

To: Council

On: 28 September 2023

Report by: Director of Finance & Resources

Heading: Update on the Annual Audit Report 2022/23

1. Summary

- 1.1 The Council's unaudited Annual Accounts for 2022/23 were presented to the Council on 22 June 2023 and submitted for audit by the statutory deadline of 30 June 2023.
- 1.2 Audit work is substantially complete, but is still subject to final review at present and therefore the annual audit report is unfortunately not available for consideration at Council on 28 September as originally planned. Further detail is provided in section 3.
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2. Recommendations

- 2.1 The Council is asked to:
- (a) note the report;
 - (b) note that a special meeting of the Audit, Risk and Scrutiny Board may be called to consider the Annual Audit Report and Audited Annual Accounts 2022/23; and
 - (c) note that a special meeting of the Council will be called to consider the Annual Audit Report and Audited Annual Accounts 2022/23.
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3. **Background**

- 3.1 Under the Local Authority Accounts (Scotland) Regulations 2014, the Council must meet to consider the Annual Accounts and aim to approve those accounts for signature no later than 30 September. The regulatory timescale also applies to the Coats Observatory Trust audited accounts and report.
- 3.2 This deadline has been extended to 30 November over the past three years due to special arrangements relating to the pandemic, and this has impacted on audit resources and timescales in 2023. In addition the Council has a new audit team for the 2022/23 annual accounts. In the first year of any audit rotation the audit team's work necessarily requires to be broader in scope as they build their knowledge of the Council, its operations, governance structures and financial management systems.
- 3.3 Despite the best efforts of both council staff and the external audit team, it has unfortunately not been possible to complete all the work required to conclude the full range of audit activity; however the external audit team have confirmed their work to date has highlighted no serious concerns with the annual accounts.
- 3.4 Under the Council's scheme of delegation, the audited accounts are presented to the Audit, Risk & Scrutiny Board prior to being presented to Council.
- 3.5 In order to allow the Council to comply with this requirement, it is proposed that the Annual Audit report and Audited Accounts 2022/23 for the Council's Group and the Coats Observatory Trust are reported to the next meeting of the Audit, Risk & Scrutiny Board on 6 November 2023. Alternatively, a special meeting of the Audit, Risk & Scrutiny Board may be required to be called.
- 3.6 Thereafter, it is proposed that a special meeting of the Council is called on an appropriate date for the purpose of approving the audited accounts.

Implications of the Report

1. **Financial** – timely approval of the audited accounts is a key step in evidencing good financial governance and allows the Council to comply with national financial regulations.
2. **HR & Organisational Development** – none arising from this report.
3. **Community/Council Planning** – none arising from this report.

4. **Legal** – whilst the regulatory deadline for approval of the annual accounts will not be met, there are no legal consequences arising for the Council in this regards.
5. **Property/Assets** – none arising from this report.
6. **Information Technology** – none arising from this report.
7. **Equality & Human Rights** – none arising from this report.
8. **Health & Safety** – none arising from this report.
9. **Procurement** – none arising from this report.
10. **Risk** – none arising from this report.
11. **Privacy Impact** – none arising from this report.
12. **Cosla Policy Position** – none arising from this report.
13. **Climate Risk** – none arising from this report.

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Background Papers: None