
STATUTORY INSTRUMENTS

2018 No. 1128

The Local Government (Boundary Changes) Regulations 2018

PART 8

Accounts of predecessor councils and other financial matters

Interpretation of Part 8

20. In this Part—

“the 2015 Regulations” means the Accounts and Audit Regulations 2015(1);

“final accounts”, in relation to a predecessor council, means the council’s statement of accounts for the financial year ending immediately before the reorganisation date;

“section 151 officer” means the person who is for the time being appointed by the predecessor council, shadow authority or successor council, as the case may be, to be responsible for the administration of its financial affairs; and

“statement of accounts” means the statement required by regulation 7(1) (statement of accounts for Category 1 authorities) of the 2015 Regulations.

Responsibility for preparation of final accounts of predecessor councils

21.—(1) A successor council shall prepare and publish the final accounts of its predecessor councils.

(2) The 2015 Regulations shall have effect for the purposes of paragraph (1) as if—

(a) in regulation 7 (statement of accounts for Category 1 authorities)—

(i) in paragraph (1) the reference to an authority were a reference to the successor council and not to any of its predecessor councils;

(ii) in paragraphs (2) and (5) the reference to an authority were a reference to a predecessor council and not to its successor council;

(b) in regulation 8 (narrative statements)—

(i) the reference to an authority were references to the successor council and not to any of its predecessor councils;

(ii) in paragraph (2) the reference to an authority’s financial performance and economy, efficiency and effectiveness were reference to those matters in relation to a predecessor council and not to the successor council;

(c) in regulation 9 (signing and approval of statement of accounts etc.)—

(i) the reference to the responsible financial officer were a reference to the section 151 officer; and

- (ii) in paragraphs (1)(a) and (3)(a) and (b) the reference to an authority were a reference to a predecessor council and not to its successor council; and
- (d) the requirement in regulation 10(1) (publication of statement of accounts etc.) were a requirement for the successor council to publish the final accounts of each of its predecessor councils.

Transitional responsibility for preparation of final accounts, etc.

22.—(1) During the transitional period, steps for the preparation of the final accounts of a predecessor council—

- (a) shall be taken by the shadow authority; and
- (b) except as mentioned in paragraph (7), shall not be taken by or on behalf of the predecessor council.

(2) The 2015 Regulations shall have effect for the purposes of paragraph (1) as if in regulation 7 (statement of accounts for Category 1 authorities)—

- (a) in paragraph (1) the reference to an authority were a reference to the shadow authority and not to any of the predecessor councils;
- (b) in paragraphs (2) and (5) the reference to an authority were a reference to a predecessor council and not to the shadow authority.

(3) The section 151 officer of the shadow authority shall direct and supervise the taking of the steps referred to in paragraph (1) and such other steps as may reasonably be required to further the efficient and timely closure of the predecessor council’s final accounts.

(4) The section 151 officer must as soon as reasonably practicable prepare and implement a plan for the taking of the necessary steps.

(5) The closure plan must include—

- (a) a timetable for the taking of the necessary steps; and
- (b) a statement of the resources which, in the section 151 officer’s opinion, are required to further the efficient and timely closure of the predecessor council’s final accounts.

(6) The section 151 officer must keep the closure plan under review and, if necessary, amend it.

(7) The predecessor council and its officers must assist and co-operate with the section 151 officer in the discharge of the functions of that officer under this regulation.

(8) In this regulation—

- “closure plan” means the plan required by paragraph (4); and
- “necessary steps” means the steps referred to in paragraph (3).

Reports of statutory audits, inspections and investigations

23.—(1) A predecessor council which receives from an auditor, inspector or investigator, in the performance of duties under any enactment, a report (whether in draft or final form), shall immediately copy it to the proper officer of the shadow authority.

(2) In paragraph (1)—

- “proper officer” means the officer appointed for the purpose by the council; and
- “report” includes the results of an inspection or investigation.

(3) A predecessor council which is minded to vary, in a material respect, any of its policies, procedures or structures—

(a) for the purpose of giving effect to a recommendation made in a report referred to in paragraph (1); or

(b) in consequence of the council’s consideration of such a report,

shall not pass a resolution to vary the policy, procedure or structure in that respect at any time in the period specified in paragraph (4) unless it has complied with the requirements of paragraph (5).

(4) The period referred to in paragraph (3) begins on the date on which these Regulations come into force and ends on the reorganisation date.

(5) The requirements of this paragraph are that the predecessor council—

- (a) has consulted the shadow authority (“the consultee”) about the proposed variation;
- (b) has allowed the consultee a reasonable time within which to respond; and
- (c) has taken into account any comments received from the consultee within the period allowed for responding.

Other transitional provisions relating to financial matters

24.—(1) Not later than the reorganisation date, each predecessor council must, in accordance with regulation 6 (review of internal control) of the 2015 Regulations, prepare and approve an annual governance statement.

(2) The paragraph (1) statement must be signed by the leader of the predecessor council and by its head of paid service.

(3) Paragraph (5) applies where, before the date on which the successor council considers the final accounts of a related predecessor council, the section 151 officer has reason to believe, as the result of one or more of the matters referred to in paragraph (4), that there is a material inaccuracy in, or omission from, the paragraph (1) statement.

(4) The matters are—

- (a) enquiries made by the section 151 officer into the accuracy or completeness of the paragraph (1) statement; or
- (b) any matter relevant to internal control⁽²⁾ arising on or after the reorganisation date.

(5) The section 151 officer must, before the successor council considers the final accounts, provide each member of the council with a statement containing—

- (a) particulars of the perceived inaccuracy or omission; and
- (b) the section 151 officer’s reasons for believing that the inaccuracy or omission exists and is material.

(6) In this regulation “paragraph (1) statement” means the annual governance statement mentioned in paragraph (1).

(2) See regulation 3 of [S.I. 2015/234](#) for meaning of “internal control”.