 September, so the Auditor won't adjust the accounts or anything unless the effect of the objection is *material* to the accounts of the council.

Sometimes the auditor will inform you that, although the effect of your objection was not material, he will ask the council to make the adjustments in the following year's accounts to rectify any errors and mistakes. If so check that they do this the next year!

Sometimes, of course, the auditor decides that you are just being a nuisance by bringing up objections about a few thousand pounds, when the council has income and assets of several millions, and (politely) tells you so and doesn't do anything about your objection. Keep at it, you can bring up the same issues year after year and the quantification of the mistake will multiply over these years, if it is not fixed.

Let me know how you get on!

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