

**AUDITED ACCOUNTS 2012-13**

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**1 INTRODUCTION**

- 1.1 The external auditors, Audit Scotland, have completed their audit of the Council's accounts for the year to 31 March 2013. The audited accounts incorporating the audit certificate for 2012-13 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 are attached.
- 3.2 The accounts were completed and submitted by the statutory date of 30 June 2013. The audit has been completed within the timescale of 30 September 2013 set by Audit Scotland.
- 3.3. The audit certificate on the Council's accounts for the year ended 31 March 2013 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 2013.
- 3.4 Appendix 1 is a schedule of the significant changes to the accounts. The significant adjustments to the accounts are noted below. There were also a few presentation adjustments.
- Correction to asset valuations £0.202m with adjustment to depreciation and impairment from correction to asset valuations £0.046m
  - Correction to care home charging orders £0.046m
  - Adjustment between General Fund and Trust Funds £0.101m
  - Correction to provision against bad debts £0.032m
  - Other minor changes (less than £0.050m) £0.048m
- 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	(23.321)	(46.205)	181.011
Correction to asset valuations	46		(202)
Correction to care home charging orders	46	46	(46)
Adjustment between General Fund and Trust Funds	101	101	(101)
Correction to provision against bad debts	(32)	(32)	32
Other minor changes (less than £0.050m)	(48)	(48)	48
<b>Audited Accounts</b>	<b>(23.208)</b>	<b>(46.138)</b>	<b>180.742</b>

3.6 The committed funds within the General Fund Balance were £36.044m per the audited accounts. This leaves a free General Fund Balance of £10.094m equivalent to 4.1% of the Council's budgeted net expenditure for 2013-14. This exceeds the agreed contingency level approved as part of the 2013-14 budget process. The level of General Fund Balance and contingency will require to be considered during the 2014-15 budget process.

3.7 The external audit report identifies 2 errors where it was agreed not to amend the accounts. These would have reduced the General Fund Balance by £0.008m. They comprise.

	£m
Understatement of utilities provision	0.008
Recognition of provision for future restoration and aftercare costs for landfill sites:	
• Property , Plant and Equipment	1.147
• Provisions	(1.147)
Net error	<u>0.008</u>

#### 4 CONCLUSION

This report advises members on the conclusion on 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.

## **5 IMPLICATIONS**

- 5.1 Legal – Legal requirements in relation to accounts met
- 5.2 Policy – None
- 5.3 Financial – None as report is for noting
- 5.4 Human Resources – None
- 5.5 Equalities- None
- 5.6 Risk – None
- 5.7 Customer Service – None

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20 November 2013

## 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
<b>Comprehensive income &amp; Expenditure Account (Pages 32-33 of audited accounts)</b>				
Net cost of service	231,520	231,407	113 (Dr)	Adjustment to depreciation and impairment from correction to asset valuations £0.046m (Dr) Correction to care home charging orders £0.046m (Dr) Adjustment between General Fund and Trust Funds £0.101m (Dr) Correction to provision against bad debts £0.032m (Cr) Other minor changes (less than £0.050m) £0.048m (Cr)
Surplus) / Deficit on Provision of Services	(23,208)	(23,321)	113 (Dr)	See above
<b>Statement of Movement in Reserves (Pages 28-29 of audited accounts)</b>				
Surplus) / Deficit on Provision of Services	(23,208)	(23,321)	113 (Dr)	See Comprehensive Income and Expenditure Account
Depreciation and Impairment of Non-Current Assets	(20,662)	(20,708)	46 (Cr)	Adjustment to depreciation and impairment from correction to asset valuations £0.046m (Cr)
Increase / (Decrease) in General Fund Balance for the Year	(11,566)	(11,633)	67 (Dr)	Net effect of above
Balance on General Fund Carried Forward	(46,138)	(46,205)	67 (Dr)	Net effect of above

<b>Balance Sheet (Page 34-35 of audited accounts)</b>				
Property, Plant and Equipment	488,866	489,068	202 (Cr)	Correction to asset valuations £0.202m (Cr)
Long Term Debtors	3,563	3,609	46 (Cr)	Correction to care home charging order £0.046m (Cr)
Short Term Debtors (Net of Impairment)	14,471	14,439	32 (Dr)	Correction to provision against bad debts £0.032m (Dr)
Short Term Creditors	(35,295)	(35,242)	53 (Cr)	Adjustment between General Fund and Trust Funds £0.101m (Cr) Other minor changes (less than £0.050m) £0.048m (Dr)
Total Assets less Liabilities	180,742	181,011	269 (Cr)	Net effect of above