

## REPORT TO AUDIT COMMITTEE – 4 JULY 2019

### UNAUDITED ANNUAL ACCOUNTS 2018/19 FOR ABERDEENSHIRE COUNCIL AND ITS CHARITABLE TRUSTS

#### 1 Recommendations

The Committee is recommended to:

**1.1 Consider the unaudited Annual Accounts 2018/19 for Aberdeenshire Council and its Charitable Trusts; and**

**1.2 Approve the Annual Governance Statement**

#### 2 Discussion

- 2.1 Aberdeenshire Council has a statutory responsibility to prepare its Annual Accounts by 30 June, following the 31 March financial year end. The accounts have now been prepared and passed to Audit Scotland on 17 June 2019.
- 2.2 Audit Scotland as the Council's external auditors will undertake the audit of the accounts over the next few months. During this period, the working papers, notes and year end procedures will be scrutinised and challenged with a series of meetings between Finance colleagues and Audit Scotland taking place.
- 2.3 The audited accounts will then be reported to this Committee on 20 September for approval. Prior to this, an open session on the accounts will be arranged, and all Councillors will be invited to this session. The purpose of this session is to explore in detail the main documents within the annual accounts, check on the understanding of Members and where, if any, gaps exist and to reinforce the role of the Audit Committee in the financial stewardship of the Council's finances.
- 2.4 The Audited Accounts for 2018/19 will be reported to Full Council on 26 September 2019.
- 2.5 The Annual Accounts comply with the Code of Practice on Local Authority Accounting in the United Kingdom. The accounts of Charitable Trusts comply with the Charities' Statement of Recommended Practice.
- 2.6 In terms of the Local Authority Accounts (Scotland) Regulations 2014, the Council or a Committee with audit responsibilities must meet to consider the unaudited Annual Accounts as submitted no later than 31 August. Therefore, the Committee is asked to consider the unaudited Annual Accounts 2018/19 for Aberdeenshire Council and its Charitable Trusts.
- 2.7 The Annual Accounts can be a complex document as it complies fully with Accounting Standards, and therefore to further enable a greater understanding of the Accounts, the open session will be held before the September cycle of meetings.

- 2.8 The Annual Accounts document is designed to be read online, but printed copies have been made available to all Audit Committee members in advance of the meeting.
- 2.9 The unaudited Annual Accounts of the Council and its Charitable Trusts are available on the Council's website:

<http://publications.aberdeenshire.gov.uk/dataset/annual-accounts>

A printed copy of the Accounts will be placed in the Group Rooms and a bulletin will be placed on ward pages advising all Councillors that the unaudited Accounts for 2018/19 are available online.

- 2.10 The Annual Governance Statement provides assurance on the governance of Aberdeenshire Council's affairs and the stewardship of the resources at its disposal. The Statement confirms that subject to assurances set out in the Statement, the development and implementation of an Action Plan and based on the evidence contained in this statement, the governance arrangements provide assurance, are adequate and are operating effectively.
- 2.11 The Leader, Chairs of the Policy Committees, Chief Executive and Directors will be consulted, and their views sought on the Annual Governance Statement during the audit period. These views are important to ensure that those who place reliance on the Accounts have assurance on the governance of Aberdeenshire Council's affairs and the stewardship of the resources at its disposal.
- 2.12 The Monitoring Officer within Business Services has been consulted in the preparation of this report and had no comments to make and is satisfied the report complies with the Scheme of Governance and relevant legislation.

### **3 Scheme of Governance**

- 3.1 The Committee is able to consider and take a decision on this item in terms of Section G.1.3 of the List of Committee Powers in Part 2A of the Scheme of Governance as it relates to a review of the financial statements, management letters or reports and compliance with relevant codes of practice.

### **4 Implications and Risk**

- 4.1 An Equalities Impact Assessment is not required as the actions do not have a differential impact on people with protected characteristics.
- 4.2 There are no changes direct financial or staffing implications arising from this report.
- 4.3 The following Risk has been identified as relevant to this matter on a Corporate Level: Budget Pressures ([Corporate Risk Register](#)). The following Risk has been identified as relevant to this matter on a Strategic Level: Balancing the Books ([Directorate Risk Registers](#)).

**Ritchie Johnson**

**Director of Business Services**

Report prepared by Mary Beattie, Strategic Finance Manager  
19<sup>th</sup> June 2019