

SCOTTISH STATUTORY INSTRUMENTS

2014 No. 200

The Local Authority Accounts (Scotland) Regulations 2014

PROSPECTIVE

PART 2

Financial management and internal control

Responsibility for financial management

5.—(1) A local authority is responsible for ensuring that the financial management of the authority is adequate and effective and that the authority has a sound system of internal control which—

- (a) facilitates the effective exercise of the authority's functions; and
- (b) includes arrangements for the management of risk.

(2) The local authority must conduct a review at least once in each financial year of the effectiveness of its system of internal control.

(3) The findings of the review referred to in paragraph (2) must be considered at a meeting either of the local authority or of a committee of the local authority whose remit includes audit or governance functions.

(4) Following consideration of the findings of the review referred to in paragraph (3) that authority or committee must approve an annual governance statement, prepared in accordance with proper practices in relation to internal control.

(5) The annual governance statement must be signed by the Chief Executive and the Leader of the Council.

Commencement Information

II Reg. 5 in force at 10.10.2014, see [reg. 1](#)

Accounting records and control systems

6.—(1) A local authority must keep adequate accounting records.

(2) Adequate accounting records means records that are sufficient—

- (a) to show and explain the local authority's transactions;
- (b) to disclose with reasonable accuracy, at any time, a summary of the financial position of the authority; and
- (c) to enable members of the local authority to ensure that any accounts that require to be prepared comply with the requirements of these Regulations.

Status: This version of this part contains provisions that are prospective.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Local Authority Accounts (Scotland) Regulations 2014. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (3) The accounting records must in particular contain—
- (a) entries from day to day of all sums of money received and expended by the local authority and the matters in respect of which the receipt and expenditure takes place; and
 - (b) a record of the assets and liabilities of the authority.
- (4) If the local authority deals in goods, the accounting records must contain—
- (a) statements of stock held by the authority at the end of each financial year;
 - (b) all statements of stocktakings from which any statement of stock as is mentioned in subparagraph (a) has been or is to be prepared; and
 - (c) except in the case of goods sold by way of ordinary retail trade, statements of all goods sold and purchased, showing the goods and the buyers and sellers in sufficient detail to enable all these to be identified.
- (5) Where a local authority has a local authority subsidiary body that is not subject to the requirements of this regulation, the local authority must ensure that the body takes such reasonable steps as are necessary to secure that the body's accounting records enable the authority to fulfil its duties under the 1973 Act and these Regulations.
- (6) The proper officer is responsible, on behalf of the local authority, and subject to any instructions given to that officer by that authority, for determining the form of, and maintaining, the authority's—
- (a) accounting control systems; and
 - (b) accounting records and supporting accounting records.
- (7) The proper officer must ensure that the accounting control systems are observed and that the accounting records of the local authority are kept up to date.

Commencement Information

I2 Reg. 6 in force at 10.10.2014, see [reg. 1](#)

Internal auditing

7.—(1) A local authority must operate a professional and objective internal auditing service in accordance with recognised standards and practices in relation to internal auditing.

(2) Any officer or member of a local authority must, as required by those undertaking internal auditing—

- (a) make available such documents of that authority which relate to its accounting and other records for the purpose of internal auditing; and
- (b) supply such information and explanation as those undertaking internal auditing consider necessary for that purpose.

(3) A local authority must from time to time assess the efficiency and effectiveness of its internal auditing, in accordance with the standards and practices referred to in paragraph (1).

(4) The findings of the assessments referred to in paragraph (3) must be considered, as part of the consideration of the system of internal control referred to in regulation 5(2), at the meeting referred to in regulation 5(3).

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Commencement Information

I3 Reg. 7 in force at 10.10.2014, see [reg. 1](#)

Status:

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Changes to legislation:

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Changes and effects yet to be applied to the whole Instrument associated Parts and Chapters:

Whole provisions yet to be inserted into this Instrument (including any effects on those provisions):

- reg. 10(1)(b)(i) word substituted by [S.S.I. 2022/122 reg. 2\(2\)\(b\)](#)
- reg. 10(1)(b)(i) words substituted by [S.S.I. 2022/122 reg. 2\(2\)\(a\)](#)