

## 7b Statement of Accounts 2009/10 and the External Auditor's Report to the Partnership 2009/10

---

---

- Purpose of Report and Background

This report submits, for the information of the Board, the audited Statement of Accounts for 2009/10 and the external auditor's report to Members for 2009/10.

- Background

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.

The Statement of Accounts, together with the opinion expressed by the external auditor on the activities of the Authority, is designed to meet these requirements. The auditor's opinion, in the form of the unqualified Audit Certificate, is included as pages 20 to 21 of the Statement of Accounts.

The Board will recall that it considered and noted the International Standard on Auditing 260 report from Audit Scotland at its meeting in August last.

It is also a requirement of the 1985 Regulations that the audited Statement of Accounts shall be made available for public inspection and sale to interested parties at a reasonable charge. This charge has been set at £10 and it is proposed that no alteration be made to this charge for printed copies of the Accounts. However, the audited Statement of Accounts will be available on the Partnership website and can be accessed and downloaded free of charge.

- Statement of Accounts 2009/10

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 5 – 6	Statement of Accounting Policies.
Pages 8	Income and Expenditure Account showing the Revenue Expenditure for the year and how it was financed, and the Statement of Movement on the Authority's General Fund Balance.
Page 9	Balance Sheet showing the financial position as at 31 March 2010.

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. 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 North East of Scotland Transport Partnership at 31 March 2010.

- External Audit Report to Members

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 Report is included as appendix 2 to this report.

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 Partnership. 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 Partnership agree these and instruct the responsible officers to ensure that these issues are addressed within the set out timescale. The actions required have to be seen against a background of a very positive report.

- Materiality

Paragraphs 7 and 8 on page 2 of the external auditor's report deal with issues arising during the audit of the financial statements. Paragraph 7 states that two financial misstatements were found in the Draft accounts which have now been adjusted.

- Recommendations

The Board is recommended to:

- 1 Discuss the Statement of Accounts for 2009/10 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 Nestrans website.

Derek Yule  
Treasurer

TB/11 November 2010