

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

Date: 3 December 2010

**Title: Statement of Accounts 2009/10 and the External Auditor's
Report to Members of the SDPA 2009/10**

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 2009/10 and the external auditor's report to Members for 2009/10.

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.

2.3 The SDPA will recall that it considered and noted the Audit Scotland International Standard on Auditing 260 report from Audit Scotland at its last meeting in September.

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 has been 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 2009/10

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 – 5 Foreword by Treasurer,

Pages 7 – 8 Statement of Accounting Policies.

Pages 9 – 10 Income and Expenditure Account showing the SDPA Revenue Expenditure for the year and how it was financed, and the

Statement of Movement on the Authority's General Fund Balance.

Page 11 Balance Sheet showing the SDPA financial position as at 31 March 2010.

- 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 21 to 22. 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 2010.

4. External Audit Report to Members

- 4.1 The external auditor's report to Members 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. This is included as Appendix 2 to this report.
- 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 issue 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 the 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.

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 two financial misstatements were found in the Draft accounts which have 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 or Audit Report.
- 6.2 The recommendations from the external auditor will enhance the internal controls and reporting arrangements of the SDPA.

7. Staffing Implications

- 7.1 The production of the Statement of Accounts and the external audit process requires considerable staff involvement and commitment to meet the tight deadlines for both the production of the unaudited accounts and completion of the external audit.
- 7.2 Implementation of the recommendation of the external auditor is not expected to have a significant staffing implication.

8. Recommendations

- 8.1 The SDPA is recommended to:
- a. Discuss the Statement of Accounts for 2009/10 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, as set out in the Appendix to the external auditor's report; and
 - c. Agree that a £10 charge for a printed copy of the Statement of Accounts be made and that the Statement of Accounts and Audit Scotland's report can be accessed and downloaded free of charge from the SDPA website.

Derek Yule
Treasurer

Report prepared by Tom Buchan, Principal Accountant
November 2010