

Finance and Audit Committee

Report By: Sharon Wearing, Chief Officer, Finance and Resources

Contact: Sharon Wearing, Chief Officer, Finance and Resources

Tel: 0141 287 8838

Subject: The Local Authority Accounts (Scotland) Regulations 2014
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Purpose of Report:	This report has been referred from Integration Joint Board for information
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Recommendations:	The Finance and Audit Committee is asked to note this report.
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Implications for IJB:

Financial:	None
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Personnel:	None
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Legal:	None
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Economic Impact:	None
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Sustainability:	None
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Sustainable Procurement and Article 19:	None
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Equalities:	None
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Implications for Glasgow City Council:	None
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Implications for NHS Greater Glasgow & Clyde:	None
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Item No.

Meeting Date

10 May 2016

Integration Joint Board

Report By: Sharon Wearing, Chief Officer, Finance and Resources

Contact: Sharon Wearing, Chief Officer, Finance and Resources

Tel: 0141 287 8838

Subject: The Local Authority Accounts (Scotland) Regulations 2014

Purpose of Report:

IJBs are specified in legislation as 'section 106' bodies under the terms of the Local Government Scotland Act 1973, and consequently are expected to prepare their financial statements in compliance with the Code of Practice on Accounting For Local Authorities in the United Kingdom.

The Scottish Government have introduced the above regulations to update the governance arrangements relating to the authorisation and approval of a section 106's annual accounts. The regulation apply from the 2014-15 annual accounts and this report outlines the IJB's proposed approach to comply with these updated regulations.

Recommendations:

The IJB is asked to approve:

- i) the proposed approach to complying with these regulations and
- ii) that this report will be referred to the Finance and Audit Committee for information.

Implications for IJB:

Financial:

None

Personnel:	None
Legal:	None
Economic Impact:	None
Sustainability:	None
Sustainable Procurement and Article 19:	None
Equalities:	None
Implications for Glasgow City Council:	None
Implications for NHS Greater Glasgow & Clyde:	None

1. Introduction

- 1.1 On 10 October 2014 the Local Authority Accounts (Scotland) Regulations 2014 came into force, a copy of the regulations can be found at:
[The Local Authority Accounts \(Scotland\) Regulations 2014](#)
- 1.2 The Scottish Government also provided additional guidance on the application of these regulations a copy of which can be found at:
[The Local Authority Accounts \(Scotland\) Regulations 2014 - a narrative](#)
- 1.3 These regulations superseded the 1985 regulations and provide clearer definitions of the roles and responsibilities of Board Members and Officers in respect of the authorisation and approval of a section 106's annual accounts.
- 1.4 These regulations apply to any annual accounts with a financial year that begins from 1 April 2014 and therefore will govern the preparation of the IJB's 2015/16 annual accounts.

2. Financial Governance and Internal Control

- 2.1 The regulations require the Annual Governance Statement to be approved by the IJB or a committee of the IJB whose remit includes audit and governance following an assessment of both the effectiveness of the internal audit function and the internal control procedures of the IJB.
- 2.2 The Finance and Audit Committee will consider the performance of internal audit and internal control procedures together with the Annual Governance Statement prior to inclusion in the unaudited annual accounts.
- 2.3 In order to comply with these regulations it is proposed that in addition to consideration by the Finance and Audit Committee that the Annual Governance Statement and associated reports be referred to the IJB for approval prior to inclusion in the IJB's unaudited annual accounts.

3. Unaudited Accounts

- 3.1 The regulations require that the unaudited accounts are submitted to the auditor no later than the 30 June immediately following the financial year to which they relate.
- 3.2 The IJB or committee whose remit includes audit and governance must meet to consider the unaudited annual accounts as submitted to the external auditor no later than 31 August immediately following the financial year to which the annual accounts relate.

3.3 Scottish Government guidance states that best practice would reflect that the IJB or committee whose remit includes audit and governance should consider the unaudited accounts prior to submission to the external auditor.

3.4 In line with best practice it is proposed the unaudited accounts be considered by the Finance and Audit Committee prior to submission to the external auditor by 30 June each year.

4. Right to Inspect and Object to Accounts

4.1 The right to inspect and object to the accounts remain unchanged through these regulations. The timetable for the public notice and period of inspection has been standardised with the inspection period starting no later than 1 July in the year the notice is published.

5. Approval of Audited Accounts

5.1 The regulations require that the audited annual accounts should be considered and approved by the IJB or a committee of the IJB whose remit includes audit and governance having regard to any report made on the audited annual accounts by the proper officer¹ or external auditor by the 30 September immediately following the financial year to which the accounts relate. In addition any further report by the external auditor on the audited annual accounts should also be considered by the IJB or committee of the IJB whose remit includes audit and governance.

5.2 The Finance and Audit Committee will consider the external auditors report and proposed audit certificate (ISA 260 report) prior to inclusion in the audited annual accounts. Subsequently, the external auditor's Board Members Report and the audited annual accounts will be presented to the IJB for approval and referred to the Finance and Audit Committee for monitoring of the action plan.

5.3 In order to comply with the regulations it is proposed that the ISA260 and Board Members Report, together with a copy of the audited annual accounts, is considered by the Finance and Audit Committee and thereafter referred to the IJB for approval prior to the 30 September in the year immediately following the financial year to which they relate.

6. Publication of Audited Accounts

6.1 The regulations require that the annual accounts of the IJB be available in both hard copy and on the website for at least five years together with any further reports provided by the external auditor that relate to the audited accounts.

¹ The Proper Officer is set out in Section 95 of the Local Government (Scotland) Act 1973. In Glasgow City IJB this role is fulfilled by the Chief Officer, Finance and Resources.

6.2 The annual accounts of the IJB must be published by 31 October and any further reports by the external auditor by 31 December immediately following the year to which they relate.

7. Key Documents

7.1 The regulations require a number of key documents to be signed by the Chair of the IJB, Chief Officer and Proper Officer. These are detailed in Appendix 1.

8. Recommendations

8.1 The IJB is asked to approve:

- i) the proposed approach to complying with these regulations and,
- ii) that this report will be referred to the Finance and Audit Committee for information.

Appendix 1

Documents within Annual Accounts

Management Commentary / Foreword	Chair of the IJB Chief Officer Chief Officer Finance and Resources
Statement of Responsibilities	Chair of the IJB Proper Officer
Annual Governance Statement	Chair of the IJB Chief Officer
Remuneration Report	Chair of the IJB Chief Officer
Balance Sheet	Proper Officer

Note: the Proper Officer is set out in section 95 of the Local Government (Scotland) Act 1973 and in Glasgow City IJB is the Chief Officer, Finance and Resources.