



REPORT TO: GRAMPIAN VALUATION JOINT BOARD ON 23 AUGUST 2019

SUBJECT: ANNUAL ACCOUNTS FOR YEAR ENDING 31 MARCH 2019

BY: TREASURER TO THE BOARD

1. REASON FOR REPORT

- 1.1 To submit the audited Annual Accounts for the financial year ending 31 March 2019 to the Board for consideration and approval.

2. RECOMMENDATIONS

2.1 It is recommended that the Board:-

- i) approves that the Annual Accounts are signed, having regard to the Annual Report from the external auditor considered earlier at this meeting, and subject to any amendments arising from the actuary's estimate of the impact of the McCloud judgement on the pension liabilities;
- ii) notes the surplus of £204,000 for 2018/19; and
- iii) if the Annual Accounts are approved for signing, agrees that £135,000 be returned to constituent authorities leaving a balance on the General Fund of £215,000.

3. 2018/19 ACCOUNTS

- 3.1 It is a statutory requirement that the Board meets to consider and approve for signature the audited Annual Accounts and, following the signing of the Annual Accounts, provides appropriately signed statements to the External Auditor, Audit Scotland.
- 3.2 A copy of the audited Annual Accounts for 2018/19 are appended to this report as **APPENDIX 1**. At the time of writing this report, advice from the actuaries to the North East of Scotland Pension Fund (NESPF) as to the estimated impact of the McCloud judgement on the Fund is awaited. Potentially this impacts on the pension liabilities disclosed in the accounts.

These liabilities are the subject of a statutory mitigation – which is to say they are accounting book entries only and have no substantive impact on the financial position of the Board – and so it is entirely proper for the Board to approve the accounts subject to any amendment required by the auditor following the actuary's advice. The Auditor's report is subject to agreeing the treatment of any amendments to the annual accounts arising from this issue.

- 3.3 The Auditor's draft Report to the Board and the Controller of Audit is the subject of a separate report to this meeting. Subject to the caveat in paragraph 3.3 regarding McCloud, the report confirms that there are no unadjusted misstatements in the accounts to report to those charged with governance.
- 3.4 The surplus to be returned to the Constituent authorities is in proportion to the percentage of requisitions for 2018/19 and is as follows:

Authority	%	Amount to be Returned £000
Aberdeen City	39.07	53
Aberdeenshire	44.59	60
Moray	16.34	22
Total	100.00	135

If approved, the £135,000 will be returned to constituent authorities by netting off from the October requisitions.

4. CONCLUSION

- 4.1 The Annual Accounts are subject to adjustment following advice from the NESPF actuary. The Board generated a surplus of £204,000 in 2018/19. If the Annual Accounts are approved, £135,000 will be returned to constituent authorities leaving a balance on the General Fund of £215,000**

Author of Report:	Lorraine Paisey
Background papers:	Held within Accountancy Section, Moray Council
Ref:	LP/LJC/