

REPORT TO: East Lothian Council

MEETING DATE: 23 August 2022

BY: Executive Director for Council Resources

SUBJECT: Draft Annual Accounts 2021-22

1 PURPOSE

- 1.1 To provide an update on the draft unaudited accounts for the Council and Group entities for the year ending 31 March 2022. In accordance with regulations, the unaudited accounts must be formally scrutinised by members by 31 August 2022.

2 RECOMMENDATIONS

- 2.1 Members are recommended to;
- Note that the draft annual accounts for the Council and its wider group, and Dr Bruce, have been submitted to External Audit prior to the statutory deadline of 30 June 2022.
 - Note that the accounts remain in draft pending the finalisation of the statutory audit which is expected to complete end of October 2022.

3 BACKGROUND

- 3.1 A report on the 2021/22 financial year end position, and draft accounts was considered by Council at its meeting on 28 June 2022. The report highlighted that the draft accounts would be submitted for audit in line with the statutory deadline of 30 June 2022, but given enhanced business continuity arrangements across the Finance service it was not possible to support all of the wider scrutiny and governance requirements prior to the Council meeting.

3.2 In accordance with the requirements of the 2014 regulations, the unaudited accounts must be formally scrutinised by Members by 31 August 2022. To support this, a number of key elements has been undertaken:

- An Elected Member's Briefing is scheduled for 15 August 2022 to support and assist members in this statutory duty by highlighting key information relating to the 2021/22 unaudited accounts and explaining relevant aspects of the Local Government financial framework.
- All Elected Members have access to the draft accounts which have been published in the Members' Library Service (June 2022 Bulletin, reference: 93/22) and the opportunity to raise any significant questions or lines of enquiry to provide further clarity and understanding.
- In accordance with statutory requirements, the draft accounts were made available for public inspection for a 3-week period concluding 22 July 2022. No objections were received during this period.

3.3 Members should note that the accounts remain in draft pending the finalisation of the external audit process, which has now been extended until the end of November. External Audit have adopted a pragmatic and flexible approach, which takes account of local circumstances, and aims to have the audit finalised and reported by end of October 2022. Members will be updated with any significant changes arising during the course of the audit.

4 POLICY IMPLICATIONS

4.1 There are no direct policy implications associated with this report.

5 INTEGRATED IMPACT ASSESSMENT

5.1 The subject of this report has been considered and given there is no change in policy direction, there is no requirement to undertake any further impact assessment.

6 RESOURCE IMPLICATIONS

6.1 Financial – No direct financial implications arise from the submission for audit of the accounts. Audit fees are paid for the audit process.

6.2 Personnel - No direct personnel financial implications arise from the submission for audit of the accounts. The audit and public inspection process involve East Lothian Council staff support.

6.3 Other – None

7 BACKGROUND PAPERS

- 7.1 Members Library Service – June 2022 – 93/22 East Lothian Council Draft Unaudited) Annual Accounts and Dr Bruce Accounts 2021/22
- 7.2 Council – 28 June 2022 - Item 3 - Financial Review 2021/22

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