

## REPORT TO ABERDEENSHIRE COUNCIL – 26 SEPTEMBER 2019

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

#### 1. Recommendations

The Council is recommended to:

- 1.1 Consider the External Auditors' report which states that the Council's "financial statements give a true and fair view and have been properly prepared" for 2018/19; and
- 1.2 Consider the Audited Annual Accounts 2018/19 for Aberdeenshire Council; and
- 1.3 Consider the External Auditors' report which states that the Council's Charitable Trusts "financial statements give a true and fair view and have been properly prepared" for 2018/19; and
- 1.4 Consider the accounts for the Council's Charitable Trusts for 2018/19.

#### 2. Discussion

- 2.1 The Annual Accounts document for the Council is prepared in accordance with the Code of Practice for Local Authority Accounting in the UK based on International Financial Reporting Standards (IFRS). This comprehensive document comprises a Management Commentary, a Remuneration Report, a Statement of Responsibilities, an Annual Governance Statement, an audit certificate from the Independent Auditor, a number of prescribed statements and accompanying narrative disclosures.
- 2.2 Aberdeenshire Council's audit certificate is unmodified which provides assurance that the financial statements give a true and fair view of the financial position of Aberdeenshire Council at 31 March 2019. The audited Annual Accounts were presented to the Audit Committee on 19 September 2019, and are now available on the Council's website:  
<http://publications.aberdeenshire.gov.uk/dataset/annual-accounts>
- 2.3 The audit certificate for the Council's 5 Charitable Trusts is unmodified, which provides assurance that the financial statements give a true and fair view of the financial position of the Council's Charitable Trusts at 31 March 2019. The audited accounts of the Charitable Trusts were presented to the Audit Committee on 19 September 2019, and are now available on the Council's website:  
<http://publications.aberdeenshire.gov.uk/dataset/charitable-trusts-accounts>.
- 2.4 The Audit Committee, as in previous years, receive the Council's Audited Accounts for consideration and agreement. This follows the well attended

Open Session for all Councillors which was held on Monday 2 September 2019 and continues to provide appropriate scrutiny on the Council's finances. It is equally important that the Full Council receives the Annual Accounts and notes the financial clean bill of health expressed by our External Auditors.

- 2.5 There have been amendments made to the document as a result of the audit process. Whilst some are presentational there are also numerical changes either resulting from, for example, a change in accounting treatment or as a result of new information that became available that had a material bearing on the accounts. These have been reported to the Audit Committee on 19 September 2019.
- 2.6 It is a requirement of the Local Authority Accounts (Scotland) Regulations 2014 (the 2014 Regulations) that the audited Annual Accounts shall be made available on the Council's website for a period of at least five years. These can be downloaded free from the Council's website.  
<http://publications.aberdeenshire.gov.uk/dataset/annual-accounts>  
Paper copies can be purchased for a charge of £10, this charge remains unchanged from the previous financial year.
- 2.7 There is no requirement to make copies of the accounts of the Charitable Trusts available for sale, but these will also be available on the Council's website <http://publications.aberdeenshire.gov.uk/dataset/charitable-trusts-accounts>
- 2.8 During the audit, the auditors raised relevant matters with officers, these are included within the Independent Auditor's report, which covers both the Council's Annual Accounts and the accounts of the Charitable Trusts. The report contains a detailed action plan, which has been considered by officers and their response has been included. The actions will be monitored and progress towards achieving them will be reported to the Audit Committee on 26<sup>th</sup> March 2020. The issues raised should be seen against a background of a generally very positive report.
- 2.9 In accordance with the 2014 Regulations, the Council or a committee of the Council whose remit includes audit or governance functions must aim to approve the accounts for signature no later than 30 September immediately following the financial year to which the accounts relate. As mentioned above, the accounts were presented to the Audit Committee at its meeting on 19 September 2019, and it is anticipated that the appropriate certificates will have been signed by the Leader, the Chief Executive and the Head of Finance. The audit certificate will also have been signed subsequently by Audit Scotland. A verbal update will be given at Council on any significant matters arising from the discussion at that Committee.
- 2.10 The accounts of the Council's Charitable Trusts have been prepared in accordance with the Charities' Statement of Recommended Practice (FRS 102). The paragraph in the 2014 Regulations on signing the accounts does not apply to the Council's Charitable Trusts. The accounts will be signed by one of the trustees of each charity in advance of today's meeting.
- 2.11 The monitoring officer has been consulted in the preparation of this report and her comments are included within the report and is satisfied that 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 A.5.2 of the List of Committee Powers in Part 2A of the Scheme of Governance.

### 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 to the Council's usable reserves following the audit. The recommendations from the external auditor will enhance the internal controls and reporting arrangements within the Council.
- 4.3 There are no staffing implications.
- 4.4 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](#)). Actions being taken to mitigate these risks are set out in the responses to the external auditor's action plan which accompanies this report.

**Alan Wood**  
**Head of Finance**

Report prepared by Mary Beattie, Strategic Finance Manager  
11 September 2019

