
DRAFT ANNUAL REPORT AND ACCOUNTS 2021/22

Report by Director – Finance & Corporate Governance

AUDIT AND SCRUTINY COMMITTEE

27 June 2022

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 2022 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 may conclude later than usual due to competing audit demands as a result of the ongoing impact of COVID-19. It is estimated that following the Audit process, the final report and Accounts will be submitted to Council in October 2022.

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 2022.

3 RECOMMENDATIONSG

- 3.1 **It is recommended that the Audit and Scrutiny Committee:**
 - (a) Notes the Draft Annual Report and Accounts 2021/22 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 2021/22 financial year and the balance sheet positions at the year-end of 31 March 2022. 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 2021/22 and the Service Reporting Code Of Practice 2021/22 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 102, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

5 ANNUAL REPORT AND ACCOUNTS 2021/22

- 5.1 The draft Annual Accounts for 2021/22 are attached at Appendices 1 - 5. These will be submitted to the External Auditors, Audit Scotland or KPMG as appropriate, by 30 June 2022, to allow commencement of the audits:

- **Scottish Borders Council** Annual Accounts for year ending 31 March 2022 (Appendix 1)
- **Scottish Borders Council Common Good Funds** (Charity SC031538) Annual Accounts for the year to 31 March 2022 (Appendix 2)
- **SBC Welfare Trust** (Charity SC044765) Annual Accounts for the year to 31 March 2022 (Appendix 3(i))
- **SBC Education Trust** (Charity SC044762) Annual Accounts for the year to 31 March 2022 (Appendix 3 (ii))
- **SBC Community Enhancement Trust** (Charity SC044764) Annual Accounts for the year to 31 March 2022 (Appendix 3 (iii))
- **Ormiston Trust for Institute Fund** (Charity SC019162) Annual Accounts for the year to 31 March 2022 (Appendix 3 (iv))
- **Scottish Borders Council Charitable Trusts** (Charity SC043896) Annual Accounts for the year to 31 March 2022 (Appendix 3 (v))
- **Bridge Homes LLP** Annual Accounts for the year to 31 March 2022 (Appendix 4)
- **Lowood Tweedbank Ltd** Annual Accounts for the year to 31 March 2022 (Appendix 5)

- 5.2 The above Accounts will be made available for public inspection for a 14 day period commencing 1 July 2022.

- 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 Integrated Impact Assessment

It is anticipated that there are no adverse equality implications.

6.4 Sustainable Development Goals

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

6.5 Climate Change

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

6.6 Rural Proofing

This report does not relate to new or amended policy or strategy and as a result rural proofing is not an applicable consideration.

6.7 Data Protection Impact Statement

There are no personal data implications arising from the proposals contained in this report.

6.8 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/Chief Legal Officer, the Chief Officer Audit and Risk, the Director (People Performance & Change), the Clerk to the Council and Corporate Communications are being consulted on this report and any comments will be reported at the Committee meeting.

Approved by

David Robertson
Director Finance & Corporate Governance

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. Suzy Douglas can also give information on other language translations as well as providing additional copies.

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