

AUDITED ACCOUNTS 2011-12

1 INTRODUCTION

- 1.1 The external auditors, Audit Scotland, have completed their audit of the Council's accounts for the year to 31 March 2012. The audited accounts incorporating the audit certificate for 2011-12 are attached. The audit certificate contains no qualifications.

2 RECOMMENDATIONS

- 2.1 The audited accounts and the terms of the audit certificate are noted.

3 DETAIL

- 3.1 The audited accounts including the audit certificate and the external audit report for the 2011-12 audit are attached.
- 3.2 The accounts were completed and submitted by the statutory date of 30 June 2012. The audit has been completed within the timescale of 30 September 2012, set by Audit Scotland.
- 3.3. The audit certificate on the Council's accounts for the year ended 31 March 2012 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 2012.
- 3.4 Appendix 1 is a schedule of the significant changes to the accounts. The 2 significant adjustments to the accounts were as noted below. There were also a few presentation adjustments.
- A reduction in the values at which landfill sites are held based on valuations provided by the Valuation Office Agency of £2.966m.
 - An increase in the accrued expenditure in relation to holiday pay for teachers of £0.244m.
- 3.5 The table below reconciles the changes from unaudited accounts to audited accounts for Deficit/(Surplus) on Provision of Services, balance on the General Fund and Total Assets less Liabilities.

	(Surplus) On Provision of Services £m	General Fund Balance £m	Total Assets Less Liabilities £m
Unaudited Accounts	(18.852)	(34.572)	180.177
Reduction in the value of landfill sites	2.966		(2.846)
Increase to holiday pay accrual for teachers	0.244		(0.244)
Audited Accounts	(15.642)	(34.572)	(177.087)

3.6 The committed funds within the General Fund Balance were £29.454m per the unaudited accounts. This leaves a free General Fund Balance of £5.118m. This equates to 2% of the Council's budgeted net expenditure for 2012-13 and exceeds the agreed contingency level approved as part of the 2012-13 to 2014-15 budget process. The level of General Fund Balance and contingency will require to be considered during the 2013-14 budget process.

3.7 The external audit report identifies 3 errors where it was agreed not to amend the accounts. These would have reduced the General Fund Balance by £0.102m. They comprise.

	£m
Debtors invoice not accrued	0.008
Understatement of common good / trust funds	(0.101)
Overstatement of imprest balances	<u>(0.009)</u>
Net error	<u>(0.102)</u>

Bruce West
Head of Strategic Finance
1 November 2012

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 32-33 of audited accounts)				
Net cost of service	240,192	236,982	3,210 (Dr)	Reduction in valuation of landfill site £2.966m Increase in teachers holiday pay accrual £0.244m
Surplus) / Deficit on Provision of Services	(15,642)	(18,852)	3,210 (Dr)	See above
Statement of Movement in Reserves (Pages 28-29 of audited accounts)				
Surplus) / Deficit on Provision of Services	(15,642)	(18,852)	3,210 (Dr)	See Comprehensive Income and Expenditure Account above.
Impairment of Non-Current Assets	(6,460)	(3,494)	2,966 (Cr)	Reduction in valuation of landfill site £2.966m
Adjustment of employee benefits (holiday pay accrual)	2,588	2,832	244 (Cr)	Increase in teachers holiday pay accrual £0.244m
Net gain or loss on sale of non current assets	(755)	(632)	123 (Cr)	
Transfer to / from statutory reserve	139	16	123 (Dr)	
Increase / (Decrease) in General Fund Balance for the Year	(820)	(820)	0 (Cr)	
Balance on General Fund Carried Forward	(34,572)	(34,572)	0 (Cr)	

Balance Sheet (Page 34 of audited accounts)				
Property, Plant and Equipment	475,186	478,032	2,846 (Cr)	Reduction in valuation of landfill sites
Short term borrowing	(3,225)	(553)	2,672 (Cr)	Reclassification of accrued interest from creditors
Short term Creditors	(33,082)	(5,510)	2,428 (Dr)	Reclassification of accrued interest to short term borrowing £2,672m (Cr) Increase to teachers holiday pay accrual £0.244m (Dr)
Total assets less liability	177,087	180,177	3,090 (Cr)	