

ANGUS COUNCIL

SCRUTINY AND AUDIT COMMITTEE – 27 AUGUST 2024

2023/24 UNAUDITED ANNUAL ACCOUNTS

REPORT BY IAN LORIMER, DIRECTOR OF FINANCE

1. ABSTRACT

- 1.1 The Council's 2023/24 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 commentary.

2. ALIGNMENT TO THE COUNCIL PLAN

- 2.1 This report contributes as a whole to the Council Plan.

3. RECOMMENDATIONS

- 3.1 It is recommended that the Scrutiny & Audit Committee:
- i) Note the Angus Council 2023/24 Unaudited Annual Accounts available at:
 - [Unaudited Annual Accounts 2023/24](#)
 - ii) Provide any commentary on the Angus Council Unaudited Annual Accounts considered appropriate at this time.

4. BACKGROUND

- 4.1 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 2024. A report is being submitted to Policy & Resources on 3 September providing a commentary on the revenue and capital financial outturn for the Council for 2023/24. 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 on them. The Accounts can be obtained from the Council's website at the link below:

[Unaudited Annual Accounts 2023/24](#)

5. CURRENT POSITION

- 5.1 The Annual Accounts are prepared on a draft basis and were 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 30 September with publication on the Council's website no later than 31 October.

- 5.2 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 produced by the Council's external auditor (Audit Scotland).
- 5.3 The ISA 260 Report for Angus Council will not be available until the audit work is complete. This is anticipated to be into September 2024 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. Members will be aware that delay in provision of this report in recent years has resulted in it, and the audited annual accounts, not being considered until after September. Discussions with Audit Scotland indicate, however, that at the time of writing this report, the ISA 260 report will be available to allow consideration by Scrutiny & Audit Committee by the end of September and provision for this has been made through scheduling of a Special meeting on 24th September 2024.

6. FINANCIAL IMPLICATIONS

- 6.1 There are no new financial implications arising from the recommendations in this report. The Usable Reserves of the Council as reported in the unaudited accounts total £68.770 million and the Uncommitted General Fund Reserve is £2.147 million. The Usable reserves have reduced by £12.400 million from 2022/23. Since the publication of the account's officers have identified possible amendments that may need to be made to the commitments in the General Fund Reserve and this will likely increase the Uncommitted General Fund Reserve balance reported in the Accounts. This has yet to be worked through for the audited accounts but is not expected to change the Council's total Reserves on the Balance Sheet only the proportion of those which is uncommitted following further review. Also, as part of good practice, a full review of existing Reserve commitments will be undertaken prior to setting the 2025/26 budget. It should be noted that this may not be the final position and may change on completion of the audit process.
- 6.2 Within the Annual Accounts (pages 2 to 22) is a Management Commentary which provides a full summary of the Council's financial results for 2023/24 and its financial position at the end of that year.

7. RISK MANAGEMENT

- 7.1 The following risks from the Corporate Risk Register are relevant to this report:
- Financial Sustainability
 - Transforming for the Future

8. ENVIRONMENTAL IMPLICATIONS

- 8.1 There are no direct environmental implications arising from the recommendations of this report.

9. EQUALITY IMPACT ASSESSMENT

- 9.1 An Equality Impact Assessment is not required as the report concerns factual financial information.

10. CONSULTATION

- 10.1 The Chief Executive and Director of Legal, Governance & Change have been consulted on this report.

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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