

**ABERDEEN CITY & SHIRE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY**

Date : 4 December 2009

**Title: Statement of Accounts 2008/09 and the External Auditor's
Report to Members of the Authority 2008/09**

1 Purpose of Report

- 1.1 This report submits, for the information of the Strategic Development Planning Authority (SDPA), the audited Statement of Accounts for 2008/09 and the external auditor's report to Members for 2008/09.

2 Background

- 2.1 Local Authorities and similar bodies are required to account for their activities to the communities which they serve and to have the financial effect of those activities audited by an auditor appointed by Audit Scotland, to ensure that they have, at all times, acted with probity and regularity.
- 2.2 The Statement of Accounts, together with the opinion expressed by the external auditor on the activities of the Authority, is designed to meet these requirements. The auditor's opinion, in the form of the unqualified Audit Certificate, is included as pages 18 to 19 of the Statement of Accounts.
- 2.3 As required by The Local Authority Accounts (Scotland) Regulations 1985 ("the 1985 Regulations"), the certified Statement of Accounts must be placed before Members of the Authority not later than two months after receipt.
- 2.4 It is also a requirement of the 1985 Regulations that the audited Statement of Accounts shall be made available for public inspection and sale to interested parties at a reasonable charge. This charge is proposed to be set at £10 and it is proposed that no alteration be made to this charge for printed copies of the Accounts. However, the audited Statement of Accounts will be available on the SDPA website and can be accessed and downloaded free of charge.

3 Statement of Accounts 2008/09

- 3.1 The Statement of Accounts (Appendix 1) is prepared in accordance with the Code of Practice for Local Authority Accounting in the UK. The document comprises a number of statements, but Members' attention is drawn to the following main items:

Pages 3 – 6 Foreword by Treasurer and Statement of Accounting Policies.

Page 7 Income and Expenditure Account showing the SDPA Revenue Expenditure for the year and how it was financed,

and the Statement of Movement on the Council's General Fund Balance.

Page 8 Balance Sheet showing the SDPA financial position as at 31 March 2009.

- 3.2 Other prescribed financial statements are included as required along with notes to the core financial statements as appropriate. There are no Group Accounts to be commented upon. The audit certificate from the external auditor is included on pages 18 to 19. Members should note that the audit certificate is unqualified which provides assurance that the financial statements give a true and fair view of the financial position of the Aberdeen City and Shire Strategic Development Planning Authority at 31 March 2009.
- 3.3 As a result of the audit the following amendments have been made to the financial statements that require to be brought to the attention of Councillors:
- Figures on the Balance Sheet for 2009 relating to Debtors and Cash income have been amended as a result of a late adjustment made to the treatment of invoices which had been incorrectly dealt with in the determination of the Draft statements. This had no effect on the Net Worth of the SDPA but has affected the figures presented in the Income & Expenditure Account, the Cashflow Statement and a number of the Notes to the Statements;
 - Figures on the Income & Expenditure Account have been amended to accommodate the changes identified in the point above and also expanded upon to provide more detail on the range and type of expenditure and income received;
 - Notes 1 to 12 to the Core Financial Statements have been amended to improve their relevance and to improve the understanding of the Statements and to provide a more logical progression through the notes;
 - The Statement of Assurance which had been included in the Draft Statements considered in June 2009 by the SDPA has been replaced with a Statement on the System of Internal Financial Control. Following discussions with Audit Scotland it was felt that this alternative Statement better supported the activities of the Authority.
- 3.4 A number of presentational adjustments have also been made to the accounts following discussions with Audit Scotland.

4. External Audit Report to Members

- 4.1 The external auditor's report to Members (Appendix 2) is an important aspect of the auditor's work in expressing an opinion on the Statement of Accounts. The report also contains sections on Governance and Accountability and Performance Management and Improvement.
- 4.2 During the course of the audit, the auditors raised a number of matters with officers and the Action Plan in the Appendix to the external auditor's report summarises the main issues to be addressed by the SDPA. The Treasurer and appropriate officers have discussed the action plan, and have produced a

response which includes the planned management action, the responsible officer(s) and target date for each action. This response is incorporated in the Appendix to the external auditor's report. It is recommended that the SDPA agree these and instruct the responsible officers to ensure that these issues are addressed within the set out timescale. The actions have to be seen against a background of a very positive report.

- 4.3 The SDPA will receive a follow-up report during the early part of 2010/2011 to consider the implementation of the action plan.

5. Materiality

- 5.1 Paragraphs 7 and 8 on page 2 of the external auditor's report deal with issues arising during the audit of the financial statements. Paragraph 7 states that one financial misstatement was found in the Draft accounts and this has now been adjusted. It should be noted that Material in the context of the SDPA level of activity remains very low in cash value terms.

6. Financial Implications

- 6.1 There are no financial implications arising from the Statement of Accounts.
- 6.2 The recommendations from the external auditor will enhance the internal controls and reporting arrangements of the SDPA.

7. Recommendations

- 7.1 The SDPA is recommended to:
- a) Discuss the Statement of Accounts for 2008/09 and the External Auditor's Report;
 - b) Agree the responses to the external auditor's action plan and that the responsible officers address the issues raised in the action plan, all as set out in the Appendix to the external auditor's report;
 - c) Agree that a £10 charge for a printed copy of the Statement of Accounts be made and that the accounts can be accessed and downloaded free of charge from the SDPA website;
 - d) Note that a report monitoring the implementation of the external auditor's recommendations will be presented to the SDPA early in 2010/2011.

Derek Yule
Treasurer

Report prepared by Tom Buchan, Principal Accountant
11 November 2009