

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE</b>	Audit, Risk and Scrutiny
<b>DATE</b>	26 February 2015
<b>ACTING DIRECTOR</b>	Ewan Sutherland
<b>TITLE OF REPORT</b>	Annual Accounts 2014/15 – Action Plan
<b>REPORT NUMBER</b>	CG/15/27

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### 1. **PURPOSE OF REPORT**

The purpose of this report is to provide Elected Members with high level information and key dates in relation to the 2014/15 Annual Accounts including linkages to the plans and timetables of the Council's External Auditors.

### 2. **RECOMMENDATION(S)**

It is recommended that the Committee note the contents of this report.

### 3. **FINANCIAL IMPLICATIONS**

There are no direct financial implications resulting from this report.

### 4. **OTHER IMPLICATIONS**

There is a statutory requirement for the Council to produce both draft and audited Annual Accounts within certain timescales and to a high standard. This is a major task which requires co-operation and input from a large number of people across all services of the Council. It is only with the commitment of all staff that these high standards and deadlines can be met.

### 5. **BACKGROUND**

- 5.1 The Annual Accounts 2014/15 will summarise the Council's transactions for the period 1 April 2014 to 31 March 2015 and its financial position at the year end 31 March 2015. They will be prepared in accordance with the International Financial Reporting (IFRS) based Code of Practice on Local Authority Accounting in the United Kingdom (the Code), the Service Reporting Code of Practice (SeRCOP) and in accordance with The Local Authority Accounts (Scotland) Regulations 2014, which came into force on 10 October 2014, replacing the 1985 regulations. There are changes between the 1985 and the 2014 regulations and the main one's are highlighted in the paragraphs below for information. There are no changes to either of the aforementioned Codes in 2014/15 which will have any significant impact on the Annual Accounts.

5.2 There are a number of key dates and these are summarised as follows:-

31 March 2015	End of financial year 2014/15
March – Sept 2015	Information from Group Entities (including ALEO's)
17 June 2015	Public notice for Annual Accounts inspection period to be issued
25 June 2015	Audit, Risk & Scrutiny Committee to consider Draft Annual Accounts
30 June 2015	Statutory deadline for Proper Officer to sign Draft Annual Accounts, submit to the Auditor and publish on the website
1 – 21 July 2015	Public inspection period for Annual Accounts
30 July 2015	Deadline for submission of the Whole of Government Accounts (WGA) to the Scottish Government
24 September 2015	Audit, Risk & Scrutiny Committee to consider and aim to approve audited Annual Accounts for signature
24/25 Sept 2015	Signing of audited Annual Accounts by Proper Officer, Chief Executive and Council Leader
25 September 2015	Deadline for submission of audited Annual Accounts to the Auditor
Early October 2015	Deadline for submission of the Audited WGA to the Scottish Government (date to be confirmed)
31 October 2015	Statutory deadline for publication on website of signed Annual Accounts & Audit Certificate, related Auditor report and accounts of all subsidiary bodies
18 December 2015	Deadline for submission of Audited Trust Accounts to OSCR

#### 5.2.1 31 March 2015

Transactions relating to goods and services received or provided by the Council by 31 March 2015 should be recorded in the 2014/15 financial year.

To facilitate an efficient year end closure, deadlines have been put in place in relation to ordering goods and services, posting/authorising payments, raising invoices and making accruals for material items. These key dates along with relevant guidance have been communicated throughout the Council by messages on the Zone, e-mails from the Head of Finance and meetings between accounting staff and budget holders.

#### 5.2.2 March – September 2015

The Council is required to consider its interests in all types of entity and prepare Group Accounts which incorporate the material transactions and balances of those entities identified as subsidiaries, associates and joint ventures. A number of the entities included are also referred to as ALEO's (Arm's Length External Organisations). Throughout this period there are a number of deadlines for these entities to provide management accounts, draft financial statements with detailed working papers as necessary and audited Annual Accounts.

#### 5.2.3 17 June 2015 and 1-21 July 2015

The Local Authority Accounts (Scotland) Regulations 2014 defines the notice period, the inspection period, the deadline for submission of an objection to the accounts and the information which must be made available for inspection. In contrast to the previous 1985 Regulations there is now a latest date by which the public inspection can start (1 July) and therefore a latest date for issuing the public notice (17 June). There is no longer a requirement for approval from Audit Scotland prior to advertising and inspection of the accounts.

#### 5.2.4 25 June 2015

The Audit, Risk & Scrutiny Committee will receive the Draft Annual Accounts 2014/15, including the Annual Governance Statement and Remuneration Report for consideration prior to submission for audit. The Local Authority Accounts (Scotland) Regulations 2014 requires that a committee whose remit includes audit or governance meet to consider the unaudited accounts as submitted to the auditor no later than 31 August. In recent years this committee has received these accounts prior to submission to the auditor and this is seen as good practice. As the body charged with governance it allows you the opportunity to take ownership of the accounts, to review them such as to be satisfied with their completeness hence effectively “sign off” the governance statement before they are submitted for audit.

#### 5.2.4 30 June 2015

The Local Authority Accounts (Scotland) Regulations 2014 only requires the draft Annual Accounts to be signed by the Proper Officer (Head of Finance) prior to submission to the Auditor. Previously, the Chief Executive and Council Leader would have signed the Annual Governance Statement and Remuneration Report contained in the draft accounts. The Regulations also require publication of the unaudited Annual Accounts, as submitted to the Auditor, on the Council’s website until the audited accounts can replace them. This has been in practice for a number of years and is therefore no change for the Council.

#### 5.2.5 24 September 2015

The Audit, Risk & Scrutiny Committee will receive the audited Annual Accounts for consideration. The Local Authority Accounts (Scotland) Regulations 2014 require that the committee aim to approve these accounts prior to their signature by the Proper Officer, Chief Executive and Council Leader having regard to any report made on the accounts and any advice given by the Proper Officer or the Auditor. The committee will also receive the external auditor’s “Combined Annual Report and Report to Those Charged with Governance on the 2014/15 audit” for debate and consideration. This report sets out the auditor’s finding and conclusions from all audit activity undertaken during the year, highlights the significant issues arising from the audit of the financial statements and informs Elected Members of the proposed audit opinion in advance of the accounts being certified.

#### 5.2.6 31 October 2015

The Local Authority Accounts (Scotland) Regulations 2014 set out the requirements for publication of the audited Annual Accounts by 31 October,

including the signed accounts and audit certificate and all auditor reports relating to those signed accounts. In addition, the Council must publish the accounts of its subsidiaries either on its website or through a link to the relevant page on the company's website. All published documents have to be available for at least five years.

- 5.3 Audit Scotland's "Annual Audit Plan 2014/15" is also presented to this meeting and Elected Members should note that the Corporate Accounting Manager and his staff have already engaged with the external audit team as part of planning for the production of the accounts and the audit thereof. This engagement will continue throughout the accounts and audit processes. This will ensure that any issues arising with the accounts are highlighted and dealt with promptly and that information provided to the auditors is relevant, timely and of a suitable standard to enable them to carry out their work efficiently and effectively.

5.4 Local Authority Charities

There is a requirement for full compliance with the Charities Accounts (Scotland) Regulations 2006 which means that a full audit is required for all registered charities where the Council is the sole trustee irrespective of the size of the charity. The Accounts Commission has appointed the current auditor of the Council as the auditor of its relevant charities.

There are a number of statutory provisions in relation to record keeping and preparation of accounts for such charities as well as the duties of charity trustees in relation to accounting records. The Local Authority Accounts (Scotland) Regulations 2014 also make provision for such bodies in a number of areas.

Taken together this effectively means that separate accounts and audit opinions are required for charities and this is subject to the same requirements and timetable as detailed above for the Council's accounts.

**6. IMPACT**

The publication of the Annual Accounts demonstrates the Council's proper stewardship and accountability of the public funds with which it is entrusted

**7. BACKGROUND PAPERS**

None

**8. REPORT AUTHOR DETAILS**

Sandra Buthlay

Senior Accountant

[sbuthlay@aberdeencity.gov.uk](mailto:sbuthlay@aberdeencity.gov.uk)

☎ (52) 2565