



REPORT TO: THE MORAY COUNCIL ON 4TH NOVEMBER 2009

SUBJECT: THE MORAY COUNCIL'S AUDITED ACCOUNTS FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009

BY: CHIEF FINANCIAL OFFICER

1. REASON FOR REPORT

- 1.1 To submit to the Council, the Audited Accounts of The Moray Council for the year ended 31 March 2009.
- 1.2 This Report is submitted to Committee in terms of Section A (17) of the Council's Administrative Scheme relating to the keeping and auditing of Accounts.

2. RECOMMENDATION

2.1 It is recommended that the Council

- (i) **notes the Audited Accounts for the financial year 2008/09.**

3. BACKGROUND

- 3.1 A copy of the Unaudited Final Accounts was submitted to the Council at the meeting on 2nd July 2009. A copy of the Final Audited Accounts are issued with the Agenda for this meeting.
- 3.2 The audit process highlighted an error in the accounting treatment of interest on revenue balances applied to Deferred Grants.
 - 3.2.1 Where the acquisition of an asset is funded wholly or partly by a grant or contribution, the amount of the grant or contribution is credited to Deferred Grants and written off to the revenue account over the useful life of the asset to match the depreciation of the asset to which it relates. Any grant or contribution unapplied at year-end is held as a long-term liability in the Balance Sheet (Unapplied Deferred Grants). This balance represents income deferred to meet depreciation charges that will be generated by the relevant assets in future years.

- 3.2.2 Interest on Revenue Balances was incorrectly applied to the Deterred Grants balance in the Council's Unaudited Accounts. This error has been amended and the interest has been transferred to Capital Receipts Reserve in the Final Accounts.
- 3.3 The External Auditor has given the Council an unqualified opinion in her Independent Auditor's Report which can be found on pages 135 - 136 of the Accounts.

4. SUMMARY OF IMPLICATIONS

(a) **Single Outcome Agreement / Service Improvement Plan**

None

(b) **Policy and Legal**

According to Paragraph 6 (1) of the Local Authority Accounts (Scotland) Regulations 1985, a Local Authority is required to submit its Audited Accounts to the Council each year.

The review by the External Auditor of the Council's Accounts is in accordance with the Council's Code of Corporate Governance.

(c) **Resources (Financial, Risks, Staffing and Property)**

There are no staffing or property implications resulting directly from this Report. The financial implications are referred to in paragraphs 3.2 to 3.2.2.

(d) **Consultations**

None.

5. CONCLUSION

- 5.1 **The Council's External Auditor has issued an opinion with with no qualifications for the 2008/09 Annual Accounts which means that the financial statements give a true and fair view of the Council's financial position at 31 March 2009.**

Author of Report: Margaret Wilson, Head of Financial Services – Ext 3102
Background Papers: Held in Financial Services
Ref: MW/MWC/689151

Signature: 

Date: 23rd October 2009

Designation: Chief Financial Officer

Name: Mark Palmer