

**Financial Statements for the year ended 31 March 2014****Report by Gary Fairley, Head of Finance and Integrated Service Support****1 Purpose of Report**

The purpose of this report is to provide Council with a brief overview of the main figures in the Council's Financial Statements for 2013/14. The unaudited accounts have been circulated to members.

**2 Background**

In accordance with regulation 4 of the Local Authority Accounts (Scotland) regulations 1985 (as amended) the unaudited Financial Statements for the year ended 31 March 2014 require to be prepared and submitted to the Controller of Audit by 30 June 2014.

Accordingly the statements have now been completed and are today laid before Council.

**3 Financial Performance**

Separately on today's agenda is the Financial Monitoring 2013/14 – General Fund Revenue, Housing Revenue Account Revenue and Capital Final Outturn 2013/14 and General Services Capital Plan 2013/14 Final Outturn. They detail financial performance in each area. The impact on reserves is as follows:

- The General Fund Balance is £20.511 million of which £8.547 million is earmarked for specific purposes leaving a general reserve of £11.964 million;
- The Housing Revenue Account Balance is £18.374 million which is an increase of £3.701 million on the position at 31 March 2013.

**4 Financial Statements**

In terms of presentation there are three main changes to previous years:

- Removal of Group Accounts due to materiality following the move to national Police and Fire bodies;
- A change in reporting requirements following the de-registration of the Council's charities from the Office of the Scottish Charity Regulator;
- The impact of a change in the accounting code of practice around Trading Accounts which takes away the requirement to show their financial performance separately.

These changes are explained in more depth in the Explanatory Foreword by the Head of Finance and Integrated Service Support which is contained in the Financial Statements,

## **5 Public Inspection**

Regulations require that the Financial Statements and all books, deeds, contracts, bills and vouchers and receipts relating to the financial statements be made available for public inspection. In accordance with section 101 of the Local Government (Scotland) Act 1973 any persons interested may inspect the accounts and may object to the accounts,

Public notice will be given in July advising of the availability of the Financial Statements and associated documents for inspection at Midlothian House and of the rights conferred by section 101 of the act.

## **6 Report Implications**

### **6.1 Resource**

Whilst this report deals with financial issues there are no financial implications arising directly from it.

### **6.2 Risk**

Section 95 of the Local Government (Scotland) Act 1973 requires all Local Authorities in Scotland to have adequate systems and controls in place to ensure the proper administration of their financial affairs. The Council's Standing Orders and Financial Regulations detail the responsibilities of members and officers in relation to the conduct of the Council's financial affairs.

### **6.3 Single Midlothian Plan and Business Transformation**

Themes addressed in this report:

- ☐ Community safety
- ☐ Adult health, care and housing
- ☐ Getting it right for every Midlothian child
- ☐ Improving opportunities in Midlothian
- ☐ Sustainable growth
- ☐ Business transformation and Best Value
- ☒ None of the above

### **6.4 Impact on Performance and Outcomes**

The decisions taken to balance the budget will have fundamental implications for service performance and outcomes. The Council's Transformation Programme aims to minimise the impact on priority services.

## **6.5 Adopting a Preventative Approach**

The proposals in this report do not directly impact on the adoption of a preventative approach.

## **6.6 Involving Communities and Other Stakeholders**

No consultation was required.

## **6.7 Ensuring Equalities**

There are no equality implications arising directly from this report.

## **6.8 Supporting Sustainable Development**

There are no sustainability issues arising from this report.

## **6.9 IT Issues**

There are no IT implications arising from this report.

## **7 Recommendations**

It is recommended that Council endorse the contents of this report and approve the Council's Financial Statements for 2013/14.

16<sup>th</sup> June 2014

### **Report Contact:**

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### **Background Papers:**

## **Declaration Box**

***Instructions: This box must be completed by the author of the report. The box will be copied and saved by the Council Secretariat who will delete it from the report prior to photocopying the agenda.***

***Title of Report: Financial Statements for the year ended 31 March 2014***

***Meeting Presented to: Midlothian Council***

***Author of Report: Gary Fairley, Head of Finance and Integrated Service Support***

*I confirm that I have undertaken the following actions before submitting this report to the Council Secretariat (Check boxes to confirm):-*

- ☒ *All resource implications have been addressed. Any financial and HR implications have been approved by the Head of Finance and Human Resources.*
- ☒ *All risk implications have been addressed.*
- ☒ *All other report implications have been addressed.*
- ☒ *My Director has endorsed the report for submission to the Council Secretariat.*

*For Cabinet reports, please advise the Council Secretariat if the report has an education interest. This will allow the report to be located on the Cabinet agenda among the items in which the Religious Representatives are entitled to participate.*

*Likewise, please advise the Council Secretariat if any report for Midlothian Council has an education interest. The Religious Representatives are currently entitled to attend meetings of the Council in a non-voting observer capacity, but with the right to speak (but not vote) on any education matter under consideration, subject always to observing the authority of the Chair.*