

AUDITED ACCOUNTS 2017-18

1. EXECUTIVE SUMMARY

- 1.1 The external auditors, Audit Scotland, have completed their audit of the Council's accounts for the year to 31 March 2018. The audited accounts incorporating the audit certificate for 2017-18 are attached.
- 1.2 The accounts were completed and submitted by the statutory date of 30 June 2018. The audit has been completed within the timescale of 30 September 2018, set by Audit Scotland. The audit certificate includes no qualifications. External Audit was able to conclude that the accounts represented a true and fair view of the Council's financial position at the 31 March 2018.
- 1.3 The main adjustments to the accounts, in addition to some presentational adjustments, are noted below:
- An adjustment was required to the accounts as a result of the pension scheme actuary providing an updated valuation of the Council's share of the Strathclyde Pension Fund assets.
 - Live Argyll was consolidated as an associate in the draft accounts, however, Live Argyll is a wholly owned subsidiary of the Council and this has been reflected in the audited accounts.
 - There were adjustments to the reclassification of assets.
 - There was a small adjustment of £0.031m in respect of NDR income in respect of the Lorn Arc TIF that should have been transferred to the General Fund.
- 1.4 The only adjustment that had an effect on the General Fund balance was the NDR TIF. This reduced the deficit on the Provision of Services by £0.031m which increased the General Fund Balance by the same amount.
- 1.5 The audit identified an error where it was agreed not to amend the accounts as it was considered not material. This was in relation to short-term debtors being overstated by £0.09m, with a corresponding understatement of expenditure in the Comprehensive Income and Expenditure Statement.
- 1.6 The financial position of the Council based on the audited accounts can be summarised as follows:
- Accounting Deficit on the provision of services for 2017-18 £15.410m
 - Underspend against budget for 2017-18 £2.298m
 - Total assets less liabilities at 31 March 2018 £297.145m
 - General fund balance at 31 March 2018 £50.342m.

1.7 The Committee are asked to approve the audited accounts for signature.

ARGYLL AND BUTE COUNCIL

AUDIT COMMITTEE

STRATEGIC FINANCE

25 SEPTEMBER 2018

AUDITED ACCOUNTS 2017-18

2. INTRODUCTION

2.1 The external auditors, Audit Scotland, have completed their audit of the Council's accounts for the year to 31 March 2018. The audited accounts incorporating the audit certificate for 2017-18 are attached.

3. RECOMMENDATIONS

3.1 The Committee are asked to approve the audited accounts for signature.

4. DETAIL

4.1 The audited accounts including the audit for the 2017-18 audits in respect of the Council and Charities are attached. There is a separate item on the agenda containing the External Annual Audit Report.

4.2 The accounts were completed and submitted by the statutory date of 30 June 2018. The audit has been completed within the timescale of 30 September 2018, set by Audit Scotland.

4.3 The audit certificate on the Council's accounts for the year ended 31 March 2018 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 2018.

4.4 The main adjustments to the accounts, in addition to some presentational adjustments, are noted below:

- An adjustment was required to the accounts as a result of the pension scheme actuary providing an updated valuation of the Council's share of the Strathclyde Pension Fund assets.
- Live Argyll was consolidated as an associate in the draft accounts, however, Live Argyll is a wholly owned subsidiary of the Council and this has been reflected in the audited accounts.
- There were adjustments to the reclassification of assets.
- There was a small adjustment of £0.031m in respect of NDR income in respect of the Lorn Arc TIF that should have been transferred to the General Fund.

4.5 The only adjustment that had an effect on the General Fund balance was the NDR TIF. This reduced the deficit on the Provision of Services by £0.031m

which increased the General Fund Balance by the same amount.

4.6 The audit identified an error where it was agreed not to amend the accounts as it was considered not material. This was in relation to short-term debtors being overstated by £0.09m, with a corresponding understatement of expenditure in the Comprehensive Income and Expenditure Statement.

4.7 The committed funds within the General Fund Balance are £43.717m per the audited accounts. This leaves an unallocated General Fund Balance of £6.625m. This equates to 2.8% of the Council's budgeted net expenditure for 2018-19 and exceeds the agreed contingency level of 2% of approved budget as agreed as part of the 2018-19 budget.

5. CONCLUSION

5.1 This report advises members on the conclusion of 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.

6. IMPLICATIONS

6.1	Policy –	None.
6.2	Financial -	None
6.3	Legal -	None.
6.4	HR -	None.
6.5	Equalities -	None.
6.6	Risk -	None.
6.7	Customer Service -	None.

Kirsty Flanagan, Head of Strategic Finance
Councillor Gary Mulvaney, Policy Lead for Strategic Finance and Capital Regeneration Projects

Appendices:

Appendix 1 – Summary of Main Changes to Financial Statements Arising from Audit

Appendix 2 – Argyll and Bute Council Audited Accounts 2017-18

Appendix 3 – Charities Accounts 2017-18