



REPORT TO: SPECIAL MORAY COUNCIL ON 25 OCTOBER 2023

SUBJECT: MORAY COUNCIL'S CONNECTED CHARITIES' AUDITED ANNUAL ACCOUNTS FOR THE PERIOD 1 APRIL 2022 TO 31 MARCH 2023

BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)

1. REASON FOR REPORT

- 1.1 To submit to the Council the audited Annual Accounts for Moray Council's Connected Charities for the year ended 31 March 2023.
- 1.2 This report is submitted to the Council for consideration as part of a suite of reports on the annual audit and accounts for 2022/23.

2. RECOMMENDATION

- 2.1 **It is recommended that the Council considers and approves the audited Annual Accounts for the Connected Charities for the financial year 2022/23.**

3. BACKGROUND

- 3.1 Moray Council (all 26 councillors) acts as sole trustee for the administration of 30 small charitable trusts, which are all registered with the Office of the Scottish Charities Regulator (OSCR).
- 3.2 Section 106 of the Local Government (Scotland) Act 1973 applies the accounting and auditing requirement of the Act to any trust fund where an authority or some members of the authority are the sole trustees. As section 106 requires an audit, the appointments of local authority auditors include the provision of an auditor's report for charitable funds covered by that section.
- 3.3 Regulation 7 of the Charities Accounts (Scotland) Regulations permits charities that have a common purpose or shared management to prepare a single set of "connected charities" accounts. Moray Council acts as sole trustee to 30 individual small charitable trusts. On the basis of this shared management arrangement, it has been agreed with the Council's auditors that the financial result of the 30 individual small charitable trusts can be consolidated into a single set of accounts for audit purpose.

- 3.4 A copy of the Connected Charities Audited Annual Accounts for 2022/23 is attached as **APPENDIX 1** to this report.
- 3.5 The audit process highlighted identified no changes to the Annual Accounts and therefore there has been no change in the balances held.
- 3.6 The External Auditors have given the Council an unqualified opinion in the Independent Auditors' Report, which can be found on pages 15-18 of the Accounts.
- 3.7 The report to trustees states that the Council should continue with its planned re-organisation of the trusts in order to maximise the use of the funds available.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

There are no implications for the Corporate Plan or the LOIP.

(b) Policy and Legal

According to Paragraph 6 (1) of the Local Authority Accounts (Scotland) Regulations 1985, a Local Authority is required to submit its Audited Accounts to the Council by 30 September each year. Work was not completed on the audit in time for this deadline to be met.

The review by the External Auditors of the council's Accounts is in accordance with the council's Code of Corporate Governance and ensures that the council complies with established policies, procedures, laws and regulations.

(c) Financial implications

The audit process highlighted identified no changes to the Annual Accounts and therefore there has been no change in the balances held.

(d) Risk Implications

There are no risk issues arising directly from this report. The work undertaken by the External Auditor provides assurance to the council that the Connected Charity Accounts for 2022/23 give a true and fair view of the financial position and expenditure and income of the council for the year.

(e) Staffing Implications

Staff throughout the Council provide information for the inclusion in the annual Statement of Accounts.

(f) Property

There are no property issues arising directly from this report.

(g) Equalities/Socio Economic Impact

There are no equalities issues arising directly from this report.

(h) Climate Change and Biodiversity Impacts

There are no climate change and biodiversity issues arising from this report.

(i) Consultations

None.

5. CONCLUSION

5.1 The Council's External Auditor has issued an opinion with no qualifications for the 2022/23 Connected Charities' Annual Accounts which means that the audited financial statements give a true and fair view of the financial position and expenditure and income of the council's Connected Charities for the year.

Author of Report: Laurie Milne, Senior Accountant
Background Papers: Held in Financial Services
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