

ABERDEEN CITY & SHIRE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY

Date: 15 December 2011

Title: Statement of Accounts 2010/11 and the External Auditor's Report to Members of the Authority 2010/11

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 2010/11 and the external auditor's report to Members for 2010/11.

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 SDPA, is designed to meet these requirements. The auditor's opinion, in the form of the unqualified Audit Certificate, is included as pages 24 and 25 of the Statement of Accounts.

2.3 It is also a requirement that the audited Statement of Accounts will be made available for public inspection and sale to interested parties at a reasonable charge. This charge had been set at £10 and it is proposed that no alteration be made to this charge for printed copies of the Accounts. The audited Statement of Accounts will also be available on the SDPA website and can be accessed and downloaded free of charge.

3. Statement of Accounts 2010/11

3.1 The Statement of Accounts 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 – 4 Foreword by Treasurer,

Pages 6 – 7 Movement in Reserves Statements

Pages 8 Comprehensive Income & Expenditure Statement

Page 9 Balance Sheet showing the SDPA financial position as at 31 March 2011.

- 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 24 and 25. 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 2011.

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 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 15 and 16 on page 6 of the external auditor's report deal with issues arising during the audit of the financial statements. Paragraph 16 states that a financial misstatement was found in the Draft accounts which have now been adjusted.

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 It is recommended that the SDPA:

- 1 Discuss the Statement of Accounts for 2010/11 and the External Auditor's Report;
- 2 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 Appendix to the external auditor's report;
- 3 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;

Derek Yule
Treasurer

Report prepared by Tom Buchan, Principal Accountant
November 2010