



REPORT TO: MORAY COUNCIL ON 19 JANUARY 2022

SUBJECT: MORAY COUNCIL'S AUDITED ANNUAL ACCOUNTS FOR THE PERIOD 1 APRIL 2020 TO 31 MARCH 2021

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

1. REASON FOR REPORT

1.1 To submit to the Council the Audited Annual Accounts for the Moray Council for the year ended 31 March 2021.

1.2 This report is submitted to the Council to ensure the deadline for signing the accounts by 30 November is met and for consideration as a suite of reports on the Annual Audit and Accounts for 2020/21.

2. REASON FOR URGENCY

2.1 This report is submitted to Committee in terms of the Local Government (Access to Information) Act 1985, on the Chair certifying that, in his/her opinion it requires to be considered on the grounds of urgency in order to give early consideration to the annual accounts for 2020/21, which should have been presented for consideration by 30 November 2021.

3. RECOMMENDATION

3.1 It is recommended that the Council:

- i) consider and note the Audited Annual Accounts for the financial year 2020/21; and**
- ii) approve that the Annual Accounts are signed, having regard to the Annual Report from the external auditor considered earlier at this meeting.**

4. BACKGROUND

4.1 The unaudited Annual Accounts were submitted to a meeting of the Council on 30 June 2021 (paragraph 20 of the Minute refers). A copy of the Audited Annual Accounts for 2020/21 is available as another meeting document on this agenda. The signed accounts will be posted to the Council's website following this meeting.

- 4.2 As a result of the audit process a number of changes have been made to the Core Statements. These are described below.
- 4.3 Funding to deal with the impact of the pandemic came to the Council by a variety of routes and required a range of accounting treatments, advice on which came very late and in some cases after the draft accounts had been presented to Council. The accounting treatment of three funding streams were amended as a result of the audit: winter and spring hardship payments; the £500 bonus payment to social care staff, and personal protective equipment (PPE) donated to the Council by the NHS. None of the amendments had an impact on the Comprehensive Income and Expenditure Statement (CIES) or the Movement in Reserves Statement (MIRS). The Balance Sheet shows a reduction in both debtors and creditors relating to the £500 bonus payment, but there is no impact on the net worth of the Council.
- 4.4 Accounting staff notified the audit team of 4 classification errors in debtors and creditors in the draft accounts. The final accounts have been amended to reflect the corrections.
- 4.5 The net effect of the amendments made is to increase income, net assets and unusable reserve by £0.1 million. There is no impact on the Council's useable reserves.
- 4.6 The Council's External Auditors have given the Council an unqualified opinion in the Independent Auditor's Report which can be found on pages 112 to 114 of the Accounts.

5. SUMMARY OF IMPLICATIONS

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

The draft Annual Accounts were completed within the target timescale.

(b) Policy and Legal

According to Paragraph 10 (1) of the Local Authority Accounts (Scotland) Regulations 2014, a Local Authority is required to submit its Audited Accounts to the Council each year and state that a local authority must meet to consider the Audited Accounts and aim to approve them no later than 30 September immediately following the financial year to which they relate. The Coronavirus (Scotland) Act, and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003), the regulations have been relaxed in response to the COVID-19 pandemic but the relaxations mainly relate to the timing on the audit and the consideration date was delayed until 30 November 2021. The audit was not complete at that date and consequently consideration of the accounts has been delayed until after the approved date.

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

Amendments to the accounts were identified as part of the audit process. These have had no impact on useable reserves and consequently have no financial implications for the Council.

(d) Risk Implications

There are no risk issues arising directly from this report. The work undertaken by Audit Scotland provides assurance to the Committee that the Accounts for 2020/21 give a true and fair view of the financial position and expenditure and income of the Council and its group for the year.

(e) Staffing Implications

Many staff throughout the Council provide information for the inclusion in the Annual 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.

6. CONCLUSION

5.1 The Council's External Auditor has issued an opinion with no qualifications for the 2020/21 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 and its group for the year.

Author of Report: Lorraine Paisey, Chief Financial Officer – Ext 3213
Background Papers: Held in Financial Services
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