

Agenda Item	6
Report No	AC/23/23

## THE HIGHLAND COUNCIL

**Committee:** Audit Committee

**Date:** 30 November 2023

**Report Title:** **Audited Accounts 2022/23 – Charitable Trusts**

**Report By:** Head of Corporate Finance

### 1. **Purpose/Executive Summary**

- 1.1 To present the audited accounts of the charitable trusts, Highland Charities Trust (“HCT”) and Highland Council Charitable Trusts (“HCCT”) for financial year 2022/23.

### 2. **Recommendations**

2.1 Members are asked to:

- i. Approve the audited accounts for signature.
- ii. Agree that the letters of representations be signed by the Head of Corporate Finance, as Treasurer on behalf of the Trustees.
- iii. Note the auditor recommendations to consider for future years, joining the accounts of the charitable trusts under the connected charities provision.

### 3. **Implications**

- 3.1 **Resource** - The audited accounts documents provide details of the overall financial position for Highland Charities Trust and Highland Council Charitable Trusts as at 31 March 2023.
- 3.2 **Legal** – none
- 3.3 **Community (Equality, Poverty, Rural and Island)** – none
- 3.4 **Climate Change / Carbon Clever** – none

3.5 **Risk** – none

3.6 **Gaelic** – none

#### **4. Annual Accounts**

4.1 The full Annual Accounts documents for 2022/23 can be found at the following link on the Highland Council's website:

[Charitable Trusts Accounts | \(highland.gov.uk\)](https://www.highland.gov.uk/charitable-trusts-accounts)

4.2 The Letters of Representation are included as annexes to this report.

#### **5. Auditor Recommendations**

5.1 In line with their structure, separate statements of account are prepared for HCT and HCCT, which are then both independently audited.

5.2 The Charities Accounts (Scotland) Regulations 2006 (as amended in 2010) permits a single set of accounts for charities that meet the definition of being 'connected'. Connected charities are defined as charities that have *'common or related purposes, or charities which have common control or unity of administration'*.

5.3 Audit Scotland views that the definition of connected charities is met for any section 106 charity administered by the same council. This 'unity of administration' requirement is met even where the trustees differ. Where a council administers multiple section 106 charities, the overall number of separate sets of statements of accounts can therefore be reduced by the effective application of the connected charities provisions.

5.4 The Council will consider the audit recommendations and the potential 'joining' of trust accounts for annual accounts purposes in future years.

Designation: Head of Corporate Finance

Date: 15 November 2023

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