

ANGUS COUNCIL

SCRUTINY AND AUDIT COMMITTEE – 24 AUGUST 2021

2020/21 UNAUDITED ANNUAL ACCOUNTS

REPORT BY IAN LORIMER, DIRECTOR OF FINANCE

ABSTRACT

The Council's 2020/21 unaudited 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 2020/21 Unaudited Annual Accounts available at:

[Angus Council Unaudited Accounts 2020/21](#)

ii) Provide any commentary on the Angus Council Unaudited Annual Accounts considered appropriate at this time.

2. ALIGNMENT TO THE COUNCIL PLAN

2.1 This report contributes as a whole to the Council 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 Council is legally obliged to complete the draft Accounts and submit them by 30 June to Audit Scotland. 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 2021. Committee Report 212/21 provided a commentary on the revenue and capital financial outturn for the Council for 2020/21. In line with the Committee's remit members now have the opportunity to undertake a detailed review of the Unaudited Annual Accounts and provide any commentary / seek clarification and can be obtained from the Council's website at the link below:

[Angus Council Unaudited Accounts 2020/21](#)

4. CURRENT POSITION

4.1 The Annual Accounts are prepared on a draft basis and submitted to the External Auditor appointed by the Controller of Audit for independent review within the statutory timeframe. The statutory date for signing off the annual accounts is the 30 September with publication on the Council's website no later than the 31 October. However, Regulation 5 of the Local Authority (Capital Finance and Accounting) (Scotland) (Coronavirus) Amendment Regulations 2021 substitutes this statutory deadline with the aim to approve accounts for signature no later than 31 October 2021 for financial year 2020/21, with publication no later than 15 November 2021. This will revert to the 30 September in each subsequent year.

- 4.2 For the five year period commencing with audit of the 2016/17 accounts, Audit Scotland have been appointed as Angus Council external auditor. We were notified of an extension of this appointment, in light of COVID-19, which will take us through to the 2021/22 audit.
- 4.3 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.
- 4.4 The ISA 260 Report for Angus Council will not be available until the audit work is complete. This is anticipated to be into October 2021 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, which seeks approval of the audited annual accounts. Discussions are ongoing with External Audit about the timeframe for them to conclude their review work and it is currently anticipated that this will be submitted to Scrutiny & Audit Committee on the 26 October 2021.

5. FINANCIAL IMPLICATIONS

- 5.1 There are no new financial implications arising from the recommendations in this report. The Committee's attention is, however, drawn to a change in the unaudited financial position from that reported in report 212/21. On final review of the financial position officers confirmed that an adjustment of £0.115 million was required to be processed in the financial ledger for School Fund Balances. The adjustment has reduced the reported General Fund Reserve of £45.717 million to £48.602 million and this reduces the reported uncommitted general fund balance of £6.206 million to £6.091 million. It should be noted that this may not be the final position and may change on completion of the audit process.
- 5.2 A summary of the revised updated financial position is attached at Appendix 1.

6. EQUALITY IMPACT ASSESSMENT

- 6.1 An equality Impact Assessment is not required.

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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List of Appendices:

Financial Performance in 2020/21