

EAST AYRSHIRE COUNCIL

GOVERNANCE AND SCRUTINY COMMITTEE – 18 DECEMBER 2009

AUDITED STATEMENT OF ACCOUNTS 2008/2009

Report by Executive Head of Finance and Asset Management

1 PURPOSE OF REPORT

- 1.1** The purpose of this report is to present to Members the audited Statement of Accounts for 2008/09 following certification by the External Auditor.

2 BACKGROUND

- 2.1** The Local Authority Accounts (Scotland) 1985 Regulations require the Council's proper officer to prepare accounts as soon as practicable after the end of each financial year and to submit these to the Authority and to the Controller of Audit by 30 June of the next financial year. The Statement of Accounts for 2008/09 was submitted to the Controller of Audit on 25 June 2009 following approval by the Council at its meeting that day.
- 2.2** The duties and responsibilities of the External Auditor include a requirement to consider and assess: -
- Whether the Statement of Accounts for the year presents fairly the financial position of the Council.
 - The adequacy of the main financial systems.
 - The adequacy of the arrangements in place for the prevention and detection of fraud and corruption.
 - The effectiveness of overall management arrangements.
- 2.3** The Council's External Auditors, Audit Scotland submitted their draft report in respect of matters relating to the audit of the accounts for the year ended 31 March 2009 to the Governance and Scrutiny Committee on 25 September 2009.

3 AUDITOR'S REPORT

- 3.1** The final report by the Auditor covers the Statement of Accounts and related matters, Governance and Business Controls and Performance and Business Issues. The Report also includes an Action Plan to address areas of possible improvement identified during the process. The report will be presented by the Auditor elsewhere on the agenda of this Committee and will be available in the Member Portal thereafter.

4 MAIN ISSUES IN THE REPORT

4.1 Audit Opinion

The auditors' opinion contains no qualifications and is set out in full on Page 60 of the audited Statement of Accounts which are available in the Members Portal. The auditor has been complimentary about the quality of the work done in preparing and presenting the accounts for audit.

4.2 Overall Financial Performance

Certain minor changes were made to figures in the unaudited accounts. This is normal practice and the effect on the overall financial position reported to the Council in June was to increase the value of committed balances by £0.150m.

Gross revenue expenditure on services was £429m and after investment of £39m, Long Term Assets valued at £722m were used in providing services. The General Fund balance reduced to £27m of which £20m was earmarked or committed at 31 March 2009. A review of balances was carried out by the Cabinet on 2 December 2009 and earmarked balances were reduced by £2.8m.

5 ACTION PLAN

- 5.1** The Action Plan drawn up as part of the Auditor's Report includes target dates which have been agreed with the Chief Executive. Achievement of these targets will be monitored over the period in question.

6 RECOMMENDATIONS

- 6.1** It is recommended that Members note the contents of the Report.

Alex McPhee
Executive Head of Finance and Asset Management
9 December 2009

LIST OF BACKGROUND PAPERS **2008/09 Audited Statement of Accounts**

(Background papers are available in the Members Portal)

Further information on this report is available from Alex McPhee, Executive Head of Finance and Asset Management, Tel: (01563) 576300.