

Financial Statements for the year ended 31 March 2016**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 developments in the Council's Financial Statements for 2015/16. 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 2016 require to be prepared and submitted to the Controller of Audit by 30 June 2016.

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 2015/16 – General Fund Revenue, Housing Revenue Account Revenue and Capital Final Outturn 2015/16 and General Services Capital Plan 2015/16 Final Outturn. They detail financial performance in each area. The impact on reserves is as follows:

- The General Fund Balance is £24.625 million of which £7.851 million is earmarked for specific purposes leaving a general reserve of £16.774 million;
- The Housing Revenue Account Balance is £24.915 million which is an increase of £3.538 million on the position at 31 March 2015.

4 Financial Statements

There were no major changes to the Accounting Code of Practice that impacted on Midlothian's statements in 2015/16. However presentational improvements have continued to be made to the accounts following discussions on best practice with the Council's external auditors.

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 2015/16.

22nd June 2016

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Background Papers: