

# Angus Council

## Report to those charged with governance on the 2013/14 audit



Prepared for Angus Council Scrutiny and Audit Committee  
and Head of Corporate Improvement and Finance

September 2014

Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. It provides services to the Auditor General for Scotland and the Accounts Commission. Together they ensure that the Scottish Government and public sector bodies in Scotland are held to account for the proper, efficient and effective use of public funds.

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# Introduction

1. International Standard on Auditing (UK and Ireland) 260 (ISA 260) requires auditors to report specific matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action.
2. This report sets out for the Scrutiny and Audit Committee's consideration the matters arising from the audit of the financial statements for 2013/14 that require to be reported under ISA 260. We are drawing to your attention those matters we think are worthy of note, so that you can consider them before the financial statements are approved and certified. An audit of the financial statements is not designed to identify all matters that may be relevant to those charged with governance. It is the auditor's responsibility to form and express an opinion on the financial statements prepared by management, however this does not relieve management of their responsibilities in this respect. This report has been prepared for the use of Angus Council and no responsibility to any third party is accepted.

## Status of the Audit

3. Our work on the financial statements is now substantially complete. The issues arising from the audit were included in matters arising schedules issued to the finance team during the audit. The more significant issues arising were discussed with the Head of Corporate Improvement and Finance at a meeting on 18 September 2014.
4. We received the unaudited financial statements on 30 June 2014, in accordance with an agreed timetable. Overall, we were satisfied with the standard of working papers provided to support the 2013/14 accounts. An area flagged for improvement in the previous year was the council's non-current assets. For 2013/14, the working papers for this area of the accounts were provided at a much earlier stage in the process and included improved audit trails and a reconciliation between the asset register and the financial ledger.

## Matters to be reported to those charged with governance

### Conduct and scope of the audit

5. Information on the integrity and objectivity of the appointed auditor and audit staff, and the nature and scope of the audit, were outlined in the Annual Audit Plan presented to the Scrutiny and Audit Committee in April 2014, and follow the requirements of the Code of Audit Practice prepared by Audit Scotland in May 2011.
6. As part of the requirement to provide full and fair disclosure of matters relating to our independence, we can confirm that we have not undertaken non-audit related services. The 2013/14 agreed fee for the audit was disclosed in the Annual Audit Plan and remains unchanged.

## Fraud

7. In our Annual Audit Plan, we highlighted the responsibility audited bodies have for establishing arrangements to prevent and detect fraud and other irregularities. In presenting this report to the Scrutiny and Audit Committee, we seek confirmation from those charged with governance of any instances thereof that have arisen that should be brought to our attention. A specific confirmation from management in relation to fraud has been included in the draft letter of representation. (Refer to paragraph 17 and Appendix C)

## Council audit opinion

8. We anticipate being able to issue an unqualified auditor's report on 30 September 2014 (the proposed report is attached at [Appendix A](#)). There are no anticipated modifications to the audit report.
9. We are required to report to those charged with governance all unadjusted misstatements which we have identified during the course of our audit, other than those of a trivial nature which we regard as errors less than £1,000.
10. Presentational and monetary adjustments identified during the course of our audit were discussed with senior finance officers who agreed to amend the unaudited financial statements. The main adjustment was to correct overstated debtors and creditors within the balance sheet by £11.790m due to the council's omission to clear a suspense account at the year end. The effect of all amounts adjusted was a reduction in cost of services of £5.164m, a decrease in net assets of £0.261m and a decrease in unusable reserves of £0.261m. There was no change in the general fund balance as a result of the audit. The more significant misstatements are explained in more detail at paragraphs 20 and 22.
11. A monetary misstatement identified from the audit representing a duplicate payment has not been reflected in the financial statements. If adjusted, the net impact of the misstatement would be a decrease in cost of services and an increase in net assets of £16k. It is our responsibility to request that all misstatements be corrected, although the final decision on this matter rests with those charged with governance taking into account advice from officers and materiality. Management explained that this adjustment was not material to the financial statements.

## Strang's Mortification audit opinion

12. An audit is required for the first time, for the 2013/14 financial statements for all registered charities where the local authority is the sole trustee, irrespective of the size of the charity. This is due to the interaction of section 106 of the Local Government (Scotland) Act 1973 with the Charities Accounts (Scotland) Regulations 2006.
13. The Assistant Auditor General wrote to Local Government section 95 officers in June 2013 advising them of these new arrangements and the Accounts Commission's decision to appoint the auditor of each council as the auditor of its relevant charities. The auditor of Angus Council, Audit Scotland, has been appointed as the auditor of the Robert & William

StrangMortification (Strang's Mortification) which was administered by the council for the year ended 31 March 2014.

14. Subject to the satisfactory conclusion of any outstanding matters and receipt of revised sets of financial statements for final review, we anticipate being able to issue an unqualified auditor's report on 30 September 2014 (the proposed report is attached at [Appendix B](#)). There are no anticipated modifications to the audit report.
15. The charity's opinion highlights that as this is the first year of audit, the financial statements for the year ended 31 March 2013 were not audited. The comparative amounts in the charity's financial statements for the year ended 31 March 2014 are therefore unaudited. However, we have obtained sufficient appropriate audit evidence that the opening balances do not contain misstatements that materially affect the current period's financial statements.
16. We are required to report to those charged with governance all unadjusted misstatements which we have identified during the course of our audit, other than those of a trivial nature. There were no unadjusted misstatements which we have identified during the course of our audit.

## Representations

17. As part of the completion of our audit, we seek written assurances from the Head of Corporate Improvement and Finance, as Proper Officer, on aspects of the financial statements and judgements and estimates made. A draft letter of representation under ISA580 (Appendix C) has been issued to the Head of Corporate Improvement and Finance. This should be signed and returned with the signed financial statements prior to the independent auditor's opinion being certified.

## Accounting and internal control systems

18. No material weaknesses in the accounting and internal control systems were identified during the audit which could adversely affect the ability to record, process, summarise and report financial and other relevant data so as to result in a material misstatement in the financial statements.

## Council findings

19. In our view, the following issues require to be brought to your attention regarding the appropriateness of accounting policies or accounting estimates and judgements, the timing of transactions, the existence of material unusual transactions or the potential effect on the financial statements of any uncertainties.
20. **Non-current assets:** transfer to the housing revenue account - Scottish Ministers' consent was obtained to transfer land from the general fund to the housing revenue account which will be used to provide affordable housing. Two buildings were demolished in preparation for the transfer. The unaudited accounts reflected the transfer of the buildings to the housing

revenue accounts but included them at their existing valuation rather than the reduced valuation stated within the letter of consent provided by Scottish Ministers.

Resolution: The accounts will be amended to reduce the valuation by £0.32m in accordance with the consent letter.

- 21. Non-current assets:** council dwellings valuation - Council dwellings are revalued every 5 years, the current basis of valuation is existing use for social housing (EUV-SH). The council's policy is to write off the revalued amount over the useful life of the housing stock which is expected to be 50 years. The Code of Practice for Local Authority Accounting permits this length of write off period but it also sets out expectations in respect of component accounting which is commonly adopted by councils to separately account for elements of an asset which require to be written off over a shorter period. Angus' componentisation policy is triggered when a separate asset exceeding £1.5m and with a life of more than 25 years is identified which means there is little use of componentisation. Consequently, we would suggest that the write off period for council dwellings is higher than expected and therefore depreciation is low.

Resolution: Council house dwellings are scheduled for revaluation in 2014/15 and as part of this process, beacon properties will be identified and considered for componentisation. In the interim, as the amount involved is likely to be below the audit materiality level, no adjustment is proposed for 2013/14.

- 22. Council tax income account** - Expenditure of £5.473m related to the council tax reduction scheme (CTRS) introduced in 2013/14 was omitted from the council tax income account in the unaudited accounts and instead included within the recharge to other services in the Comprehensive Income and Expenditure Statement (CIES). This will be amended in the revised accounts by reducing the council tax income account and increasing the Cost of Services in the CIES.

Resolution: While the accounts will be amended to reflect this adjustment, there is no effect on the deficit on provision of services in the CIES. The amendment will be made to ensure the council tax income account includes the correct disclosures required by the Code.

- 23. Common good fund** - In view of the increasing level of depreciation being charged to the common good, the council undertook a review of the assets within the funds. In order to make the amount of available funds clearer to elected members, common good reserves were split between usable and unusable reserves and for comparative purposes, the 2012/13 figures have been restated.

Resolution: We are satisfied with the approach adopted by the council in respect of the common good.

- 24. Holiday pay entitlements.** Subsequent to the year end, recent case law concluded that all elements of pay carried out under a contract of employment should be included in the calculation of holiday pay, for example contractual overtime or bonus payments. Furthermore it may be possible for employees to make retrospective claims and for former employees to submit claims. As this is a recent development, the council have not yet assessed the relevance and impact of the decision on its current and former employees.

Resolution: A contingent liability note will be included in the revised accounts to highlight a potential liability for the council once the impact has been fully assessed.

- 25. Provision for reinstatement of landfill sites** - Provision should be made for the reinstatement of landfill sites when they are initially brought into use. Angus Council's landfill site is operated on a cellular basis over a 5 year period. The average costs involved with closing each cell and effectively reinstating that section of the site is £0.3m.

Resolution: On the basis of materiality, Angus has historically not provided for this amount.

## Acknowledgements

- 26.** We would like to express our thanks to the staff of Angus Council for their help and assistance during the audit of this year's financial statements which has enabled us to provide an audit report within the agreed timetable.



# Appendix A: Proposed Independent Auditor's Report - Council

## **Independent auditor's report to the members of Angus Council and the Accounts Commission for Scotland**

I certify that I have audited the financial statements of Angus Council and its group for the year ended 31 March 2014 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the group and authority-only Movement in Reserves Statements, Comprehensive Income and Expenditure Statements, Balance Sheets and Cash-Flow Statements, the authority-only Housing Revenue Account Income and Expenditure Statement, the Movement on the Housing Revenue Account Statement, the Council Tax Income Accounts, the Non-Domestic Rate Income Account, Charitable Trusts, Common Good and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 (the 2013/14 Code).

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 125 of the Code of Audit Practice approved by the Accounts Commission for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

## **Respective responsibilities of the Head of Corporate Improvement and Finance and auditor**

As explained more fully in the Statement of Responsibilities, the Head of Corporate Improvement and Finance is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Head of Corporate Improvement and Finance; and the overall presentation

of the financial statements. In addition, I read all the financial and non-financial information in the Annual Accounts document to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

### **Opinion on financial statements**

In my opinion the financial statements:

- give a true and fair view in accordance with applicable law and the 2013/14 Code of the state of the affairs of the group and of the body as at 31 March 2014 and of the income and expenditure of the group and the body for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2013/14 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973 and the Local Government in Scotland Act 2003.

### **Opinion on other prescribed matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 1985; and
- the information given in the Explanatory Foreword for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which I am required to report by exception**

I am required to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- the Annual Governance Statement does not comply with Delivering Good Governance in Local Government.

I have nothing to report in respect of these matters.

Stephen Boyle CPFA, Assistant Director of Audit

Audit Scotland

4th Floor South Suite

The Athenaeum Building

8 Nelson Mandela Place

Glasgow G2 1BT

30 September 2014

# Appendix B: Proposed Auditor's Report - Charity

## **Independent auditor's report to the trustees of Robert & William Strang Mortification and the Accounts Commission for Scotland**

I have audited the financial statements of Robert & William Mortification for the year ended 31 March 2014 under Part VII of the Local Government (Scotland) Act 1973 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. The financial statements comprise the receipts and payments account, statement of balances, and the related notes. The financial reporting framework that has been applied in their preparation is a receipts and payments basis.

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 125 of the Code of Audit Practice approved by the Accounts Commission for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

### **Respective responsibilities of the trustees and auditor**

As explained more fully in the Statement of Responsibilities of the Trustees, the trustees are responsible for the preparation of the financial statements which properly present the receipts and payments of the charity. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Accounts Commission for Scotland. Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts or disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

### **Opinion on financial statements**

In my opinion the financial statements:

- properly present the receipts and payments of the charity for the year ended 31 March 2014 and its statement of balances at that date; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, and regulations 9(1),(2) and (3) of The Charities Accounts (Scotland) Regulations 2006.

### **Other matter - unaudited comparative amounts**

The financial statements for the year ended 31 March 2013 were not audited. The comparative amounts in the financial statements for the year ended 31 March 2014 are therefore unaudited.

### **Opinion on other prescribed matter**

In my opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which I am required to report by exception**

I am required by The Charity Accounts (Scotland) Regulations 2006 to report to you if, in my opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.

**Stephen Boyle**

**Assistant Director of Audit**

**Audit Scotland**

**The Athenaeum Building**

**4th Floor, South Suite**

**8 Nelson Mandela Place**

**Glasgow G2 1BT**

**30 September 2014**

Stephen Boyle is eligible to act as an auditor in terms of Part VII of the Local Government (Scotland) Act 1973.

# Appendix C: ISA 580 - Letter of Representation

Mr Stephen Boyle  
Assistant Director  
Audit Scotland  
4th Floor South Suite  
8 Nelson Mandela Place  
GLASGOW  
G2 1BT

Dear Stephen

## **Annual Accounts 2013/14**

1. This representation letter is provided in connection with your audit of the financial statements of:

- Angus Council and its group for the year ended 31 March 2014, for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of the council and its group as at 31 March 2014 and its income and expenditure for the year then ended
- Robert & William Strang Mortification (Strang's Mortification) for the year ended 31 March 2014, for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of the Trust as at 31 March 2014 and its receipts and payments for the year then ended.

2. I confirm to the best of my knowledge and belief, and having made appropriate enquiries of the Chief Executive, Directors, the Council and trustees, the following representations given to you in connection with your audit of Angus Council and its group and Strang's Mortification for the year ended 31 March 2014.

## **General**

3. I acknowledge my responsibility and that of Angus Council and the Charity trustees for the financial statements. All the accounting records requested have been made available to you for the purposes of your audit. All material agreements and transactions undertaken by Angus Council and its group and Strang's Mortification have been properly reflected in the financial

statements. All other records and information have been made available to you, including minutes of management and other meetings.

4. The information given in the council's financial statements, including the Explanatory Foreword and Remuneration Report, presents a balanced picture of Angus Council and Strang's Mortification and is consistent with the financial statements. I confirm that the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. I am not aware of any uncorrected misstatements other than those identified in the auditor's report to those charged with governance (ISA260).

5. I confirm that Strang's Mortification is the only trust that requires an audit at 31 March 2014 where the sole trustee is Angus Council. The information given in the financial statements, including the Trustees' Annual Report, presents a balanced picture of the Trust and is consistent with the financial statements. I am not aware of any uncorrected misstatements.

#### **Financial Reporting Framework**

6. The council's financial statements have been prepared in accordance with Code of Practice on Local Authority Accounting in the United Kingdom 2013/14, and in accordance with the requirements of the Local Government (Scotland) Act 1973, the Local Government in Scotland Act 2003 and the Local Authority Accounts (Scotland) Regulations 1985 including all relevant presentation and disclosure requirements.

7. The financial statements of Strang's Mortification have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, Charities Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the charity's constitution.

8. Disclosure has been made in the financial statements of all matters necessary for them to show a true and fair view of the transactions and state of affairs of Angus Council and its group and Strang's Mortification for the year ended 31 March 2014.

#### **Accounting Policies & Estimates**

9. All material accounting policies adopted are as shown in the Statement of Accounting Policies included in the financial statements. The continuing appropriateness of these policies has been reviewed since the introduction of IAS 8 and on a regular basis thereafter, and takes account of the requirements set out in the Code of Practice on Local Authority Accounting in the United Kingdom 2013/14.

10. The significant assumptions used in making accounting estimates are reasonable and properly reflected in the financial statements. There are no changes in estimation techniques which should be disclosed due to their having a material impact on the accounting disclosures.

### **Related Party Transactions**

11. All transactions with related parties have been disclosed in the financial statements. I have made available to you all the relevant information concerning such transactions, and I am not aware of any other matters that require disclosure in order to comply with the requirements of IAS24, as interpreted by the Code of Practice on Local Authority Accounting in the United Kingdom 2013/14.

### **Events Subsequent to the Balance Sheet Date**

12. There have been no material events since the date of the Balance Sheet which necessitate revision of the figures in the financial statements or notes thereto including contingent assets and liabilities.

13. Since the date of the Balance Sheet no events or transactions have occurred which, though properly excluded from the financial statements, are of such importance that they should be brought to your notice.

### **Corporate Governance**

14. I acknowledge, as Section 95 Officer and treasurer to Strang's Mortification, my responsibility for the corporate governance arrangements. I confirm that I have disclosed to the auditor all deficiencies in internal control of which I am aware.

15. The corporate governance arrangements have been reviewed and the disclosures I have made are in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2013/14. There have been no changes in the corporate governance arrangements or issues identified, since 31 March 2014, which require disclosure.

### **Fraud**

16. I have considered the risk that the financial statements may be materially misstated as a result of fraud. I have disclosed to the auditor any allegations of fraud or suspected fraud affecting the financial statements. There have been no irregularities involving management or employees who have a significant role in internal control or that could have a material effect on the financial statements.

### **Assets**

17. The assets shown in the council Balance Sheet and Strang's Mortification statement of balances at 31 March 2014 were owned by Angus Council, other than assets which have been purchased under operating leases, and Strang's Mortification. Assets are free from any lien, encumbrance or charge except as disclosed in the financial statements.

### **Non-Current Assets**

18. For the year ended 31 March 2014, title deeds for properties owned or mortgaged to Angus Council were held by the council and all such deeds were in order.

19. All non-current assets are appropriately classified. The net book amount in the balance sheet was arrived at

- after taking into account all material capital expenditure on additions but not expenditure properly chargeable to revenue
- after the amounts at which the land and buildings were stated in the balance sheet were properly calculated in accordance with the approved bases of valuation and fairly represented the values at 31 March 2014, and no properties were omitted from or duplicated in the valuation which is conducted at least every 5 years
- after deducting the cost and accumulated depreciation relating to items sold or scrapped
- after providing for depreciation and obsolescence on bases and at rates calculated to reduce the net book value of each asset to its estimated residual value by the end of its probable useful life.

### **Investments**

20. At 31 March 2014, £35m was shown in the council's balance sheet as short term investments. This largely represents the council's immediate cash flow requirements to fund the capital programme and to meet working capital requirements.

### **Liabilities**

21. All liabilities have been provided for in the books of account, including the liability for all purchases to which title has passed prior to 31 March 2014.

### **Provisions**

22. Provisions have been made in the council's financial statements for all material liabilities which have resulted, or may be expected to result, by legal action or otherwise, from events which had occurred by 31 March 2014 and of which Angus Council could reasonably be expected to be aware. The amount recognised as a provision is the best estimate of the expenditure likely to be required to settle the present obligation at 31 March 2014, and I am not aware of any instances of provisions that do not meet the criteria of IAS 37.

23. At 31 March 2014 it was not necessary to carry a provision in respect of equal pay legislation as the council held no outstanding claims. As a precaution, however, the council has an earmarked balance of £xx to cover unexpected costs which may arise in the future.



### **Contingent Liabilities**

24. There are no significant contingent liabilities, other than those disclosed in Note 47 to the council's accounts, arising either under formal agreements or through informal undertakings requiring disclosure in the accounts. All known contingent liabilities have been fully and properly disclosed, including any outstanding legal claims which have not been provided for under the Code and IAS 37.

### **Carrying Value of Assets and Liabilities**

25. The assets and liabilities have been recognised, measured, presented and disclosed in accordance with Code of Practice on Local Authority Accounting in the United Kingdom 2013/14. There are no plans or intentions that are likely to affect the carrying value or classification of the assets and liabilities within the financial statements.

### **Commitments**

26. All commitments under capital contracts have been disclosed in Note 38 to the council's accounts. Any other significant commitments or obligations which might adversely affect the council have been disclosed.

### **Leases**

27. All leasing arrangements have been reviewed and correctly classified as operating or finance within the financial statements. Lease arrangements granted by the council have been classified and disclosed within the financial statements.

### **Loans Fund**

28. All borrowings have been confirmed as being compliant with the provisions of the Local Government (Scotland) Act 1975.

### **Common Good Fund and Trust Funds**

29. In my opinion the common good assets, liabilities and revenue transactions within the financial statements are materially complete. Similarly, all assets and liabilities and revenue transactions relating to charitable trusts managed by the council have been properly separated from the council's single entity accounts and are reflected within the trust fund accounts.

### **Group Accounts**

30. In my opinion the group assets, liabilities and revenue transactions within the council's group financial statements are materially complete. The group boundary has been reviewed in accordance with the Code and there are no material entities that have been omitted from consolidation within the financial statements. Any significant issues with the financial statements of group entities, including qualifications, have been advised to audit. In making these assertions I am reliant on the opinions of the external auditors of group entities.

**Pension Fund**

31. The pension assumptions made by the actuary in the IAS19 report for Angus Council have been reviewed and I confirm that they are consistent with management's own view.

**Other Matters**

32. Except as disclosed in the financial statements, the results for the period were not materially affected by:

- transactions of a sort not usually undertaken by the Council or Strang's Mortification
- circumstances of an exceptional or non-recurrent nature
- charges or credits relating to prior periods
- any change in the basis of accounting

Yours sincerely

Ian Lorimer

Head of Corporate Improvement and Finance