



REPORT TO: SPECIAL MORAY COUNCIL ON 26 SEPTEMBER 2018

SUBJECT: MORAY COUNCIL'S AUDITED ANNUAL ACCOUNTS FOR THE PERIOD 1 APRIL 2017 TO 31 MARCH 2018

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASON FOR REPORT

- 1.1 To submit to the Council the Audited Annual Accounts for the Moray Council for the year ended 31 March 2018.
- 1.2 This report is submitted to the Council for consideration as a suite of reports on the Annual Audit and Accounts for 2017/18.

2. RECOMMENDATION

2.1 It is recommended that the Council:

- (i) **considers the Audited Annual Accounts for the financial year 2017/18; and**
- (ii) **approves that the Annual Accounts are signed, having regard to the Annual Report from the external auditor considered earlier at this meeting.**

3. BACKGROUND

- 3.1 The Unaudited Annual Accounts for 2017/18 were submitted to a meeting of the Council on 28 June 2018. A copy of the Audited Annual Accounts for 2017/18 has been circulated with the agenda to this meeting for your information.
- 3.2 The audit process highlighted presentational changes to the financial information and no changes have been made to the Core Statements.

- 3.2.1 The major change to the accounts was the IAS 19 pension fund liability. Audit Scotland discovered a discrepancy whilst auditing the Pension Fund accounts between the estimated figures provided by the actuaries and the actual result for the year and requested the figures to be recalculated. This resulted in an increase in liability of £18.14 million. This impacted on the Consolidated Income and Expenditure Statement (CIES) for other expenditure by increasing the re-measurement of the net defined benefit liability. This also affected the Move In Reserves Statement (MIRS) to increase the unusable reserves value; the Balance Sheet for the Long term pension liability and pension reserve, along with the associated notes and group accounts.
- 3.2.2 In addition to the above, the Balance Sheet was amended for changes in classification of short term investments from investments to Cash and Cash equivalents £11million; debtors and creditors for the incorrectly classified entry for the Moray Integration Joint Board £0.78million and for the provision relating to the flood alleviation which was moved to creditors £0.27million. This also affected all the associated notes and group accounts.
- 3.2.3 None of these amendments affect the useable reserves of the Council as previously reported.
- 3.3 Other presentational amendments were made in the accounts but did not have any impact on the core statements.
- 3.4 The Council's External Auditors have given the Council an unqualified opinion in the Independent Auditors' Report which can be found on pages 129 to 131 of the Accounts.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

None.

(b) Policy and Legal

According to Paragraph 10 (1) of the Local Authority Accounts (Scotland) Regulations 2014, a Local Authority is required to submit its Audited Accounts to the Council each year.

The review by the External Auditors of the Council's Accounts is in accordance with the Council's Code of Corporate Governance and ensures that the Council complies with established policies, procedures, laws and regulations.

The Local Authority Accounts (Scotland) Regulations 2014 (paragraph 10(i)) state that a local authority must meet to consider the Audited Accounts and aim to approve them no later than 30 September immediately following the financial year to which they relate.

(c) Financial implications

The majority of the revisions made to the accounts were presentational and had no impact on the Council's General Fund. One amendment relating to IAS 19 pension liability impacted on the CIES, Balance Sheet and unusable reserves by increasing the liability by £18 million.

(d) Risk Implications

There are no risk issues arising directly from this report. The work undertaken by Audit Scotland provides assurance to the Committee that the Accounts for 2017/18 give a true and fair view of the financial position and expenditure and income of the Council and its group for the year.

(e) Staffing Implications

Many staff throughout the Council provide information for the inclusion in the Annual Accounts.

(f) Property

There are no property issues arising directly from this report.

(g) Equalities/Socio Economic Impact

There are no equalities issues arising directly from this report.

(h) Consultations

None.

5. CONCLUSION

- 5.1 The Council's External Auditor has issued an opinion with no qualifications for the 2017/18 Annual Accounts which means that the audited financial statements give a true and fair view of the financial position and expenditure and income of the Council and its group for the year.**

Author of Report: Lorraine Paisey, Head of Financial Services – Ext 3213
Background Papers: Held in Financial Services
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