

**PERTH AND KINROSS COUNCIL****29 June 2016****UNAUDITED ANNUAL ACCOUNTS 2015/16****Report by the Head of Finance****PURPOSE OF REPORT**

This report presents the Council's Unaudited Annual Accounts for the financial year 2015/16 in accordance with the Local Authority Accounts (Scotland) Regulations 2014.

**1. BACKGROUND**

- 1.1. The Unaudited Annual Accounts for 2015/16 are due to be submitted to the Controller of Audit by 30 June 2016.
- 1.2. The Annual Accounts are prepared in accordance with the 2015 CIPFA Code of Practice on Local Authority Accounting ("the Code").
- 1.3. These accounts also comply with the Local Authority Accounts (Scotland) Regulations 2014 which came into force in October 2014.

**2. ANNUAL ACCOUNTS**

- 2.1 The regulations require an annual review of the effectiveness of a local authority's system of internal control by Elected Members. This requirement was met with the approval of the Annual Governance Statement by the Scrutiny Committee on 15 June 2016 (Report No. 16/274 refers). The Statement is set out from page 82 of the attached accounts.
- 2.2 The Annual Accounts include a Management Commentary. The purpose of which is to provide users of the financial statements with integrated information on management's view of performance, position and progress (including forward looking information). This is set out from page 1 of the Accounts.
- 2.3 The regulations require elected members to consider the unaudited accounts at a meeting to be held no later than 31 August. Best practice is for elected members, either as the Council or a Committee charged with audit or governance, to have formally considered the Unaudited Annual Accounts prior to submitting them to the appointed auditor and making them available for public inspection. For Perth and Kinross Council the Committee charged with audit or governance is the Audit Committee.

2.4 The Strategic Policy and Resources Committee of 20 April 2016 (Report No. 16/179 refers) agreed that the 2015/16 Unaudited Annual Accounts would be considered by the Audit Committee on 29 June 2016.

2.5 **ACTION:** Following consideration of the Unaudited Annual Accounts the Committee is asked to authorise the Head of Finance to sign the Accounts.

### **3. NEXT STEPS**

3.1 The audit of the Annual Accounts will take place during July and August 2016. Audit Scotland (working with Council officers) will consider whether the Annual Accounts:

- Give a true and fair view in accordance with applicable law and the 2015/16 Code of the state of the affairs of the group and PKC as at 31 March 2016 and of the income and expenditure of the group and PKC for the year then ended;
- Have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2015/16 Code; and
- Have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973 and the Local Government in Scotland Act 2003.

3.2 It is anticipated that the results of the audit will be summarised in the Draft Annual Report which incorporates the ISA260: Report to those Charged with Governance. It is anticipated that this Audit Scotland report will be considered by the Audit Committee on 28 September 2016 with the Final Annual Report on the 2015/16 Audit being considered by the Council on 5 October 2016.

3.3 The Unaudited Annual Accounts are also available for public inspection between 30 June and 20 July (inclusive) with any objections being sent to the auditor.

### **4. CONCLUSION AND RECOMMENDATIONS**

4.1 The Unaudited Annual Accounts will be submitted to the Controller of Audit by 30 June 2016 subject to approval by this Committee and authorisation by the Head of Finance.

4.2 It is recommended that the Committee authorises the Head of Finance to sign the Unaudited Annual Accounts – see paragraph 2.5.

**Author(s)**

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**Approved**

<b>Name</b>	<b>Designation</b>	<b>Date</b>
John Symon	Head of Finance	20 June 2016

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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

<b>Strategic Implications</b>	<b>Yes / None</b>
Community Plan / Single Outcome Agreement	None
Corporate Plan	Yes
<b>Resource Implications</b>	
Financial	Yes
Workforce	Yes
Asset Management (land, property, IST)	Yes
<b>Assessments</b>	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	Yes
Sustainability (community, economic, environmental)	Yes
Legal and Governance	None
Risk	None
<b>Consultation</b>	
Internal	Yes
External	None
<b>Communication</b>	
Communications Plan	None

### 1. Strategic Implications

#### 1.1. Corporate Plan

1.1.1. The Council's Corporate Plan 2013 – 2018 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

1.1.2 This report relates to all of these objectives.

### 2. Resource Implications

#### 2.1. Financial

2.1.1. There are no direct financial implications arising from this report other than those reported within the body of the main report.

## 2.2. Workforce

- 2.2.1. There are no direct workforce implications arising from this report other than those reported within the body of the main report.

## 2.3. Asset Management (land, property, IT)

- 2.3.1. There are no direct asset management implications arising from this report other than those reported within the body of the main report.

## 3. **Assessments**

### 3.1. Equality Impact Assessment

- 3.1.1. Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.
- 3.1.2. The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as **not relevant** for the purposes of EqIA.

### 3.2 Strategic Environmental Assessment

- 3.2.1 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.
- 3.2.2 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

### 3.3 Sustainability

- 3.3.1 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.
- 3.3.2 The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

## **4. Consultation**

### **4.1 Internal**

- 4.1.1 The Chief Executive and all Executive Directors have been consulted in the preparation of this report.

## **2. BACKGROUND PAPERS**

- 2.1 No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

## **3. APPENDICES**

Appendix 1 – 2015/16 Unaudited Annual Accounts