Item 3

3rd August 2022

Glasgow City Council

Finance and Audit Scrutiny Committee

Report by Executive Director of Finance

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Unaudited Annual Accounts 2021-22

Purpose of Report:

In line with the Local Authority Accounts (Scotland) Regulations 2014 the local authority, or committee charged with governance and audit must consider the unaudited Annual Accounts no later than the 2 months after the publication of the unaudited accounts.

This report outlines the key aspects of the unaudited Annual Accounts 2021-22 with a full copy of the accounts attached as an appendix to this report for information.

Recommendations:

The Finance and Audit Scrutiny Committee is asked to:

i. Consider the unaudited Annual Accounts 2021-22,

ii. Note that the Executive Director of Finance has submitted the unaudited Annual Accounts to Audit Scotland.

iii. Note that Audit Scotland are aiming to complete their audit and report their findings to the Finance and Audit Scrutiny Committee and the City Administration Committee prior to the end of November 2022.

Ward No(s): Citywide: ☐

Local member(s) advised: Yes ☐ No ☐ Consulted: Yes ☐ No ☐

1. Introduction

1.1 The Local Authority Accounts (Scotland) Regulations 2014 require a local authority, or committee charged with governance to consider the unaudited Annual Accounts within two months of publication.

1.2 This report outlines the key aspects of the unaudited Annual Accounts 2021-22 with a full copy of the accounts attached for information.

2. Unaudited Annual Accounts 2021-22

2.1 The unaudited Annual Accounts are prepared in line with proper accounting practice and statue and were submitted to the council's appointed external auditor, Audit Scotland, on 30 June 2022. These accounts were subsequently published and made available for public inspection on the 1 July 2022.

2.2 Within the Annual Accounts the primary financial statements consist of:

• Comprehensive Income and Expenditure Statement	Shows the total income and expenditure incurred in the year in relation to the provision of services. In total this reflects the overall movement in council reserves but excludes statutory adjustments to the General Fund balance.
• Movement in Reserves Statement	Shows the movement in the different reserves held by the council.
• Balance Sheet	Represents the value of assets, liabilities and reserves as at 31 March.
• Group Accounts	Consolidates the financial statements for the council, its subsidiaries and associates.

2.3 A number of other statements and detailed explanatory notes, which provide additional information are also included within the Annual Accounts.

3. Key Financial Outcomes

3.1 The key financial information included within the financial statements is outlined below.

3.2 <u>Comprehensive Income and Expenditure Statement (CIES)</u>

3.2.1 The CIES shows Total Comprehensive (Income) and Expenditure of (£978.699) million which reflects the impact of the council's activities in relation to service provision in line with proper accounting practice. As noted above this statement does not reflect any of the statutory adjustments required to match the funding arrangements of the council with the requirements of proper accounting practice.

3.3 <u>Movement in Reserves Statement</u>

3.3.1 The Movement in Reserves Statement records a contribution from the General Fund Reserve of £47.110 million in the year.

3.3.2 The adjusted balance on General Fund Reserve brought forward was £243.038 million, giving a total General Fund Reserve of £195.928 million as at 31 March 2022. Of this sum, a total of £162.602 million has been earmarked to meet expenditure in future years. This leaves an uncommitted General Fund Reserve balance of £33.326 million as at 31 March 2022.

3.4 Balance Sheet

3.4.1 The council's Balance Sheet shows net assets of £2,573.955 million.

3.5 Group Accounts

3.5.1 The council's group accounts include the same primary financial statements as noted above in a consolidated basis across the council's material subsidiaries and associated. The key financial information is noted below:

• General Fund Reserve	£195.928 million
• Total Comprehensive (Income) and Expenditure	(£1,214.616) million
• Net Assets (Liabilities)	£2,936.975 million

In addition to the General Fund Reserve of the council the Group Balance Sheet includes Group Reserves of £363.020 million. This includes both usable and unusable reserves of the associates and subsidiaries of the council.

4. Next Steps

4.1 As noted above. Audit Scotland are aiming to complete their audit and report their findings to the Finance and Audit Scrutiny Committee and the City Administration Committee prior to the end of November 2022.

5. Policy and Resource Implications

Resource Implications:

Financial: The financial implications are as outlined in the report.

Legal: None

Personnel: None

Procurement: None

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2021-25 Supports the overall implementation of the strategic plan.

What are the No significant impact.

potential equality impacts as a result of this report?	

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify:	None
What are the potential climate impacts as a result of this proposal?	None
Will the proposal contribute to Glasgow's net zero carbon target?	None

6. Recommendations

6.1 The Finance and Audit Scrutiny Committee is asked to:

i. Consider the unaudited Annual Accounts 2021-22,

ii. Note that Audit Scotland is aiming to complete the audit and report its findings to the Finance and Audit Scrutiny Committee and the City Administration Committee prior to the end of November 2022.