

A19. Annual Accounts 2018/19

The committee considered a report by the Director of Corporate and Housing Services presenting the audited accounts for 2018/19. The accounts had been audited by the Council's external auditors Ernst and Young and were expected to be free from qualification. They would be submitted, following consideration by the Audit Committee, to Council, for approval.

The committee noted that, at 31 March 2019 the value of heritage assets had been £266k. Following a question the Chief Finance Officer gave an overview of what this category of asset included. Mr Smail then, following a question, provided an explanation of the payment schedule for the Class 98 contract and confirmed the end date of 2026 for payments. There was an advance period of three years where the parties would negotiate future arrangements – i.e. continue with an arrangement or take the schools back. A working group was examining options and no decisions had been made at this point.

The committee noted that 32% of General Fund Capital Resources projects had not been delivered. The Chief Finance Officer explained that slippage was normal and that the key was to manage the slippage. The Executive received regular reports on progress with the Capital Programme and had identified slippage as a concern. As a consequence Internal Audit had reviewed the control processes and had made a number of recommendations, all of which had been implemented.

The committee then discussed the management commentary. It was highlighted that this did not comment on in-year savings. The Chief Finance Officer explained that savings options, to bridge to the budget gap, were regularly reported to the Executive and Council had considered a suite of options as part of its budget setting exercise in February. The financial position, reported to the Executive in June 2019 had shown the outturn to be satisfactory, albeit with ebbs and flows in the detail. He explained the process for tracking the financial position and monitoring savings and highlighted the processes for managing Council of the Future projects.

In regard to the revaluation of the Council's land and buildings, the Chief Finance Officer explained that work was ongoing.

Decision

The Committee agreed to refer the Audited Accounts for 2018/19 to Council for consideration and approval.