

**South Ayrshire Council**

**Report by Head of Finance, ICT and Procurement  
to Audit and Governance Panel (Special)  
of 27 September 2023**

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**Subject: Final Report on the 2022/23 Audit**

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**1. Purpose**

- 1.1 The purpose of this report is to submit the Annual Accounts for the financial year ended 31 March 2023 and the proposed independent auditor's report to Members of the Council, and to allow the auditor to communicate the matters raised during the audit to the Panel.

**2. Recommendation**

**2.1 It is recommended that the Panel:**

- 2.1.1 considers the 2022/23 Annual Audit Report by Audit Scotland (Annex 1), and notes that the Annual Accounts and Charitable Trust Accounts have an unmodified audit opinion;**
- 2.1.2 notes that the attached Annex 1 includes best value information that has previously been presented to Members;**
- 2.1.3 approves the Council's audited Annual Accounts (Annex 2) for signature and their subsequent issue by 30 September 2023; and**
- 2.1.4 approves the Charitable Trusts' audited Annual Accounts (Annex 3) for signature and their subsequent issue by 30 September 2023.**

**3. Background**

- 3.1 Audit Scotland undertook its audit of the 2022/23 Annual Accounts of South Ayrshire Council in accordance with the requirements of the Local Government (Scotland) Act 1973, and the Code of Audit Practice approved by Audit Scotland.
- 3.2 A full and separate audit is also required for each registered charity where Elected Members of South Ayrshire Council are sole trustees. Members of South Ayrshire Council are sole trustees for three charitable trusts with total assets of £0.139m.
- 3.3 The Audit and Governance Panel, as stated in the Scheme of Delegation, acts as the Audit Committee of the Council within the remit and powers as set out in detail in the Audit Committee Handbook approved by Council. This includes the receiving and considering all reports of the external auditors including reports relating to charitable trusts administered by the Council and of which Councillors are Trustees.

3.4 In June 2023, the Audit and Governance Panel considered the initial findings from Audit Scotland's recent Best Value thematic work in South Ayrshire and remitted the draft Audit Scotland report and improvement plan to Cabinet on 29 August 2023 for approval.

#### **4. Proposals**

4.1 Recognised best practice requires the Council, or a committee thereof, to consider the draft Council Annual Accounts (refer to Annex 2) and the Charitable Trust Annual Accounts (refer to Annex 3) and the proposed independent auditor's report, and to approve a recommendation that the Head of Finance, ICT and Procurement, the Chief Executive and the Leader of the Council sign the accounts.

4.2 The auditors are required under International Standard on Auditing 260 to communicate matters relating to the audit of the financial statements to those charged with governance of a body (for South Ayrshire Council, this is the Audit and Governance Panel) to enable appropriate action to be taken (this document, known as the Annual Audit Report, is attached at Annex 1).

4.3 There is an unmodified audit opinion in the proposed independent auditor's report for the Council and Charitable Trusts.

4.4 The accumulated surplus at 31 March 2023 is £47.477m. This accumulated surplus position remains unchanged from the figures reported to the Audit and Governance Panel on 28 June 2023.

4.5 As outlined in 3.4 above, the Audit and Governance Panel previously considered the recent Audit Scotland Best Value thematic work in South Ayrshire and Members will note that much of the content of that report has been replicated within Annex 1, along with the agreed action plan approved by Cabinet in August 2023.

#### **5. Legal and Procurement Implications**

5.1 There are no legal implications arising from this report.

5.2 There are no procurement implications arising from this report.

#### **6. Financial Implications**

6.1 Not applicable.

#### **7. Human Resources Implications**

7.1 Not applicable.

#### **8. Risk**

##### ***Risk Implications of Adopting the Recommendations***

8.1.1 There are no risks associated with adopting the recommendations.

8.2/

## 8.2 **Risk Implications of Rejecting the Recommendations**

- 8.2.1 If the accounts are not signed by the Accounts Commission deadline of, then this may result in significant reputational damage for South Ayrshire Council.

## 9. **Equalities**

- 9.1 The proposals in this report have been assessed through the Equality Impact Assessment Scoping process. There are no significant potential positive or negative equality impacts of agreeing the recommendations and therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessment is attached as Annex 4.

## 10. **Sustainable Development Implications**

- 10.1 **Considering Strategic Environmental Assessment (SEA)** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

## 11. **Options Appraisal**

- 11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

## 12. **Link to Council Plan**

- 12.1 The matters referred to in this report contribute to Commitment 1 of the Council Plan: Fair and Effective Leadership/ Leadership that promotes fairness.

## 13. **Results of Consultation**

- 13.1 There has been no public consultation on the contents of this report.
- 13.2 Consultation has taken place with Councillor Ian Davis, Portfolio Holder for Finance, Human Resources and ICT, and the contents of this report reflect any feedback provided.

**Background Papers**      **Report to Audit and Governance Panel of 28 June 2023 – [Annual Accounts 2022/23](#)**

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**Date: 20 September 2023**