

Directorate for Local Government and Communities
Local Government and Analytical Services Division
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Local Government Finance Circular 6/2022

[Local Government Finance Circulars](#)

By e-mail:

To: Directors of Finance of Scottish Local Authorities

Our ref: A37341255

18 May 2022

Dear Director of Finance,

Accounting Guidance: Extension to Accounts Approval and Publication Dates for 2021-22

Ministers have agreed to a request from Audit Scotland to extend the statutory dates for approving and publishing the 2021-22 Annual Accounts, as set out in The Local Authority Accounts (Scotland) Regulations 2014. These dates have therefore been amended for the financial year 2021-22 by SSI 2022 No.122.

This guidance is also available from the Scottish Government website at:

<https://www.gov.scot/policies/local-government/local-government-accounting/>

If you have any questions, please do not hesitate to contact me.

Yours faithfully



Elanor Davies
Head of Local Authority Accounting

LOCAL AUTHORITY ACCOUNTS 2021-22 EXTENSION OF ACCOUNTS APPROVAL AND PUBLICATION DATES

Scottish Government

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PART 1 – BACKGROUND

1. It was recognised early in 2020 that, due to the pandemic, the statutory timelines for producing and auditing 2019-20 Local Authority Annual Accounts would be difficult to achieve. For the 2019-20 Annual Accounts, it was considered that paragraph 8 of Schedule 6 of the Coronavirus (Scotland) Act 2020 allowed each local authority to determine its own revised timelines. Guidance was provided in Local Government Finance Circular 10/2020 which set a ‘reasonably practicable’ date of 30 November 2020 for publishing the audited Annual Accounts. Audit Scotland therefore set the same date for completion of 2019/20 audits.

2. In October 2020 Audit Scotland approached the Scottish Government seeking a similar extension to the statutory timescales for the 2020-21 Annual Accounts. This was in order to allow sufficient time for the delivery of high-quality audits. Ministers agreed to the request and revised dates were included in regulation 5 of [SSI 2021/119](#), which amended the statutory timescales set out in regulations 10 and 11 of SSI 2014/200. The default date for aiming to approve audited Annual Accounts is 30 September immediately following the financial year to which the accounts relate. The date for aiming to approve the 2020-21 audited Annual Accounts was set later, at 31 October 2021. Ordinarily, local authorities are required to publish the signed Annual Accounts no later than 31 October immediately following the financial year to which they relate. However, the final date for publishing the 2020-21 audited Annual Accounts was also set later, at 15 November 2021.

3. The 2020-21 delays, along with the effects of the ongoing pandemic, have had continuing implications for the completion of the statutory audits of the 2021-22 local authority Annual Accounts. In response to this, in September 2021 Audit Scotland requested that the statutory timescales be extended for one further financial year.

4. The change to the statutory dates was enacted by regulation 2 of the Local Authority (Capital Finance And Accounting) (Scotland) (Coronavirus) Amendment Regulations 2022 (the 2022 Regulations) ([SSI 2022/122](#)).

5. This change only applies to the 2021-22 Annual Accounts. By virtue of the statutory provisions as they stand, in relation to the 2022-23 Annual Accounts onwards, the default dates of 30 September and 31 October will once again apply.

PART 2

ACCOUNTING GUIDANCE

Extension of Accounts Approval and Publication Dates

DEFINITIONS

Local Authority means a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 (c.39).

Financial year is a year which commences 1 April and ends 31 March.

APPLICATION

1. This guidance applies only to the financial year 2021-22.

EXTENSION OF ACCOUNTS APPROVAL AND PUBLICATION DATES

The Local Authority Accounts (Scotland) Regulations 2014 (the 2014 Regulations)

2. There is no date set in the Regulations for audit completion, but there are specific dates set for the audited Annual Accounts to be approved and published. Audit Scotland pays due regard to these dates when setting audit completion dates.

3. Regulation 10(1) requires a local authority to 'aim' to approve audited Annual Accounts no later than 30 September. Prior to the pandemic, Audit Scotland set 30 September as the audit completion date.

4. Regulation 11(3) requires the approved audited Annual Accounts to be published no later than 31 October immediately following the financial year to which they relate.

The Local Authority (Capital Finance and Accounting) (Scotland) (Coronavirus) Amendment Regulations 2022 (the 2022 Regulations)

5. The 2022 Regulations amend the Local Authority Accounts (Scotland) Regulations 2014 for 2021-22 as follows.

6. Regulation 10(1)(b) of the 2014 Regulations, as amended (date for approval of audited annual accounts) requires local authorities to aim to approve the annual accounts for signature no later than 30 November 2022 in respect of the accounts for the financial year 2021-22, and 30 September in each subsequent year, in respect of the accounts for the immediately preceding financial year. Audit Scotland has set a completion date of 31 October 2022 for 2021-22 audits. This is earlier than the extended statutory deadline to commence transitioning back to regular timescales.

7. Regulation 11(3) of the 2014 Regulations, as amended, requires the 2021-22 audited annual accounts to be published no later than 15 December 2022, and in subsequent years no later than 31 October following the financial year to which they relate.

Application

This is a time limited extension for the 2021-22 annual accounts.

Scottish Government
Victoria Quay, Leith, Edinburgh EH6 6QQ

18 May 2022
