

Statement of Accounts 2010/11 and the External Auditor's Report to the Partnership 2010/11

- Purpose of Report and Background

This report submits, for the information of the Board, the audited Statement of Accounts for 2010/11 and the external auditor's report to Members for 2010/11.

- 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 has expressed an unqualified opinion and the full report included in pages 31 to 32 of the Statement of Accounts.

It is also a requirement of the Regulations that the audited Statement of Accounts shall be made available for public inspection and for 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 2010/11

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 – 5	Foreword by Treasurer,
Pages 7 – 8	Movement in Reserves Statement
Pages 9	Comprehensive Income & Expenditure Statement
Page 10	Balance Sheet showing the financial position as at 31 March 2011.

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 2011.

- 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 positive report.

- Materiality

Page 6 of the external auditor's report deals with accounting issues arising during the audit of the financial statements and highlights the mistreatment of £4,000 relating to accumulated absences which has been corrected in the final statements.

- Recommendations

The Board is recommended to:

- 1 Consider the Statement of Accounts for 2010/11 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.

Alan Wood
Treasurer

TB/11 November 2011