

Title of report	Draft Annual Report and Accounts Review
Public/Confidential	Public
Summary/purpose of report	This report provides Council Members with an opportunity to review the draft 2021/22 Annual Report and Accounts (ARA) in advance of the formal endorsement/approval process later in the year. Due to delays with external audit, we also propose revised dates for the ARA timeline.
Recommendations	<p>The Council is asked to:</p> <ol style="list-style-type: none"> 1. review the draft unaudited 2021/22 Annual Report and Accounts (appendix 1) and provide feedback to officers 2. agree the revised dates proposed for the Audit and Assurance Committee to endorse or reject the audited Annual Report and Accounts and for Council to endorse or reject the audited Annual Report and approve the audited Accounts 3. note the publication of the Whistleblowing report which forms part of the Annual Report.
Author	Nicky Anderson, Head of Finance
Responsible Officer	Lynn Murray, Interim Director of Finance and Resources
Link to Strategic Plan	<p>The information in this report links to:</p> <p>Outcome 1: People who use services are protected by ensuring the regulated workforce is fit to practise.</p> <p>Outcome 2: The SSSC supports and enhances the development of the registered workforce to deliver high standards of practice and drive improvement.</p> <p>Outcome 3: Our workforce planning activities support employers, commissioners and policy</p>

	<p>makers to deliver a sustainable, integrated and innovative workforce.</p> <p>Outcome 4: The social work, social care and early years workforce is recognised as professional and regulated and valued for the difference it makes to people's lives.</p>
Link to Risk Register	Risk 3: We fail to meet corporate governance, external scrutiny and legal obligations.
Impact assessments	<p>An Equalities Impact Assessment (EIA) was not required.</p> <p>A Data Protection Impact Assessment (DPIA) was not required.</p> <p>A Sustainability Impact Assessment (SIA) was not required.</p>
Documents attached	Appendix 1: Draft 2021/22 Annual Report and Accounts
Background papers	Link to Council report 06/2022

EXECUTIVE SUMMARY

1. We ask Council Members to provide initial feedback on the draft unaudited Annual Report and Accounts (ARA) for 2021/22, note the publication of the Whistleblowing Report which forms part of the ARA and agree to revised dates for the Audit and Assurance Committee and Council due to delays with the external audit.

DRAFT ANNUAL REPORT AND ACCOUNTS FOR 2021/22

2. We have prepared the draft ARA for 2021/22 (Appendix 1) in accordance with the Accounts Direction issued by Scottish Ministers as well as the Government's Financial Reporting Manual (FReM) which follows International Financial Reporting Standards, International Financial Reporting Interpretation Committee (IFRIC) interpretations and the Companies Act 2006.
3. We prepared the draft ARA for submission to our external auditors by the deadline of 24 June 2022 as they planned to start the audit the following week. However, two weeks prior to this our external audit partner from Grant Thornton advised that they had to delay the audit until September due to staff resourcing issues. Lynn Murray, Interim Director of Finance and Resources, let the auditors know that this was not acceptable as we would not meet the Audit and Assurance Committee and Council deadlines (27 September and 28 October respectively) to discuss and approve the audited ARA.
4. The audit partner reviewed their planner again but was unable to bring forward the audit and advised that it would start in the week beginning 19 September and conclude by the end of October. The Audit and Assurance Committee expressed their strong disappointment with the delay as set out in the minute of the meeting. The Committee asked officers to propose revised dates at this Council meeting.
5. We have attached the draft unaudited ARA at Appendix 1 and ask Council Members to provide feedback, as is normal practice. We will include this feedback and any recommendations made by auditors in the final audited draft that we present to the Audit and Assurance Committee (see para 8 below).
6. At that meeting, we will ask the Audit and Assurance Committee to make recommendations to Council to either endorse or reject the draft Annual Report and approve the Accounts at its meeting on a date to be agreed (see para 9 below).

7. We must publish a prescribed person (whistleblowing) report annually which details whistleblowing referrals and the actions we took. In recent years, we have published the information within the ARA. The UK Government will request details of publication shortly and we ask Council to note we will publish this information in September.

PROPOSAL TO REVISE DATES

8. Council approved the proposed timeline for preparation of the ARA for this year and future years (report 06/22 28 February 2022). Due to the delays noted above, we are unable to achieve the dates in this report and propose that the Audit and Assurance Committee meeting to discuss the ARA and make recommendations to Council to either endorse or reject the audited ARA takes place on 24 November 2022, as there was already a Council meeting planned for this date. This replaces the meeting scheduled for 27 September.
9. We propose that the Council meeting to endorse or reject the Annual Report and approve the audited Accounts takes place on 13 December 2022. This replaces the meeting scheduled for 28 October.
10. These timescales will allow Audit Scotland to lay the ARA before Parliament by 31 December 2022 in line with our statutory obligations set out in the Executive Framework agreed with Scottish Government.

CONSULTATION

11. Council is asked to review the draft unaudited ARA in advance of the formal governance review by the Audit and Assurance Committee on 24 November 2022 (proposed date). The Executive Management Team has been consulted on the content of the document.

RISKS

12. We have agreed a risk appetite of averse for risk 3: We fail to meet corporate governance, external scrutiny and legal obligations.
13. We are at risk of not meeting the statutory deadline to lay the ARA before Parliament by 31 December 2022 if there are further delays to the external audit work and/or delays to the dates we are proposing.

IMPLICATIONS

Resources

14. There are no financial, legal or staffing implications arising from this report. However, the delay of the external audit means pressure on Finance staff as this coincides with work starting on the budget for the next three years. It also places added pressure on all staff involved in the ARA process across the organisation.

Compliance

15. Within our overall governance framework specific arrangements are in place as part of the system of internal financial control. This system is intended to ensure that reasonable assurance can be given that assets are safeguarded, transactions are authorised and properly recorded, and material errors or irregularities are either prevented or would be detected within a timely period. The governance process is designed to give Council and Audit and Assurance Committee Members opportunity to scrutinise the ARA in advance of formal approval as well as gain assurance over our systems of financial control.

IMPACT ASSESSMENTS

16. We did not develop an Equalities Impact Assessment (EIA) as the ARA summarises the work that is delivered across the organisation, which will have had EIAs carried out, as required.

CONCLUSION

17. Council is asked to review and provide feedback on the draft unaudited 2021/22 ARA in advance of the formal process for the audited ARA and note the publication of the Whistleblowing Report that forms part of the Annual Report. Due to the delays in carrying out the external audit, Council is also asked to agree revised dates for the Audit and Assurance Committee and Council meetings to progress this business.