

## REPORT TO ABERDEENSHIRE COUNCIL – 13 JANUARY 2022

### AUDITED ANNUAL ACCOUNTS 2020/21 FOR ABERDEENSHIRE COUNCIL AND ITS CHARITABLE TRUSTS

#### 1 Executive Summary/Recommendations

1.1 This report presents the audited Annual Accounts 2020/21 for Aberdeenshire Council and its Charitable Accounts.

#### 1.2 Council is recommended to:

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 2020/21; and
2. Consider and endorse the Audited Annual Accounts 2020/21 for Aberdeenshire Council; and
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 2020/21; and
4. Consider and endorse the Audited Annual Accounts for 2020/21 for the Council's Charitable Trusts

#### 2. Decision Making Route

2.1 The audited Annual Accounts 2020/21 for Aberdeenshire were approved for signing by the Audit Committee on 16 December 2021 (4 November 2021 for the audited Annual Accounts of the Council's Charitable Trusts). Full Council is now required to endorse the Annual Accounts and the Accounts Report in terms of the Council's Scheme of Governance.

#### 3. Discussion

3.1 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). The accounts of the Council's Charitable Trusts have been prepared in accordance with the Charities' Statement of Recommended Practice.

3.2 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 2021. The audited Annual Accounts for both the Council and Charitable Trusts are now available on the Council's website:

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

- 3.3 In accordance with statutory requirements, the draft Annual Accounts were made available for public inspection over a three week period commencing 29 July 2021 and no objections were received. Finance held an Open Session on Friday 8 October 2021 where all Councillors were invited to discuss and ask questions about the Annual Accounts.
- 3.4 There have been amendments made to the Annual Accounts because 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 were reported to the Audit Committee on 16 December 2021.
- 3.5 During the audit, the auditors raised relevant matters with officers, these are included within the Independent Auditor's report. This report was considered by the Audit Committee on [16 December 2021](#).
- 3.6 The report contains a detailed action plan and includes officers' agreed actions. These will be monitored, and progress reported to the Audit Committee. The issues highlighted and the recommendations made are designed to further improve the financial reporting arrangements within the Council which will allow for enhanced scrutiny and greater transparency.
- 3.7 The Council is required by the Local Authority Accounts (Scotland) Regulations 2014 (SSI 2014/200) to ensure that the annual accounts are prepared in accordance with the regulations. The timing and approval of the accounts are therefore specified in the regulations as follows:
- The Council or committee whose remit includes audit or governance functions, must meet to consider the unaudited annual accounts as submitted to the auditor by no later than 31 August in the relevant year.
  - The Council or its audit committee (or equivalent), is required by the regulations to consider the audited accounts and accompanying audit report and aim to approve the annual accounts for signature by 30 September.
  - The Council is required to publish the audited accounts, and those of their subsidiaries, by 31 October. Later relevant auditor reports must be published by 31 December.
- 3.8 There is a non-statutory target audit completion date of 30 September for local authorities, and there is an onus on both authorities and auditors to ensure that this target is met. It should be noted that some of the requirements will not apply to registered local authority charities, with the charity legislation being relevant.
- 3.9 However paragraph 8 of Schedule 6 of the Coronavirus (Scotland) Act 2020 permits the Council to postpone the above timescales if complying would be likely to impede its ability to take effective action in response to the coronavirus pandemic, and it was the responsibility of each Local Authority, in discussion with its auditors, to determine any alternative timescale. It was therefore agreed with the Council's External Auditors, that the audited Charitable Trusts Accounts

would be submitted to Audit Committee on 4 November 2021, with the audited Council Accounts being submitted to Audit Committee on 16 December 2021.

- 3.10 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 via the link included in paragraph 4.2 above. Paper copies can be purchased for a charge of £10, this charge remains unchanged from the previous financial year.

#### 4 Council Priorities, Implications and Risk

- 4.1 This report helps deliver all six Council Priorities.

Pillar	Priority
Our People	Education Health & Wellbeing
Our Environment	Infrastructure Resilient Communities
Our Economy	Economy & Enterprise Estate Modernisation

- 4.2 The table below shows whether risks and implications apply if the recommendation is agreed.

Subject	Yes	No	N/A
Financial		X	
Staffing		X	
Equalities and Fairer Duty Scotland		X	
Children and Young People's Rights and Wellbeing		X	
Climate Change and Sustainability		X	
Health and Wellbeing		X	
Town Centre First		X	

- 4.3 There are no staffing implications arising directly from this report. The Audited Annual Accounts show the Council was overspent by £943,000 at the end of 2020/21. This overspend was funded from the General Fund Reserve. Details for replenishment of the General Fund Balance in 2021/22 are included on the Financial Performance Report which will be discussed later in today's Agenda.
- 4.4 An integrated impact assessment is not required as the reason for this report is for Committee to discuss and comment on the Annual Accounts and there will be no differential impact on people with protected characteristics as a result of this report.
- 4.5 The following Risk has been identified as relevant to this matter on a Corporate Level: Budget Pressures ([Corporate Risk Register](#)).

## **5. Scheme of Governance**

- 5.1 The Monitoring Officer has been consulted in the preparation of this report and is satisfied that the report complies with the [Scheme of Governance](#) and relevant legislation.
- 5.2 Council is able to consider and take a decision on this item in terms of Section A.5.1 of the List of Committee Powers in Part 2A of the Scheme of Governance which requires Full Council to endorse the Annual Accounts.

**Mary Beattie**  
**Head of Finance**

Prepared by: Shirley-Ann Gordon, Team Manager  
Date: 9 December 2021