

**REPORT TO: SPECIAL FINANCE COMMITTEE - 26 JUNE 2000**

**REPORT ON: UNAUDITED STATEMENT OF ACCOUNTS FOR THE YEAR ENDED  
31 MARCH 2000 - DUNDEE CITY COUNCIL, DIRECT LABOUR ORGANISATION,  
DIRECT SERVICE ORGANISATIONS**

**REPORT BY: DIRECTOR OF FINANCE**

**REPORT NO: 439/2000**

## **1 PURPOSE OF REPORT**

To provide some additional commentary on the unaudited Statements of Accounts which are being submitted to the Finance Committee along with this report.

## **2 RECOMMENDATIONS**

The Committee is asked to:

- 2.1 Note the contents of this covering report.
- 2.2 Note the unaudited Statements of Accounts which have been submitted along with this report.
- 2.3 Instruct the Director of Finance to submit these Statements of Accounts to the Controller of Audit, Accounts Commission for Scotland.

## **3 FINANCIAL IMPLICATIONS**

- 3.1 The City Council's 1999/2000 revenue account shows an actual deficit of £1.045m, against a budgeted deficit of £1.914m. The closing General Fund balance is £1.307m, excluding the amounts which are reserved for schools participating in the Devolved School Management Scheme. It is considered that the closing General Fund balance represents a reasonable level of working balances for an authority of the size of Dundee City Council.
- 3.2 The Direct Labour Organisation and Direct Service Organisations met their prescribed financial objectives for 1999/2000 and returned surpluses of £835,000 to the City Council's General Fund, compared with budgeted surpluses of £522,000.

## **4 LOCAL AGENDA 21 IMPLICATIONS**

None

## **5 EQUAL OPPORTUNITIES IMPLICATIONS**

None.

## **6 REPORT**

- 6.1 The relevant statutory provisions regarding the preparation of Local Authority Accounts are contained in the Local Authority Accounts (Scotland) Regulations 1985, as amended by the Local Authority Accounts (Scotland) Amendment Regulations 1997. Section 4 of these regulations requires that "... all the accounts of the local authority are made up and balanced as soon as practicable after the end of each financial year and that sufficient copies of an abstract of the said accounts for each financial year are prepared ... and submitted to the authority and to the Controller of Audit not later than 30 June in the next financial year....".

- 6.2 The City Council is required to prepare consolidated accounts covering all departments of the Council, together with separate accounts for its Direct Labour Organisation (Dundee Contract Services) and for its Direct Service Organisations. The three sets of accounts for the financial year 1999/2000 are enclosed with this report.
- 6.3 Each Statement of Accounts already includes a detailed commentary on the figures contained therein and it is not intended to repeat this in this covering report. It is, however, worth reiterating a few of the more salient points.
- 6.4 The City Council's 1999/2000 revenue account shows an actual deficit of £1.045m against a budgeted deficit of £1.914m ie an underspend of £0.869m. The main areas of departmental under and overspend are highlighted on page 2 of the Statement of Accounts. It should be pointed out that the overspend in Education (£0.7m) is largely due to an over-recovery of Central Support costs and that this is offset by an underspend in the Central Support departments. The General Fund balance at 31 March 2000 is £1.307m, excluding the amount of £0.382m which is held on behalf of schools participating in the Devolved School Management scheme. The closing General Fund balance represents a reasonable level of working balances for a local authority of the size of Dundee City Council.
- 6.5 The Direct Labour Organisation 1999/2000 Annual Report and Accounts shows that the prescribed financial objectives were met and that a surplus of £400,851 was returned to the City Council's General Fund.
- 6.6 The Direct Service Organisations 1999/2000 Annual Report and Accounts shows that the prescribed financial objectives were met and that surpluses totalling £434,528 were returned to the City Council's General Fund.
- 6.7 In conclusion, it can be said that the City Council's procedures for monitoring and managing its financial affairs were operating successfully during 1999/2000. The relevant performance targets in the Finance Department Service Plan have all been achieved.
- 6.8 Copies of the enclosed Accounts will now be sent to the Controller of Audit at the Accounts Commission for Scotland. He will then instruct the Council's external auditors (Henderson Loggie, Dundee) to commence their audit of the Accounts. The 1999/2000 audit process is due to be completed by 30 September 2000 and the outcome of the audit is scheduled to be reported back to the Finance Committee on 13 November 2000.

**DAVID K DORWARD**  
**DIRECTOR OF FINANCE**

#### **BACKGROUND PAPERS**

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.