

AUDITED ACCOUNTS 2016-17

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 2017. The audited accounts incorporating the audit certificate for 2016-17 are attached.
- 1.2 The accounts were completed and submitted by the statutory date of 30 June 2017. The audit has been completed within the timescale of 30 September 2017, 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 2017.
- 1.3 There were only three significant adjustments to the accounts as noted below, as well as a few presentational adjustments.
- A reduction in capital creditors of £0.325m as a result of an error in the original calculation.
 - A transfer of £5.536m to Asset Under Construction from Other Land and Buildings with £0.279m of depreciation written off to revenue.
 - An increase in NDR Income of £0.082m in respect of the Lorn Arc Tax Incremental Funding Scheme which was used to pay down the TIF Debt.
- 1.4 These adjustments had no impact on the General Fund Balance.
- 1.5 The audit identified errors where it was agreed not to amend the accounts. These would have reduced the General Fund Balance by £0.111m.
- 1.6 The financial position of the Council based on the audited accounts can be summarised as follows:
- Deficit on provision of services for 2016-17 £4.638m
 - Total assets less liabilities at 31 March 2017 £151.564m
 - General fund balance at 31 March 2017 £53.489.
- 1.7 The Committee are asked to approve the audited accounts for signature.

AUDITED ACCOUNTS 2016-17

2. INTRODUCTION

- 2.1 The external auditors, Audit Scotland, have completed their audit of the Council's accounts for the year to 31 March 2017. The audited accounts incorporating the audit certificate for 2016-17 are attached. The audit certificate contains no qualifications.

3. RECOMMENDATIONS

- 3.1 The audited accounts are approved for signature.

4. DETAIL

- 4.1 The audited accounts including the audit for the 2016-17 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 2017. The audit has been completed within the timescale of 30 September 2017, set by Audit Scotland.
- 4.3 The audit certificate on the Council's accounts for the year ended 31 March 2017 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 2017.
- 4.4 There were only three significant adjustments to the accounts as noted below, as well as a few presentational adjustments.
- A reduction in capital creditors of £0.325m as a result of an error in the original calculation.
 - A transfer of £5.536m to Asset Under Construction from Other Land and Buildings with £0.279m of depreciation written off to revenue.
 - An increase in NDR Income of £0.082m in respect of the Lorn Arc Tax Incremental Funding Scheme which was used to pay down the TIF Debt.
- 4.5 These adjustments had no impact on the General Fund Balance. 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 £0.111m.
- 4.7 The committed funds within the General Fund Balance are £41.519m per the audited accounts. The Council also agreed that £4m would be set aside and used towards budget smoothing within the year 2019-20. This leaves an

unallocated General Fund Balance of £7.970m. This equates to 3.4% of the Council's budgeted net expenditure for 2017-18 and exceeds the agreed contingency level approved as part of the 2017-18 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

**Gary Mulvaney, Policy Lead for Strategic Finance and Capital
Regeneration Projects**

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Appendices:

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

Appendix 2 – Argyll and Bute Council Audited Accounts 2016-17

Appendix 3 – Charities Accounts 2016-17

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 52-53 of audited accounts)				
Net cost of services	239,643	239,365	278 (Cr)	Write off of Depreciation
Total Taxation and Non-Specific Grant Income	(252,123)	(252,205)	82 (Cr)	Additional NDR Income
Deficit on Provision of Services	4,998	4,638	360 (Cr)	Net effect of above
Total Comprehensive Income and Expenditure	52,115	51,755	360 (Cr)	Net effect of above
Statement of Movement in Reserves (Pages 56-57 of audited accounts)				
Deficit on Provision of Services	4,998	4,638	360 (Cr)	See Comprehensive Income and Expenditure Account above.
Statutory Adjustments	(6,341)	(5,981)	360 (Dr)	Net effect of above
Balance Sheet (Pages 54-55 of audited accounts)				
Other Land and Buildings	255,848	250,590	5,258 (Cr)	Transfer off Assets to Assets Under Construction
Vehicles, Plant, Furniture and Equipment	9,552	9,207	345 (Cr)	Correction of Capital Creditors
Assets Under Construction	18,830	24,366	5,536 (Dr)	Transfer off Assets to Assets Under Construction
Total Long Term Assets	509,190	509,123	67 (Cr)	Net effect of above
Short Term Debtors	15,981	16,063	82 (Dr)	Correction of Debtors Balances
Short-term Creditors	(30,115)	(29,770)	345 (Dr)	Correction of Creditors Balances

Total Assets less Liabilities	151,204	151,564	360 (Dr)	Net effect of above
Capital Adjustment Account	194,647	195,007	360 (Dr)	Net effect of above
Total Reserves	151,204	151,564	360 (Dr)	Net effect of above