

**ANGUS COUNCIL**

**SCRUTINY AND AUDIT COMMITTEE – 20 AUGUST 2019**

**2018/19 UNAUDITED ANNUAL ACCOUNTS**

**REPORT BY IAN LORIMER, DIRECTOR OF FINANCE**

**ABSTRACT**

The Council's 2018/19 unaudited Annual Accounts are submitted under cover of this report. As required by law the draft annual accounts have been submitted to the Controller of Audit for audit purposes. Members are now asked to note the set of annual accounts, scrutinise them and provide appropriate commentary.

**1. RECOMMENDATIONS**

1.1 It is recommended that the Committee:

(i) note the Angus Council 2018/19 Unaudited Annual Accounts available at:

<http://www.angus.gov.uk/sites/angus-cms/files/2019-06/Angus%20Council%20Annual%20Accounts%202018-19%20Unaudited.pdf>

(ii) provide any commentary on the Angus Council Unaudited Annual Accounts considered appropriate at this time;

**2. ALIGNMENT TO ANGUS COMMUNITY PLAN / SINGLE OUTCOME AGREEMENT**

2.1 This report contributes as a whole to the Council Plan/Local Outcome Improvement Plan

**3. BACKGROUND**

3.1 The Council is required by law to prepare Annual Accounts which set out its financial position at the end of each financial year. The Annual Accounts have been prepared by the Director of Finance and his team on a draft basis and were submitted to the Controller of Audit for audit purposes in accordance with the statutory deadline of 30 June 2019. Committee report 215/19 provided a commentary on the revenue and capital financial outturn for the Council for 2018/19. In line with the Committee's remit members now have the opportunity to undertake a detailed review of the Annual Accounts and provide any commentary / seek clarification. The Angus Council Unaudited Annual Accounts are for committee's review and comment, and can be obtained from the Council's website at the link below-

<http://www.angus.gov.uk/sites/angus-cms/files/2019-06/Angus%20Council%20Annual%20Accounts%202018-19%20Unaudited.pdf>

Appendix 1 includes a summary of the Council's financial performance for the year which is an extract from the management commentary within the accounts.

**4. CURRENT POSITION**

4.1 As noted the Annual Accounts are prepared on a draft basis and are submitted to an External Auditor appointed by the Controller of Audit for independent review within the statutory timeframe. For the five year period commencing with audit of the 2016/17 accounts, Audit Scotland have been appointed as Angus Council external auditor.

The audit process recognises that the auditor should communicate clearly and directly with those charged with the financial governance of the organisation and make timely observations arising from the audit that are significant and relevant. This information is formally documented and communicated by the International Standard on Auditing 260 (ISA 260) Report.

The ISA 260 Report for Angus Council will not be available until the audit work is complete. This will occur in September 2019 enabling the audit certificate to be issued. The findings from the audit work and ISA 260 Report for Angus Council will be incorporated into the Annual Report to Members and this will be submitted to the Scrutiny and Audit Committee meeting on 24 September 2019. This report will also be presented to Angus Council on 17 October 2019.

## **5. FINANCIAL IMPLICATIONS**

5.1 There are no new financial implications arising from the recommendations in this report however the Committee's attention is drawn to an adjustment in the final unaudited financial position which arose subsequent to the production of Report 215/19. This adjustment was identified as part of finalising the full accounting statements prior to their submission for audit. Report 215/19 identified an uncommitted general fund balance of £7.364m but this has now been amended to £7.250m, a reduction of £0.114m. This change arises due to a transfer to the car parking reserve that was not completed prior to report 215/19 being presented to committee.

5.2 A summary of the updated position as reflected in the Annual Accounts is attached at Appendix 1.

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

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**Appendix 1 – Financial Performance in 2018/19**