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**Report to: Clackmannanshire Council**

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**Date of Meeting: 24 June 2021**

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**Subject: Update on 2020/21 Annual Accounts**

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**Report by: Chief Finance Officer**

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## **1.0 Purpose**

- 1.1. This paper is to provide Council with an update on the preparation and timetable for the submission of the unaudited and final financial statements for 2020/21.

## **2.0 Recommendations**

Council is asked to:

- 2.1. Note that the requirement at paragraph 6.4 in the Council's Financial Regulations provides for the Council's section 95 officer to present the draft accounts to a meeting of the full Council before 30 June and the requirement of paragraph 6.5 to present the audited financial statements to Committee by 30 September.
- 2.2. Note that this timescale will not be met this year and that therefore an updated timescale for approval of the 2020/21 draft financial statements, submission of the draft financial statements to the Council's external auditors for audit, and that audited financial statements has been prepared and agreed with Audit Scotland. The timescale will require audited financial statements to be presented to Audit Committee on 25<sup>th</sup> November for final approval, as set out in paragraph 3.5, table 1 and
- 2.3. Agrees to disapply paragraph 6.4 and 6.5 of Financial Regulations for this year's process.

## **3.0 Considerations**

- 3.1. The Council is required by law to prepare a statement of accounts in accordance with 'proper practices' which set out its financial position at the end of each financial year. This is defined as meaning compliance with the terms of the Code of Practice on Local Authority Accounting in the United Kingdom prepared by the CIPFA/LASAAC Joint Committee.
- 3.2. The Local Authority Accounts (Scotland) 1985 Regulations require the Chief Finance Officer, as the Council's s95 officer, to prepare the Statement of Accounts as soon as practicable after the end of each financial year and to submit for Audit to the Council's External Auditor by 30<sup>th</sup> June.

- 3.3. Paragraph 6.4 of the Council's Financial Regulations require the draft accounts to be presented to a meeting of full council before the 30<sup>th</sup> June in line with the statutory deadline. Paragraph 6.5 of the Financial Regulations also requires the audited financial statements to be presented to committee by 30<sup>th</sup> September.
- 3.4. Due to the pandemic the Coronavirus (Scotland) Act 2020 amended the statutory deadlines for the 2019/20 financial accounts. This provision was extended and Scottish local authorities have the same powers for 2020/21 as in 2019/20 to defer production of the unaudited accounts, public inspection, approval, and publication of the audited accounts.
- 3.5. A revised timetable for completion of the draft and audited accounts for 2020/21 has been agreed with Audit Scotland. The revised timetable is set out in the table below.

**3.6. Table 1 – 2020/21 Annual Accounts Timetable**

Action	Date
<b>Draft Financial Statements submitted to Council for approval</b>	<b>19<sup>th</sup> August 2021</b>
Latest submission date of unaudited annual report and accounts with complete working papers package	31 <sup>st</sup> August 2021
<b>Audited Financial Statements to be considered by Audit Committee</b>	<b>25<sup>th</sup> November 2021</b>
Independent auditor's report signed	By 30 <sup>th</sup> November 2021

- 3.7. A number of factors have been taken into consideration in determining this revised timetable. The later finalisation of the previous years' accounts has meant the timing of the external auditors completing their interim testing is later than usual which has also had a resource impact on the Finance and Revenues teams. The revised timetable takes account of resource capacity within both the External Audit Team to fit round other audits and the Finance and Revenues Teams who are continuing to deal with additional workload due to the pandemic.

## **4.0 Conclusion**

- 4.1 This paper therefore seeks authority to change the Council's internal governance arrangements which have been set out in accordance with the usual statutory timescale as set out above. The change is made under the provisions of the Coronavirus (Scotland) Act 2020 and the revised timetable for the Councils 2020/21 Annual Accounts is set out at table 1.

## **5.0 Sustainability Implications**

- 5.1 Not applicable

## 6.0 Resource Implications

### 6.1 Financial Details

- 6.2 The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes ☒
- 6.3 Finance have been consulted and has agreed the financial implications as set out in the report. Yes ☒
- 6.4 Staffing

## 7.0 Exempt Reports

- 7.1 Is this report exempt? Yes ☐ (please detail the reasons for exemption below) No ☒

## 8.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

- (1) **Our Priorities** (Please double click on the check box ☒)

Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all ☐

Our families; children and young people will have the best possible start in life ☐

Women and girls will be confident and aspirational, and achieve their full potential ☐

Our communities will be resilient and empowered so that they can thrive and flourish ☐

- (2) **Council Policies** (Please detail)

## 9.0 Equalities Impact

- 9.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?  
Yes ☐ No ☒

## 10.0 Legality

- 10.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes ☒

## 11.0 Appendices

11.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

None

## 12.0 Background Papers

12.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes ☐ (please list the documents below) No ☒

### Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Lindsay Sim	Chief Financial Officer	2022

### Approved by

NAME	DESIGNATION	SIGNATURE
Lindsay Sim	Chief Finance Officer	