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## **DRAFT ANNUAL REPORT AND ACCOUNTS 2022/23**

**Report by Acting Chief Financial Officer**

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### **AUDIT COMMITTEE**

**27 June 2023**

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#### **1 PURPOSE AND SUMMARY**

- 1.1 **This report provides the Audit Committee with an opportunity to scrutinise the draft Scottish Borders Council and Group Annual Report and Accounts for the year ended 31 March 2023 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. It is estimated that following the Audit process, the final report and Accounts will be submitted to Council in September 2023.

#### **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 2023.

#### **3 RECOMMENDATIONS**

- 3.1 **It is recommended that the Audit Committee:**
  - (a) **Notes the Draft Annual Report and Accounts 2022/23 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.**

## 4 BACKGROUND

- 4.1 The Accounts summarise the financial transactions for the 2022/23 financial year and the balance sheet positions at the year-end of 31 March 2023. 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 2022/23 and the Service Reporting Code Of Practice 2022/23 supported by International Financial Reporting Standards (IFRS).
- 4.2 All of the 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). There is no longer a requirement to produce separate accounts for the Common Good Funds as they are no longer registered charities as of 31<sup>st</sup> March, as reported to Council in March 2023.

## 5 ANNUAL REPORT AND ACCOUNTS 2022/23

- 5.1 The draft Annual Accounts for 2022/23 are attached at Appendices 1 - 5. These will be submitted to the External Auditors, Audit Scotland, by 30 June 2023, to allow commencement of the audits:
- **Scottish Borders Council** Annual Accounts for year ending 31 March 2023 (Appendix 1)
  - **SBC Welfare Trust** (Charity SC044765) Annual Accounts for the year to 31 March 2023 (Appendix 2(i))
  - **SBC Education Trust** (Charity SC044762) Annual Accounts for the year to 31 March 2023 (Appendix 2 (ii))
  - **SBC Community Enhancement Trust** (Charity SC044764) Annual Accounts for the year to 31 March 2023 (Appendix 2 (iii))
  - **Ormiston Trust for Institute Fund** (Charity SC019162) Annual Accounts for the year to 31 March 2023 (Appendix 2 (iv))
  - **Scottish Borders Council Charitable Trusts** (Charity SC043896) Annual Accounts for the year to 31 March 2023 (Appendix 2 (v))
  - **Bridge Homes LLP** Annual Accounts for the year to 31 March 2023 (Appendix 3)
  - **Lowood Tweedbank Ltd** Annual Accounts for the year to 31 March 2023 (Appendix 4)
  - **SB Inspires Ltd** Annual Accounts for the year to 31 March 2023 (Appendix 5)

- 5.2 The above Accounts will be made available for public inspection for a 14 day period commencing 3 July 2023.
- 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**

**Suzy Douglas**  
**Acting Chief Financial Officer**

**Signature .....**

**Author(s)**

Name	Designation and Contact Number
Suzy Douglas	Acting Chief Financial Officer, 01835 824000 X5881

**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.

Contact us at Suzy Douglas, Financial Services Manager, Council Headquarters,  
Newtown St Boswells, Melrose, TD6 0SA  
Tel: 01835 824000 X5881  
email: [sdouglas@scotborders.gov.uk](mailto:sdouglas@scotborders.gov.uk)