

AUDITED ACCOUNTS 2014-15

1. EXECUTIVE SUMMARY

- 1.1 This report sets out the outcome of the External Auditors, Audit Scotland audit of the Council's financial statements for 2014-15. The audited accounts incorporating the audit certificates are attached.
- 1.2 The accounts were completed and submitted by the statutory date of 30 June 2015. The audit has been completed within the timescale of 30 September 2015, set by Audit Scotland. The audit certificate includes no qualifications. External Audit was able to conclude that the accounts represented a true and fair view of the Council's financial position at the 31 March 2015.
- 1.3 The significant adjustments to the accounts were as noted below.
- An increase in the Property, Plant and Equipment of £1.477m to reflect the costs of restoration and aftercare of the Council's Landfill sites offset by the creation of a provision for the costs.
 - The balance in respect of the Roads Stock was reduced by £0.034m.
 - The Audit Fee within the accounts was corrected, an increase of £0.019m.
 - The Management Commentary has been updated to reflect guidance in respect of its contents.
- 1.4 The effect of these adjustments was to reduce the Surplus on the Provision of Services by £0.053m which reduced the General Fund Balance by a similar amount.
- 1.5 The audit identified errors where it was agreed not to amend the accounts. These would have reduced the General Fund Balance by £0.046m.
- 1.6 The financial position of the Council based on the audited accounts can be summarised as follows:
- Surplus on provision of services for 2014-15 £4.581m
 - Total assets less liabilities at 31 March 2015 £160.957m
 - General fund balance at 31 March 2015 £46.067m
- 1.7 The audited accounts are recommended to Council for approval.

AUDITED ACCOUNTS 2014- 2015

2. INTRODUCTION

- 2.1 The external auditors, Audit Scotland, have completed their audit of the Council's accounts for the year to 31 March 2015. The audited accounts incorporating the audit certificate for 2014-15 are attached. The audit certificate contains no qualifications.

3. RECOMMENDATIONS

- 3.1 The audited accounts are recommended to Council for approval.

4. DETAIL

- 4.1 The audited accounts including the audit certificate and the external audit report for the 2014-15 audits in respect of the Council and Charities are attached.
- 4.2 The accounts were completed and submitted by the statutory date of 30 June 2015. The audit has been completed within the timescale of 30 September 2015, set by Audit Scotland.
- 4.3 The audit certificate on the Council's accounts for the year ended 31 March 2015 contains no qualification. External audit are able to conclude that the Council's accounts present a true and fair view of its financial position as at 31 March 2015.
- 4.4 The significant adjustments to the accounts were as noted below. There were also a few presentation adjustments.
- An increase in the Property, Plant and Equipment of £1.477m to reflect the costs of restoration and aftercare of the Council's Landfill sites offset by the creation of a provision for the costs.
 - The balance in respect of the Roads Stock was reduced by £0.034m.
 - The Audit Fee within the accounts was corrected, an increase of £0.019m.
 - The Management Commentary has been updated to reflect guidance in respect of its contents.

4.5 The table below reconciles the changes from unaudited accounts to audited accounts for the Surplus on Provision of Services, the General Fund Balance and Total Assets less Liabilities.

	Surplus On Provision of Services £m	General Fund Balance £m	Total Assets Less Liabilities £m
Unaudited Accounts	4.634	46.120	161.010
Reduction in Roads Stock	(0.034)	(0.034)	(0.034)
Correction to Audit Fee	(0.019)	(0.019)	(0.019)
Audited Accounts	4.581	46.067	160.957

4.6 The committed funds within the General Fund Balance were £30.193m per the audited accounts. This leaves an unallocated General Fund Balance of £15.874m. This equates to 6.5% of the Council's budgeted net expenditure for 2015-16 and exceeds the agreed contingency level approved as part of the 2015-16 budget process. In June 2015 the Council agreed the use of the unallocated balance in excess of the contingency in the general fund be directed towards delivery of the Single Outcome Agreement.

4.7 The audit identified errors where it was agreed not to amend the accounts. These would have reduced the General Fund Balance by £0.046m.

5. CONCLUSION

5.1 This report advises members on the conclusion of the audit of the accounts. The external auditor's certificate is unqualified. The audit was completed within the required timescales. Minimal adjustments were made to the accounts during the audit process.

6. IMPLICATIONS

6.1	Policy –	None.
6.2	Financial -	None
6.3	Legal -	None.
6.4	HR -	None.
6.5	Equalities -	None.
6.6	Risk -	None.
6.7	Customer Service -	None.

Steve Barrett, Interim Head of Strategic Finance
Dick Walsh Council Leader and Policy Lead for Strategic Finance

For further information please contact Peter Cupples, Finance Manager –
Corporate Support 01546-604183.

Appendix 1 – Summary of Main Changes to Financial Statements Arising from
Audit

APPENDIX 1 – SUMMARY OF MAIN CHANGES TO FINANCIAL STATEMENTS ARISING FROM AUDIT

Section of Financial Statements Changes	Audited Accounts £000s	Unaudited Accounts £000s	Change £000s	Comments / Explanation
Comprehensive income & Expenditure Account (Pages 36-37 of audited accounts)				
Net cost of service	239,388	239,335	53 (Dr)	Increase in Audit Fee of £19k and reduction in Roads Stock Balance £34k.
(Surplus) / Deficit on Provision of Services	(4,581)	(4,634)	53 (Dr)	Net effect of above
Statement of Movement in Reserves (Pages 30-31 of audited accounts)				
Surplus) / Deficit on Provision of Services	(4,581)	(4,634)	53 (Dr)	See Comprehensive Income and Expenditure Account above.
Increase / (Decrease) in General Fund Balance for the Year	(2,026)	(2,079)	53 (Dr)	Net effect of above
Balance on General Fund Carried Forward	(46,067)	(46,120)	53 (Dr)	Net effect of above
Balance Sheet (Page 38 of audited accounts)				
Other Land and Buildings	281,317	279,840	1,477 (Dr)	Increase in value of Landfill Sites to reflect value of restoration and aftercare.
Inventories	334	358	34 (Cr)	Reduction in value of Roads Stock.
Short-term Creditors	(35,577)	(35,548)	19 (Cr)	Increase in creditor for Audit Fee
Long-term Liabilities - Provisions	(1,566)	(89)	1,477 (Cr)	Creation of a Provision to reflect the value of restoration and aftercare in respect of Landfill Sites.
Total assets less liability	160,957	161,010	53 (Cr)	Net effect of above