

7a Budget Matters 2009/10 and 2010/11 and Draft Final Accounts 2009/10

- Purpose of Report

To provide the Board with a copy of the draft financial outturn position for 2009/10 and update on spend and programming of the Partnership's 2010/11 budgets, and to alert the Board to any matters arising.

- Background

The Board has requested that a general budget report be submitted to each Board meeting, monitoring expenditure, identifying any potential budget issues, and reporting on any particular expenditure requests. The reports are prepared jointly by the Nestrans office and Finance officials from Aberdeenshire Council.

The Board also has a statutory responsibility to prepare its Statement of Accounts by 30 June, following the 31 March financial year end. The Statement of Accounts complies with the Code of Practice on Local Authority Accounting in the United Kingdom.

The unaudited Statement of Accounts must also be presented to the Board prior to being passed to the Partnership's External Auditor, Audit Scotland, and advertised for public inspection.

- Current Revenue & Capital Budget and Draft Final Accounts 2009/10 (unaudited)

Appendix 1 to this report sets out a summary monitoring statement of expenditure to 31 May 2010. This shows expenditure of £73,635. There has been little by way of invoices received this early in the financial year. The spend to date shown in the Appendix is broadly in line with expectations at this time of year. The Appendix also show an expected outturn which is in line with budget.

Within the 2010/11 Capital programme, which the Board agreed in April 2010, provision had been made for works to improve bus punctuality on the Buchan- King Street corridor at a cost of £200,000. It is now considered that this will not now be spent in full and that only £100,000 will be required in 2010/11. It is proposed to vire £100,000 from the budget to allow further maintenance on strategic routes.

Appendix 2 to this report sets out a summary monitoring statement of expenditure to 31 March 2010. This is expanded in **Appendix 3** the draft Statement of Accounts for 2009/10. These Statements have been prepared in accordance with the Code of Practice on Local Authority Accounting: A Statement of Recommended Practice (SORP) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC). The format of these accounts is quite different from the standard budget monitoring reports that have been provided for the Board, but comply fully with the reporting requirements of the SORP.

The Income & Expenditure Account on page 9 and the Financial Outturn on pages 4 and 5 detail the outturn position against budget. This Account and outturn information shows that expenditure exceeded income by £118,396 (2.7%). This position is largely due to the completion of works budgeted for in previous financial years but which were completed in 2009/10. The Board will recall that the Partnership is prohibited from retaining surpluses and that any surplus or loss arising will be met from an adjustment to the contribution from Council partners. The Cashflow Statement on page 11 indicates how the Partnership made use of the cash it received.

- Recommendations

The Board:

1. Note the 2010/11 revenue budget monitoring report as at 31 May 2010.
2. Agree to vire £100,000 budget provision from Bus Punctuality Improvement Partnership costs to Strategic Maintenance.
3. Note the 2009/10 revenue budget monitoring report as at 31 March 2010.
4. Approve the submission of the draft accounts for 2009/10 to Audit Scotland.

Derek Yule
Treasurer