

**AUDITED ACCOUNTS 2015-16**

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**1. EXECUTIVE SUMMARY**

- 1.1 The external auditors, Audit Scotland, have completed their audit of the Council's accounts for the year to 31 March 2016. The audited accounts incorporating the audit certificate for 2015-16 are attached.
- 1.2 The accounts were completed and submitted by the statutory date of 30 June 2016. The audit has been completed within the timescale of 30 September 2016, 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 2016.
- 1.3 There were only two significant adjustments to the accounts as noted below, as well as a few presentational adjustments.
- A reduction in the loan interest accrual £0.263m as a result of an error in the original calculation.
  - A reduction in debtor balances of £0.035m to correct adjustments in the debtors reconciliation.
- 1.4 The effect of these adjustments was to reduce the deficit on the Provision of Services by £0.228m which increased the General Fund Balance by the same 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 £0.037m.
- 1.6 The financial position of the Council based on the audited accounts can be summarised as follows:
- Surplus on provision of services for 2015-16 £19.425m
  - Total assets less liabilities at 31 March 2016 £203.319m
  - General fund balance at 31 March 2016 £52.417m.
- 1.7 The Committee are asked to approve the audited accounts for issue.

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**2. INTRODUCTION**

- 2.1 The external auditors, Audit Scotland, have completed their audit of the Council's accounts for the year to 31 March 2016. The audited accounts incorporating the audit certificate for 2015-16 are attached. The audit certificate contains no qualifications.

**3. RECOMMENDATIONS**

- 3.1 The audited accounts are approved for issue.

**4. DETAIL**

- 4.1 The audited accounts including the audit for the 2015-16 audits in respect of the Council and Charities are attached. There is a separate item on the agenda containing the External Annual Audit Report.

- 4.2 The accounts were completed and submitted by the statutory date of 30 June 2016. The audit has been completed within the timescale of 30 September 2016, set by Audit Scotland.

- 4.3 The audit certificate on the Council's accounts for the year ended 31 March 2016 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 2016.

- 4.4 There were only two significant adjustments to the accounts as noted below, as well as a few presentational adjustments.
- A reduction in the loan interest accrual £0.263m as a result of an error in the original calculation.
  - A reduction in debtor balances of £0.035m to correct adjustments in the debtors reconciliation.

- 4.5 The effect of these adjustments was to reduce the deficit on the Provision of Services by £0.228m which increased the General Fund Balance by the same amount. The detail of the changes within the annual accounts is noted in Appendix 1.

- 4.6 The audit identified errors where it was agreed not to amend the accounts. These would have reduced the General Fund Balance by £0.037m.

- 4.7 The committed funds within the General Fund Balance are £43.272m per the audited accounts. This leaves an unallocated General Fund Balance of £9.145m. This equates to 3.9% of the Council's budgeted net expenditure for

2016-17 and exceeds the agreed contingency level approved as part of the 2016-17 budget process.

## **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.

**Kirsty Flanagan, 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.

Appendices:

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

Appendix 2 – Argyll and Bute Council Audited Accounts 2015-16

Appendix 3 – Charities Accounts 2015-16

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

<b>Section of Financial Statements Changes</b>	<b>Audited Accounts £000s</b>	<b>Unaudited Accounts £000s</b>	<b>Change £000s</b>	<b>Comments / Explanation</b>
<b>Comprehensive income &amp; Expenditure Account (Pages 50-51 of audited accounts)</b>				
Net cost of services	263,127	263,252	125 (Cr)	Correction of Loan Interest Accrual
Total Other Operating Income and Expenditure	1,696	1,661	35 (Dr)	Correction of Debtors Balances
Total Financing and Investment Income and Expenditure	19,210	19,348	138 (Cr)	Correction of Loan Interest Accrual
(Surplus) / Deficit on Provision of Services	19,425	19,653	228 (Cr)	Net effect of above
<b>Statement of Movement in Reserves (Pages 46-47 of audited accounts)</b>				
Surplus) / Deficit on Provision of Services	19,425	19,653	228 (Cr)	See Comprehensive Income and Expenditure Account above.
Increase / (Decrease) in General Fund Balance for the Year	(6,350)	(6,122)	228 (Dr)	Net effect of above
Balance on General Fund Carried Forward	(52,417)	(52,189)	228 (Dr)	Net effect of above
<b>Balance Sheet (Pages 52-53 of audited accounts)</b>				
Short Term Debtors	18,106	18,141	35 (Cr)	Correction of Debtors Balances
Short-term Borrowing	(18,303)	(18,571)	268 (Dr)	Correction of Loan Interest Accrual and a movement between Short and Long Term Borrowing
Long-term Borrowing	(141,519)	(141,514)	5 (Cr)	Movement between Short and Long Term Borrowing
Total assets less liability	203,319	203,091	228 (Dr)	Net effect of above
General Fund Balance	52,417	52,189	228 (Dr)	Net effect of above
Total assets less liability	203,319	203,091	228 (Dr)	Net effect of above