

South Ayrshire Council

**Report by Head of Finance and ICT
to Audit and Governance Panel (Special)
of 26 August 2020**

Subject: Annual Accounts 2019/20

1. Purpose

1.1 The purpose of this report is to present the unaudited Annual Accounts for the year ended 31 March 2020 ('the unaudited Accounts').

2. Recommendation

2.1 It is recommended that the Panel:

2.1.1 approves the accounting policies (contained in [Appendix 1](#)) used in preparing the 2019/20 Annual Accounts;

2.1.2 considers the unaudited Annual Accounts (Appendix 1) (previously circulated to members of the Panel for information prior to submission to the Council's external auditors), noting that all figures remain subject to audit;

2.1.3 considers the unaudited Charitable Trust Accounts ([Appendices 2 and 3](#)) (previously circulated to members of the Panel for information prior to submission to the Council's external auditors), noting that all figures remain subject to audit; and

2.1.4 requests the Head of Finance and ICT to report back to the Panel following completion of the audit.

3. Background

3.1 Each year, the Chartered Institute of Public Finance and Accountancy (CIPFA) issues new accounting guidance called the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). All local authorities use the Code in preparing their annual accounts.

3.2 Where appropriate, the accounting policies have been revised in line with changes required by 2019/20 Code.

3.3 The unaudited Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) and were submitted to the Council's external auditors, Deloitte LLP, before the statutory deadline of 30 June 2020.

- 3.4 A full and separate audit is also required for each registered charity where Members of South Ayrshire Council are sole trustees. Members of South Ayrshire Council are sole trustees for two charitable trusts.
- 3.5 Notice has been given under Regulation 5 (1) of the Local Authority Accounts (Scotland) Regulations 1985 to allow public inspection of the unaudited Accounts.
- 3.6 The Chief Internal Auditor provided a statement on the adequacy and effectiveness of the internal control system of the Council for the year ended 31 March 2020 to the members of the Audit and Governance Panel in June 2020.
- 3.7 Members should note that the unaudited Accounts are currently subject to audit.

4. Proposals

- 4.1 A copy of the unaudited Accounts is attached to this report for information and consideration (please refer to Appendix 1).
- 4.2 Copies of the unaudited Charitable Trust Accounts are attached to this report for information and consideration (please refer to Appendices 2 and 3).
- 4.3 The audit of the Accounts commenced in July and will conclude with an Annual Audit report and Report to those Charged with Governance being presented to the Audit and Governance Panel in September 2020. The report will provide the independent auditor's report to Members of the Council, and will allow the auditor to communicate the matters raised during the audit to the Panel.

5. Legal and Procurement Implications

- 5.1 There are no legal implications arising from this report.
- 5.2 There are no procurement implications arising from this report.

6. Financial Implications

- 6.1 None arising from this report.

7. Human Resources Implications

- 7.1 Not applicable.

8. Risk

8.1 Risk Implications of Adopting the Recommendations

- 8.1.1. There are no risks associated with adopting the recommendations.

8.2 Risk Implications of Rejecting the Recommendations

- 8.2.1 There are no risks associated with rejecting the recommendations.

9. Equalities

- 9.1 The proposals in this report have been assessed through the Equalities Impact Assessment Scoping process, and there are no significant positive or negative

equality impacts of agreeing the recommendations, therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessment is attached as [Appendix 4](#).

10. Sustainable Development Implications

- 10.1 **Considering Strategic Environmental Assessment (SEA)** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

11. Options Appraisal

- 11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. Link to Council Plan

- 12.1 The matters referred to in this report contribute to the Council strategic objective of 'Effective Leadership that Promotes Fairness' and within that to the outcome 'Ensure the Council is structured to make the best use of resources'.

13. Results of Consultation

- 13.1 As indicated at paragraph 3.3 above, the unaudited Accounts will be available for public inspection during the audit process.
- 13.2 Limited consultation has taken place with Councillor Brian McGinley, Portfolio Holder for Resources and Performance, due to tight timescales to produce the report.

Background Papers **None**

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