

Annual Accounts 2018/19 – Summary of Main Movements

The Unaudited Accounting Statements presented to Scrutiny & Audit Committee on the 20 August have been amended for a number of audit adjustments that were raised during the course of Audit Scotland's audit. It should be noted that the adjustments have had a £0.030 million impact on the General Fund balance.

The main movements on the accounting statements are as follows:-

Comprehensive Income & Expenditure Statement (CI&ES)

Internal Transactions – As per the code of practice any internal transactions between segments (services) are not permitted and therefore have now been removed from the relevant income and expenditure figures. This had an overall neutral impact on the CI&ES

Pensions Accounting – The council obtained a revised actuarial valuation which took into account the Supreme Court's ruling and adjusted the financial statements to reflect the revised pension liability. The impact of the adjustment was to increase the employer's liability by £4.553m.

Non Domestic Rate Income – £0.030m correction to the Non Domestic Rate debtor, £0.030 million was incorrectly charged to the short term debtor code and the charge should have been made to Other Services.

The adjusting entries total £4.583 million and this has resulted in the **Total Comprehensive Income and Expenditure** increasing from £4.358 million to £8.941 million.

Balance Sheet

Loan to HubCo – £0.354m wrongly categorised in the balance sheet report and picked up through audit and corrected as £0.327m long term investment and £0.027m as short term investment.

Pensions Accounting – As per the above the council obtained a revised actuarial valuation which took into account the Supreme Court's McCloud / Sargeant ruling on pension accounts disclosures and adjusted the financial statements to reflect the revised pension liability. The impact of the adjustment was to increase the employer's liability by £4.553m.

Long term borrowing – Originally included an element which was repayable within one year and therefore should have been categorised as short term, £3.186m.

Non Domestic Rate Income – As above, £0.030m correction to the Non Domestic Rate debtor, £0.030 million was incorrectly charged to the short term debtor code and, the charge should have been made to Other Services.

The adjusting entries have resulted in the **Balance Sheet Net Assets/Total Reserves** reducing from £504.140 million to £499.557 million.

Uncommitted General Fund

The uncommitted General Fund Balance per the unaudited accounts was £7.250 million. This has been revised to £7.220 million due to the adjustment for NDRI debtor being charged to Other Services.

Uncommitted Housing Revenue Account

The uncommitted Housing Revenue Account of £4.211 million per the unaudited accounts has not changed.