

**To:** Council

**On:** 24 September 2020

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**Report by:** Director of Finance & Resources

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**Heading:** Update on Audited Annual Accounts 2019/20

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## 1. Summary

- 1.1 The Council's unaudited Annual Accounts for 2019/20 were presented to the Council on 25 June 2020 and submitted for audit by the statutory deadline of 30 June 2020.
  - 1.2 Owing to the ongoing Coronavirus pandemic, flexibility in terms of the timescales for approval of the audited annual accounts has been provided under the Coronavirus (Scotland) Act 2020 and this was highlighted in the June report to Council.
  - 1.3 Scottish Ministers have indicated their expectation that audited annual accounts are published by 30 November 2020 and it is currently anticipated by the appointed auditors, Audit Scotland, that this will be achieved.
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## 2. Recommendations

- 2.1 The Council is asked to:
  - (a) note the revised deadline for the Council to approve and publish its audited accounts, and agree the arrangements being put in place to meet that deadline;
  - (b) agree that the meeting of the Audit, Risk and Scrutiny Committee scheduled for 2 November 2020 be rescheduled to 23 November 2020; and

(c) note that a special meeting of the Council will be called on or before 30 November 2020 to approve the audited accounts; or in the event the audited accounts are not available, note that the audited accounts will be presented to the 17 December 2020 Council meeting.

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### **3. Background**

- 3.1 On 21 May 2020, the Scottish Government released Finance Circular 10/2020, outlining the impact of the Coronavirus (Scotland) Act 2020 on existing statutory regulations for the approval and publication of the annual accounts.
- 3.2 Under this guidance, the Council was entitled to postpone the completion and approval of the unaudited accounts beyond 30 June, but did not require to do so; consequently, the unaudited accounts of the Council and its Group were submitted for audit by 30 June 2020.
- 3.3 The guidance also allows for the approval and publication of the audited annual accounts to extend beyond the usual statutory deadline of 30 September and provides discretion to authorities and their auditors to agree this locally. It is stated, however, that Scottish Ministers consider it reasonable that this date is “no later than 30 November 2020”.
- 3.4 The Council’s appointed auditor, Audit Scotland, have indicated their intention to work towards the 30 November for completion of their audit activity; allowing the audited accounts of the Council and its Group and the associated Annual Audit Report to be authorised and published by 30 November 2020.
- 3.5 This timescale also applies to the Common Good Funds and Coats Observatory Trust audited accounts and report.
- 3.6 Under the Council’s scheme of delegation, the audited accounts are normally presented to the Audit, Risk & Scrutiny Board prior to being presented to Council. In order to allow the Council to comply with the revised dates permissible under Finance Circular 10/2020, it is proposed that the meeting of the Audit, Risk & Scrutiny Board scheduled on 2 November 2020 is rescheduled to 23 November 2020 in order to allow sufficient time for completion of the audit process. Thereafter, it is proposed that a special meeting of the Council is called on an appropriate date, but no later than 30 November 2020, for the purpose of approving the audited accounts.

- 3.7 In the event the audit process is not complete within the timescales outlined above, it is proposed that the audited accounts would be presented for approval to the Council meeting scheduled on 17 December 2020.

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### Implications of the Report

1. **Financial** – 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** – the recommendations in the report will allow the Council to comply with the relevant regulations governing the annual accounts approval process.
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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