
DRAFT ANNUAL REPORT AND ACCOUNTS 2017/18

Report by Chief Financial Officer

AUDIT AND SCRUTINY COMMITTEE

26 June 2018

1 PURPOSE AND SUMMARY

- 1.1 **This report provides the Audit and Scrutiny Committee with an opportunity to scrutinise the draft Scottish Borders Council and group Annual Report and Accounts for the year ended 31 March 2018 prior to its submission to the External Auditors.**
- 1.2 The draft Report and Accounts are still subject to Statutory Audit, which will commence in July. Following the Audit process, the final Report and Accounts will be submitted to Council in September 2018.

2 STATUS OF REPORT

- 2.1 This report is presented to enable members to consider the draft Annual Report and Accounts (the Annual Report) attached at Appendix 1 prior to External Audit Inspection by the statutory deadline of 30 June 2018.

3 RECOMMENDATIONS

- 3.1 **It is recommended that the Audit and Scrutiny Committee:**
 - (a) **Notes the Draft Annual Report and Accounts 2017/18 for Scottish Borders Council and associated Group Accounts; and**
 - (b) **Supports its submission for review by the External Auditors, Audit Scotland for Scottish Borders Council, Pension Fund, Common Good and Trust Funds accounts, and to KPMG who continue to provide the external audit of the Council subsidiaries SBCares, SBSupports and Bridge Homes which are not registered charities.**

4 BACKGROUND

- 4.1 The Accounts summarise the financial transactions for the 2017/18 financial year and the balance sheet positions at the year-end of 31 March 2018. The Council is required to prepare Annual Accounts by the Local Authority Accounts (Scotland) Regulations 2014. Section 12 of the Local Government in Scotland Act 2003 requires they be prepared in accordance with proper accounting practice. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 and the Service Reporting Code Of Practice 2017/18 supported by International Financial Reporting Standards (IFRS).
- 4.2 The Pension Fund Accounts are required to adhere to the Local Government Pension Scheme Amendment (Scotland) Regulations which specifies what must be contained in the Annual Report and Accounts.
- 4.3 All of the Common Good and Trust reports attached adhere to the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller entities (FRSSE), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

5 ANNUAL REPORT AND ACCOUNTS 2017/18

- 5.1 The draft Annual Accounts for 2017/18 are attached at Appendices 1 - 6. These will be submitted to the External Auditors, Audit Scotland or KPMG as appropriate, for full audit by 30 June 2018:

- **Scottish Borders Council** Annual Accounts for year ending 31 March 2018 (Appendix 1)
- **Scottish Borders Council's Pension Fund** Annual Accounts for year ending 31 March 2018 (Appendix 2)
- **Scottish Borders Council Common Good Funds** (Charity SC031538) Annual Accounts for the year to 31 March 2018 (Appendix 3)
- **SBC Welfare Trust** (Charity SC044765) Annual Accounts for the year to 31 March 2018 (Appendix 4(i))
- **SBC Education Trust** (Charity SC044762) Annual Accounts for the year to 31 March 2018 (Appendix 4 (ii))
- **SBC Community Enhancement Trust** (Charity SC044764) Annual Accounts for the year to 31 March 2018 (Appendix 4 (iii))
- **Ormiston Trust for Institute Fund** (Charity SC019162) Annual Accounts for the year to 31 March 2018 (Appendix 4 (iv))
- **Scottish Borders Council Charity Funds'** (Charity SC043896) Annual Accounts for the year to 31 March 2018 (Appendix 4 (v))

- **Bridge Homes LLP** Annual Accounts for the year to 31 March 2018 (Appendix 5);
 - **SB Supports** Annual Accounts for the year to 31 March 2018 (Appendix 6 (i))
 - **SB Cares** Annual Accounts for the year to the 31 March 2018 (Appendix 6 (ii))
- 5.2 The above Accounts will be made available for public inspection for a 14 day period commencing 2 July 2018.
- 5.3 It should be noted that the Accounts remains draft and the conclusion of the year end work including the external audit may result in changes.
- 5.4 The Committee will receive a copy of the final reports at the end of the statutory external audit process to agree prior to their publication.
- 5.5 The key issues and highlights are reflected in a presentation elsewhere on the agenda.

6 IMPLICATIONS

6.1 Financial

There are no financial implications relating to this proposal.

6.2 Risk and Mitigations

The accounts have been prepared following the accounting codes and with due professional care and attention however; the External Audit process may highlight issues which result in amendments to the draft accounts.

6.3 Equalities

It is anticipated that there are no adverse equality implications.

6.4 Acting Sustainably

There are no direct economic, social or environmental issues with this report which would affect the Council's sustainability.

6.5 Carbon Management

There are no direct carbon emissions impacts as a result of this report.

6.6 Rural Proofing

It is anticipated there will be no adverse impact on the rural area from the proposals contained in this report.

6.7 Changes to Scheme of Administration or Scheme of Delegation

No changes are required as a result of the proposals contained in this report.

7 CONSULTATION

- 7.1 The Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Chief Officer HR, and the Clerk to the Council have been consulted on the report and their comments have been incorporated.

Approved by

David Robertson
Chief Financial Officer

Signature

Author(s)

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Background Papers:

Previous Minute Reference:

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Capital & Investments Team can also give information on other language translations as well as providing additional copies.

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