

Financial Statements for the year ended 31 March 2013
Report by Gary Fairley, Head of Finance and Human Resources**1 Purpose of Report**

The purpose of this report is to provide Council with a brief overview of the changes made during the audit process to the Council's Financial Statements for 2012/13. The audited accounts have been circulated to members.

2 Background

In accordance with regulation 6(1) of the Local Authority Accounts (Scotland) regulations 1985 (as amended) the audited Financial Statements for the year ended 31 March 2013 are today laid before Council.

3 Changes to Accounts through Audit Process

There are no qualifications to the Financial Statements. Grant Thornton, the Council's external auditors, presented their report on the 2012/13 Annual Accounts Audit to Audit Committee on 17th September 2013. The main findings during the audit were:

- Changes to the Accounting Code of Practice for 2011/12 were accurately reflected in the accounts;
- A change to the presentation to make clearer the link between the Capital Fund transfer and the repayment of Loans Fund Principal;
- A presentational error in the Balance Sheet between Debtors and Creditors resulting in both being understated by £1.577 million;
- A presentational error in the Balance Sheet between Deferred Liabilities and Creditors resulting in the former being overstated and the latter understated by £0.966 million;

There is no change in the financial performance from that shown in the unaudited accounts laid before Council on 12th June. The General Fund Balance at the year end was £14.083 million of which £7.294 million was earmarked for specific purposes and the Housing Revenue Account balance was £14.673 million.

5 Report Implications**5.1 Resource**

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

5.2 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.

5.3 Policy

Strategy

The report covers the effective management and reporting on financial performance which is a fundamental aspect in ensuring that resources are available to deliver the Corporate and Divisional priorities of the Council.

Consultation

It was not felt relevant to undertake consultation for this report.

Equalities

This report is not proposing new services, policies, strategies or plans (or significant changes to them) therefore has not been assessed for equalities implications.

Sustainability

There are no sustainability issues arising directly from this report.

6 Recommendations

It is recommended that Council endorse the contents of this report.

4th October 2013

Report Contact:

David Gladwin Tel No 0131 271 3113

E mail david.gladwin@midlothian.gov.uk