LASAAC Annex A

Scottish Local Authorities

Local Authority Accounts

Local Government (Scotland) Act 1973

S93 General Fund
- Every local authority to have General Fund – for all income and expenditure except trusts, common good, as provided by any other Act or Regulations made under section 93 of this Act.

S95 Financial Administration
- Every local authority to make arrangements for the proper administration of their financial affairs with the 'proper officer' (section 95 officer) being responsible for the administration of those affairs

Section 96 to 106 – Accounts and Audit
- Section 96 – each LA to keep accounts and make up accounts each year. Those accounts to be audited.
- Section 97 establishes Accounts Commission for Scotland
- Section 98 – 104 sets out the role and duties of the Accounts Commission which include the audit of LA accounts
- **Section 105 – provides Ministers with the power to regulate as to local authority accounts**
- Section 106 – extends sections 93 to 105, including any regulations made under 105 to other local authorities – joint boards, regional transport partnerships and integration joint boards.

The Local Government pension reserve Fund (Scotland) Regulations 2003
- Statutory adjustment for named pension funds

The Local Authority Accounts (Scotland) Regulations 2014
- Adequate accounting records
- S95 Officer responsible for accounting systems and records
- Internal auditing service requirement
- Annual statutory accounts to include a Management Commentary, Statement of Responsibilities, an Annual Governance Statement and Remuneration Report.
- Public right to inspect and object to Annual Accounts
- Consideration and signing of the Annual Accounts
- Publication of the audited Annual accounts.

Local Government in Scotland Act 2003

S12 Proper Accounting Practices
- Duty on an LA to observe proper accounting practices
- Proper accounting practices are (a) legislation (b) **guidance issued by Ministers** or (c) generally recognised published code
- If any conflict (a) ranks higher than(b) or (c) and (b) ranks higher than (c)

Guidance issued by Scottish Ministers using s12 powers:
- Circular 4/2007 – Financial Instruments
- Circular 3/2010 – Short term accumulating compensated absences
- Circular 4/2010 – PFI and similar arrangements
- Circular 5/2011 – Icelandic banks
- Circular 6/2011 – Grants, contributions and donated assets
- Circular 7/2011 – Investment properties
- Circular 8/2014 – Asset decommissioning obligations
- Circular 4/2015 – Equal pay and severance
- Circular 5/2015 – Management Commentary
- Circular 6/2015 – Pension funds
- Circular 4/2016 – Pension costs
- Circular 7/2016 – Loans funds

Code of Practice on Local Authority Accounting in the United Kingdom

- The **CIPFA-LASAAC Accounting Code Board** is responsible for the update of this annual publication
- Code reviewed by FRAB (central government accounting board)
- A recognised code in respect of S12 of the Local Government in Scotland Act 2003

The Local Government etc. (Scotland) Act 1994

Section 165 Powers of authorities to borrow and lend money
- Provides Ministers with the powers to regulate in respect of the powers of authorities to borrow and lend money, and to establish and operate loans funds.

The Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016
- Local authority to maintain a loans fund
- Loans fund advances for capital expenditure etc. as Regulation 2
- Statutory repayment of loans fund advances.