

To: Council

On: 26 September 2019

Report by: Director of Finance & Resources

Heading: Audited Annual Accounts 2018/19 – Renfrewshire Council

1. Summary

1.1 The 2018/19 unaudited Annual Accounts were submitted to Council for approval on 27 June 2019 and then passed for audit to Audit Scotland.

1.2 As is normal each year, over the course of the audit period since the unaudited annual accounts were approved by Council, both Council officers and external auditors have been working to ensure any corrections or presentational changes agreed over the course of the audit process are reflected within revised working papers, and also within the Annual Accounts document itself, which are then subsequently reconsidered by external audit.

1.3 As at the date of the issue of Council papers, this process is unfortunately not yet fully completed. This is due to the complexity experienced in the work associated with some of the amendments, predominantly classification adjustments, the time taken to both make these amendments and to subsequently audit the changes which have been agreed by Council finance officers. Notwithstanding this, there are no material changes anticipated to emerge from the audit process in relation to the 2018/19 financial outturn position of the Council, or with regards the level of usable reserves and balances, from that detailed in the approved unaudited accounts.

1.4 The external auditor is not able to issue his formal opinion with regards the annual accounts while this work is not yet fully complete. It is anticipated this work will be substantially complete on or around 24

September 2019, and the external auditor will at that point be able to provide an opinion and report on matters arising over the audit process. It is anticipated that the audit certificate will be unqualified, subject to satisfactory completion of any outstanding audit activity. In this case, it is proposed to delegate authority to the Director of Finance & Resources, in consultation with the Convener of the Finance, Resources and Customer Services Policy Board, to agree any minor adjustment to the annual accounts to satisfy audit requirements. In the event a material adjustment is required, Council would require to agree this at a future meeting.

- 1.5 Under the Council scheme of delegation, the Council has responsibility for approving the audited annual accounts, taking into account any recommendation from the Audit, Risk and Scrutiny Board in terms of this approval. Unfortunately, due to the timings experienced this year, securing this recommendation has not been possible as outlined above, however Council may still approve the audited annual accounts for signing.
- 1.6 The Annual Audit Report will be available for full consideration at the next Audit, Risk and Scrutiny Board meeting. It is anticipated the Annual Audit Report will provide further detail in respect of the issues encountered in finalising the audited annual accounts.
- 1.7 In terms of the relevant regulations, the local authority must meet to consider the audited annual accounts, and must aim to approve those accounts for signature no later than 30 September immediately following the financial year to which the accounts relate.

2. **Recommendations**

Council is asked to:

- 2.1 Note that the audited annual accounts will be subsequently issued to members on 24 September 2019, along with the external auditor report to those charged with governance and proposed audit certificate; with the intention that these documents are considered by Council.
- 2.2 Approve the audited annual accounts for signature in accordance with the relevant regulations, subject to any further minor adjustments which may arise in concluding the audit process; in which case to further agree that authority is delegated to the Director of Finance & Resources, in consultation with the Convener of the Finance, Resources and Customer Services Policy Board to make any required minor adjustments to the audited annual accounts.

- 2.3 Note that the Annual Audit Report will be provided to the next meeting of the Audit, Risk and Scrutiny Board, which will provide further information with regards the issues encountered in finalising the audited annual accounts.

Implications of the Report

1. **Financial** – It is anticipated the 2018/19 audited Annual Accounts will be certified as providing a true and fair view of the financial position of the Council as at 31 March 2019.
2. **HR & Organisational Development – none**
3. **Community/Council Planning – none**
4. **Legal** – An audit opinion free from qualification demonstrates the Council's compliance with the statutory accounting requirements set out in the Local Government (Scotland) Act 1973 and the Local Government in Scotland Act 2003
5. **Property/Assets – none**
6. **Information Technology – none**
7. **Equality & Human Rights** – The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety – none**
9. **Procurement – none**
10. **Risk – none**
11. **Privacy Impact – none**
12. **Cosla Policy Position – none**
13. **Climate Risk – none**

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