

TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP**23 OCTOBER 2007****ANNUAL ACCOUNTS 2006/2007****REPORT BY TREASURER AND DIRECTOR**

This report presents the 2006/2007 Audited Accounts, as submitted to the Controller of Audit

1 RECOMMENDATIONS

- 1.1 The Partnership is asked to note the 2006/2007 Audited Accounts and Report to Members and the Controller of Audit as detailed in Appendices A and B.

2 BACKGROUND

- 2.1 The Board, at its meeting of the 21 August 2007, agreed to delegate to the Director and Treasurer authority to approve the Audited 2006/2007 Annual Accounts for submission to the Controller of Audit (Report RTP/07/28A refers).

3 DISCUSSION

- 3.1 The final Audited Accounts for 2006/07 are attached at Appendix A, along with the External Auditor's Report to Members and the Controller of Audit, at Appendix B. A number of issues which were highlighted during the Audit are outlined below. A presentation will also be given to the Partnership on the Audit of Accounts by Chris Beaton, a Partner with Henderson Loggie the external auditors.
- 3.2 Prior to submission of the Unaudited Accounts on 30 June 2007, the Treasurer received late guidance from Scottish Government, advising that Regional Transport Partnerships do not have powers under the Transport Scotland Act 2005 to hold reserves. Although the accounts have been prepared in accordance with the advice a number of concerns have been expressed nationally about this matter and it will be raised again at the next RTP/Scottish Government Finance meeting on 13 November 2007.
- 3.3 Under the Accounting Code of Practice TACTRAN cannot treat expenditure which it funds from Scottish Government grant as Capital expenditure within its own Accounts, as the Assets created by this Grant are not owned by TACTRAN. The assets are owned by the constituent authorities which undertook the projects. All such expenditure is, therefore, treated as Revenue within the Annual Accounts

- 3.4 During the Audit the External Auditor provided identified a number of areas where financial governance processes and procedures could be improved as the Partnership evolves. The Treasurer will progress these matters with the Director in the current financial year.
- 3.5 A late adjustment was required to the Final Accounts in respect of Angus Council's claim for Capital Grant, which was found to be overstated by £30,632. This was adjusted for in the Capital Grant which has been carried forward into 2007/2008, as discussed in a separate report to this Partnership meeting on Capital monitoring.
- 3.6 In relation to Pensions under Financial Reporting Standards 17 (Retirement Benefits) the Partnership is required to include figures relating to the pension scheme assets, liabilities, income and expenditure. Consequently a provision of £261,000 has been made in respect of Pensions Liabilities within the Final Accounts.

4 CONSULTATION

- 4.1 There has been no consultation in the preparation of this report.

John Symon
Treasurer

Eric Guthrie
Director

For further information contact email jcockburn@pkc.gov.uk or telephone 01738 476362