



AUDIT AND SCRUTINY COMMITTEE

12 DECEMBER 2024

DRAFT ANNUAL ACCOUNTS 2023/24

Report by Chief Financial Officer

PURPOSE

- 1.1 The purpose of the Report is to seek Comhairle approval for the submission of the Draft Annual Accounts to Audit Scotland.

EXECUTIVE SUMMARY

- 2.1 The Local Authority Accounts (Scotland) regulations 2014, require the Draft Accounts to be approved and submitted to Audit Scotland, no later than 30 June, following the end of the financial year. Due to the loss of data and the rebuilding of financial systems following the cyber-attack, it was not possible to meet this deadline for the 2023/24 Accounts.
- 2.2 Best practice is for elected members, either as the local authority, or a committee whose remit includes audit and governance functions to have formally considered the unaudited Annual Accounts prior to submitting them to the appointed auditor and making them available for public inspection. In terms of the Comhairle's Scheme of Administration, this Committee has delegated authority to approve the unaudited and audited Accounts.
- 2.3 In completing the Accounts, it is acknowledged that there are gaps in the data available and this will inevitably lead to a modified audit opinion, as the auditors will not be able to carry out some routine audit testing. It is also likely that there will be more adjustments and other matters arising from the audit, than would be anticipated in a routine year.

RECOMMENDATIONS

- 3.1 **It is recommended that the Comhairle:**
 - (a) **approve the Draft Annual Accounts for submission to Audit Scotland.**

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Appendix: Draft Annual Accounts 2023/24

IMPLICATIONS

4.1 The following implications are applicable in terms of the Report.

Resource Implications	Implications/None
Financial	None
Legal	The Local Authority Accounts (Scotland) Regulations 2014 require that all local government bodies submit their unaudited Annual Accounts to the Auditor by 30 June of each year.
Staffing	None
Assets and Property	None
Strategic Implications	Implications/None
Risk	The cyber-attack has resulted in a loss of data and systems, which may impact on the reliability of some financial data.
Equalities	None
Corporate Strategy	<p>The Comhairle will continue to have in place proper arrangements (known as the Governance Framework) for the governance of the Comhairle's affairs and to facilitate the exercise of its functions.</p> <p>Co-ordinating the production of the Comhairle's budget in line with the timetable and producing Annual Accounts by the statutory deadline with no qualification contribute towards achieving strategic priority 4.1.1. <i>"The Comhairle has achieved a systematic approach to improving organisational effectiveness that aligns strategy, people and processes and the service provided is high quality, continually improving and cost effective."</i></p>
Environmental Impact	None
Consultation	None