

**2025-26 UNAUDITED ANNUAL ACCOUNTS PREPARATIONS**

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**1 EXECUTIVE SUMMARY**

- 1.1 This report advises the Audit and Scrutiny Committee of the plans in place for the preparation of the council's Unaudited Annual Accounts for the year ending 31 March 2026.
- 1.2 The Section 95 Officer confirms that the accounts will be prepared in accordance with proper accounting practice, as required by legislation and as set out within the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26 (the Code).
- 1.3 The Audit and Scrutiny Committee is requested to note that plans are in place to prepare the council's Unaudited Annual Accounts for the year ending 31 March 2026, in accordance with proper accounting practice, and by the statutory deadline of 30 June 2026.

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**2. INTRODUCTION**

- 2.1 'An Audit Committees – Practical Guidance for Local Authorities' has been issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). This suggests that Audit Committees should have an overview of the plans made for the preparation of the council's Annual Accounts. This report is therefore considered good practice in advising the Audit and Scrutiny Committee of the plans in place for the preparation of the council's Unaudited Annual Accounts for the year ending 31 March 2026.

**3 RECOMMENDATIONS**

- 3.1 The Audit and Scrutiny Committee is requested to note that plans are in place to prepare the council's Unaudited Annual Accounts for the year ending 31 March 2026, consistent with proper accounting practice and by the statutory deadline of 30 June 2026.

**4 DETAIL****4.1 Section 95 Officer Responsibilities**

- 4.1.1 The Section 95 Officer is responsible for the preparation of the council's Annual Accounts in accordance with proper accounting practices, as required by legislation, and as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom (the Code).
- 4.1.2 In preparing the Annual Accounts, the Section 95 Officer will:
- Select suitable accounting policies and apply them consistently;
  - Make judgements and estimates on a reasonable basis;
  - Comply with legislation; and
  - Comply with the Local Authority Accounting Code of Practice 2025-26 (in so far as it is compatible with legislation).
- 4.1.3 The Section 95 Officer will also:
- Keep adequate accounting records, which are up to date; and
  - Take reasonable steps for the prevention and detection of fraud and other irregularities.
- 4.1.4 The Section 95 Officer confirms that adequate resources and arrangements are in place to discharge these responsibilities effectively.

## 4.2 Completion of Accounts Project Plan and Guidance

- 4.2.1 Processes and procedures have been established to ensure that the Annual Accounts are prepared in accordance with proper accounting practice, as required by legislation and as set out within the Code of Practice on Local Authority Accounting in the United Kingdom 2025-26 (the Code). The Code is based on International Financial Reporting Standards (IFRS), with interpretation appropriate to the public sector.
- 4.2.2 There is one major change to the Code from the previous year, with the introduction of a five-year valuation cycle for Property, Plant and Equipment supported by indexation in intervening years. The project plan has been updated and arrangements have been put in place to ensure compliance with the new requirement in respect of valuation and measurement of assets. Cognisance has also been taken of the most recent Annual Audit Report in order to further enhance existing processes and arrangements where appropriate.
- 4.2.3 In keeping with previous years' arrangements, a project plan has been developed, with resources adequately allocated, to ensure completion in accordance with proper accounting practice and within the required completion timescale. A clear set of instructions for the end of the financial year will be clearly communicated to all stakeholders. These sit alongside the project plan and cover year-end close down of the council's financial systems and the preparation of a set of statutory accounts. In addition, progress on delivery of the project plan will be closely monitored on an ongoing basis through to completion of the Unaudited Annual Accounts by the statutory deadline of 30 June 2026.
- 4.2.4 The detailed project plan includes the following key milestones:
- Revenue expenditure, creditors, debtors, accruals and prepayments completed by 16 April 2026;
  - Capital expenditure and treasury management revenue accounts completed by 24 April 2026;
  - Agreement of inter-group balances with Live Argyll and associated journals processed by 24 April 2026;
  - Council Tax and NDR entries completed by 8 May 2026;
  - Review and adjustments to ledger and central department cost allocations completed by 20 May 2026;
  - Preparation of Unaudited Annual Accounts including report by Section 95 Officer by 29 May 2026;
  - Unaudited Annual Accounts considered by a meeting of the Audit and Scrutiny Committee on 11 June 2026;
  - Unaudited Annual Accounts considered by a meeting of the full Council on 24 June 2026; and
  - Submission of Unaudited Annual Accounts to the external auditor and publication on the Council's website by the statutory deadline of 30 June 2026.
- 4.2.5 External auditors have been satisfied with the quality of working papers and general arrangements for the preparation of the Unaudited Annual Accounts in previous

years. The plan is designed to ensure completion of the Unaudited Annual Accounts by the required deadline of 30 June 2026, together with supporting documentation, prepared to a suitable standard, to enable completion of the audit by the target date of 30 September 2026.

## **5. CONCLUSION**

5.1 The Section 95 Officer has appropriate arrangements in place to ensure completion of the Unaudited Annual Accounts for the year ending 31 March 2026, in accordance with proper accounting practice and by the statutory deadline of 30 June 2026.

## **6 IMPLICATIONS**

- 6.1 Policy – None
- 6.2 Financial – None
- 6.3 Legal – Ensures compliance with statutory deadline
- 6.4 HR – None – delivered within existing resources
- 6.5 Customer Service – None
- 6.6 Risk – Mitigates the risk of non-compliance with required accounting standards and statutory deadline
- 6.7 Climate Change – None
- 6.8 Fairer Scotland Duty – None
- 6.9 Equalities – protected characteristics – None
- 6.10 Consumer Duty – None
- 6.11 Island Communities – None
- 6.12 Children’s Rights and Wellbeing – None

**Kirsty Flanagan**  
**Executive Director / Section 95 Officer**  
**12 March 2026**

**Policy Lead for Financial and Commercial Services - Councillor Ross Moreland**

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