

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny
DATE	9 March 2016
INTERIM DIRECTOR	Richard Ellis
TITLE OF REPORT	Annual Accounts 2015/16 – Action Plan and Key Dates
REPORT NUMBER	CG/16/016
CHECKLIST COMPLETED	Yes

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 2015/16 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 financial implications arising as a result of 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/MAIN ISSUES

- 5.1 The Annual Accounts 2015/16 will summarise the Council's transactions for the period 1 April 2015 to 31 March 2016 and its financial position at the year end 31 March 2016. 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. There are no changes to either of the

mentioned Codes in 2015/16 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 2016	End of the financial year 2015/16
March – Sept 2016	Information from Group Entities (including ALEO's)
17 June 2016	Public Notice for the Public Inspection Period to be issued
27 June 2016	Audit, Risk and Scrutiny Committee to consider the draft Annual Accounts
30 June 2016	Statutory deadline for the Proper Officer to sign the draft Annual Accounts, submit to the Auditor and publish on the website
1 – 21 July 2016	Public Inspection Period for the draft Annual Accounts
30 July 2016	Deadline for submission of the Whole of Government Accounts (WGA) to the Scottish Government
27 September 2016	Audit, Risk and Scrutiny Committee to consider and aim to approve the audited Annual Accounts for signature
27/28 Sept 2016	Signing of the audited Annual Accounts by the Proper Officer, Chief Executive and Council Leader
28 September 2016	Deadline for submission of the signed audited Annual Accounts to the Auditor
Early October 2016	Deadline for submission of the audited WGA to the Scottish Government (date to be confirmed)
31 October 2016	Statutory deadline for the publication on the website of the signed Annual Accounts & Audit Certificate, related Auditor report and accounts of all subsidiary bodies
16 December 2016	Deadline for submission of the audited Charitable Trust Annual Accounts to OSCR

5.2.1 31 March 2016

Transactions relating to goods and services received or provided by the Council by 31 March 2016 should be recorded in the 2015/16 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, and meetings between accounting staff and budget holders.

5.2.2 March – September 2016

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 2016 and 1-21 July 2016

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. The latest date by which the public inspection can start is 1 July and a public notice must be issued by 17 June, giving at least 14 days' notice before the start of the inspection period.

5.2.4 27 June 2015

The Audit, Risk and Scrutiny Committee will receive the draft Annual Accounts 2015/16, 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. 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.

5.2.5 30 June 2016

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. 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.

5.2.6 27 September 2016

The Audit, Risk and 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 "Annual Report to Members and the Controller of Audit on the 2015/16 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.

5.2.7 31 October 2016

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 2016/17" is also presented to this meeting and Elected Members should note that the Accounting Manager and her 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

- 5.4.1 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.

- 5.4.2 Subsequent to the submission of the 2014/15 audited charity's accounts, the Council received notification from The Scottish Charity Regulator (OSCR) highlighting an omission from the notes to these accounts, stating "In addition to the income and expenditure there should be full information for the balance sheet of each charity. The notes should be amended to include this information next year."

It is important to understand that this omission relates only the notes to the accounts and in no way affects the main financial statements or the numbers contained therein.

The Regulator is prepared to accept the accounts for 2014/15 but requires that this matter be brought to the attention of **all** the charity trustees.

Therefore, in addition to highlighting the matter to this committee, the omitted note will be prepared and issued to all councillors with an explanatory letter from the Head of Finance.

6. IMPACT

Improving Customer Experience –

No direct impact arising from this report.

Improving Staff Experience –

No direct impact arising from this report.

Improving our use of Resources –

No direct impact arising from this report.

Corporate –

There is a statutory requirement to produce both draft and audited Annual Accounts. The publication of these demonstrates the Council's proper stewardship of and accountability for the public funds with which it is entrusted.

Public –

This report may be of interest to the public as it provides information on preparation and publication of the Annual Accounts and related public inspection dates.

7. MANAGEMENT OF RISK

There are no direct risks arising from this report.

8. BACKGROUND PAPERS

None

9. REPORT AUTHOR DETAILS

Sandra Buthlay, Accounting Manager

sbuthlay@aberdeencity.gov.uk

01224 522565