
DRAFT ANNUAL REPORT AND ACCOUNTS 2019/20

Report by Executive Director – Finance & Regulatory

AUDIT AND SCRUTINY COMMITTEE

23 June 2020

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 2020 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 as normal, but is likely to conclude later than usual due to competing audit demands as a result of the COVID-19. It is estimated that following the Audit process, the final report and Accounts will be submitted to Council in November 2020.

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 normal statutory deadline of 30 June 2020.

3 RECOMMENDATIONS

- 3.1 **It is recommended that the Audit and Scrutiny Committee:**
 - (a) Notes the Draft Annual Report and Accounts 2019/20 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, Common Good and Trust Funds accounts, and to KPMG who continue to provide the external audit of the Council's subsidiary Bridge Homes.**

4 BACKGROUND

- 4.1 The Accounts summarise the financial transactions for the 2019/20 financial year and the balance sheet positions at the year-end of 31 March 2020. 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 2019/20 and the Service Reporting Code Of Practice 2019/20 supported by International Financial Reporting Standards (IFRS).
- 4.2 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 2019/20

- 5.1 The draft Annual Accounts for 2019/20 are attached at Appendices 1 - 5. These will be submitted to the External Auditors, Audit Scotland or KPMG as appropriate, for full audit by 30 June 2020:

- **Scottish Borders Council** Annual Accounts for year ending 31 March 2020 (Appendix 1)
- **Scottish Borders Council Common Good Funds** (Charity SC031538) Annual Accounts for the year to 31 March 2020 (Appendix 2)
- **SBC Welfare Trust** (Charity SC044765) Annual Accounts for the year to 31 March 2020 (Appendix 3(i))
- **SBC Education Trust** (Charity SC044762) Annual Accounts for the year to 31 March 2020 (Appendix 3 (ii))
- **SBC Community Enhancement Trust** (Charity SC044764) Annual Accounts for the year to 31 March 2020 (Appendix 3 (iii))
- **Ormiston Trust for Institute Fund** (Charity SC019162) Annual Accounts for the year to 31 March 2020 (Appendix 3 (iv))
- **Scottish Borders Council Charity Funds'** (Charity SC043896) Annual Accounts for the year to 31 March 2020 (Appendix 3 (v))
- **Bridge Homes LLP** Annual Accounts for the year to 31 March 2020 (Appendix 4)
- **Lowood Tweedbank Ltd** Annual Accounts for the year to 31 March 2020 (Appendix 5)

- 5.2 The above Accounts will be made available for public inspection online on the Council's website for a 14 day period commencing 1 July 2020. The

restriction to online inspection is in line with national guidance as a result of the COVID-19 pandemic.

- 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 approval by full Council and 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 Chief Legal Officer (Monitoring officer), the Chief Officer Audit & Risk, the Chief Officer HR, and the Clerk to the Council are being consulted and any comments will be reported at the meeting.

Approved by

David Robertson

Executive Director Finance & Regulatory Services

Signature

Author(s)

| Name | Designation and Contact Number |
|--------------|--|
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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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