

AUDIT AND SCRUTINY COMMITTEE ANNUAL REPORT 2023/24

1. SUMMARY

- 1.1 The purpose of this report is to provide the Chair of the Audit and Scrutiny during the financial year 2023/24 and a summary of key developments since the commencement of 2024/25. It sets out how the Committee has fulfilled its remit and provides assurances to the Council.

2. RECOMMENDATIONS

2.1

- 2.2 Agree that the Chair presents the report to a future meeting of the Council at a date to be confirmed.

3. DETAILS

- 3.1 It is important that the Committee fully complies with best practice guidance on Audit Committees to ensure it can demonstrate its effectiveness as a scrutiny body as a foundation for sound corporate governance for the Council. The Chartered Institute of Public Finance and Accountancy (CIPFA) issued an updated guidance note Audit Committees Practical Guidance for Local Authorities and Police 2022

Appendix 1 - Audit and Scrutiny Committee Chair Annual Report 2023/24

Introduction by the Chair of Audit and Scrutiny Committee

activity during the financial year 2023/24 and a summary of key developments since the commencement of 2024/25. Committee)

In 2023/24 the Committee met quarterly on a hybrid approach with the following as appointed members:

Martin Caldwell (Chair)	Daniel Hampsey	Reeni Kennedy-Boyle
	Graham Hardie	Andrew Vennard
Jim Lynch (Vice Chair)	Dougie McFadzean	

Committee meetings were also attended by appropriate representatives of the Council including the Chief Internal Auditor (CIA) and our appointed External Auditors, Mazars. Other Council Officers attend as and when appropriate including the Chief Executive and the Head of Customer Support Services who attends regularly to advise the

inflationary pressures, together with the risk of unfunded or partly funded pay settlements and the lack of opportunities to focus funding received to areas where resources may be best used due to ring fencing of specific allocated resources which continues to present a complex backdrop within local government. These pressures are

1. Audit and Scrutiny Committee's Effectiveness and Impact

1.1

framework and governance arrangements are operating effectively. In order to fulfil this role a range of reports are provided to the Committee during the year. I am satisfied that the frequency, content and detail of reports provided to the Committee, allow myself and fellow members to adequately fulfil this role.

1.2

In March 2023 Internal Audit presented their annual audit plan, setting out their approach to the 2023/24 audit of the Council and in June 2023 Mazars outlined their planned approach to their work reflecting their statutory duties and risk-based approach. The respective audit plan and approach were considered by the Committee and accepted.

1.3

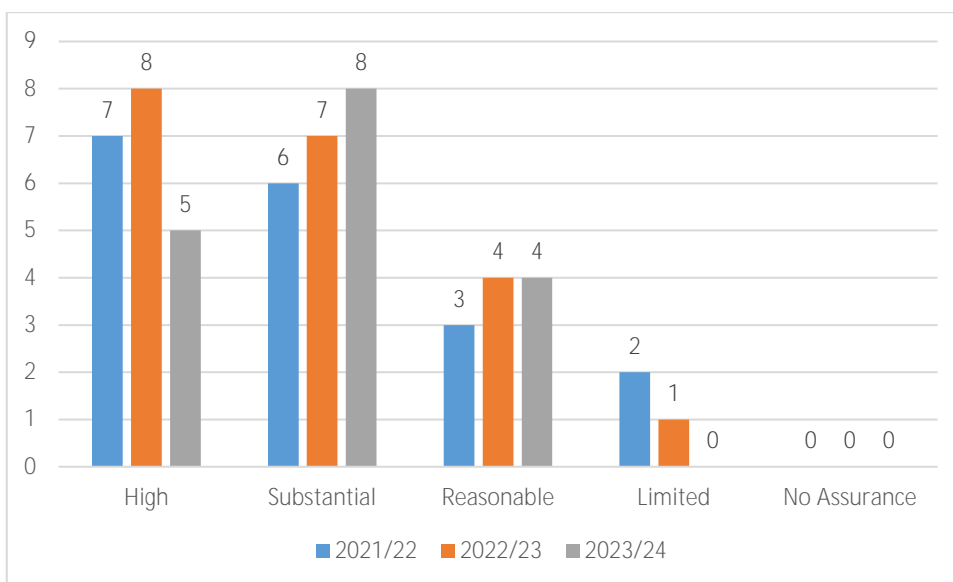
During 2023/24 the CIA has continued to develop our approach to audit and scrutiny. Particular developments which have furthered the effectiveness of both Internal Audit and the Committee are:

- The continued and successful work of the Counter Fraud Team.
- The approach to Scrutiny continues to develop and work to complete the was concluded.
- The CIA engaged with Members of the Committee as part of the planning

internal control and governance processes.

2.3 Exhibit 1 shows an analysis of assurance opinions provided by internal audit in the three-year period 2020/21 – 2023/24. Whilst there have been minor fluctuations year to year, the important trend identified is a fall in audits issued that have been providing limited assurance. In addition, there has been an increase in the number of audits classified as providing a substantial level of assurance in 2023/24, there were none classified as being limited. For these, and all other audit reports, management have accepted 100% of audit recommendations and action plans have been agreed with a robust follow-up system in place with progress presented to the SMT on a quarterly basis and to the Committee as a standard agenda item.

Exhibit 1 Audit Assurances (2021/22-2023/24)



2.4 The Committee has a clear role in relation to oversight of the internal audit function; specifically in relation to overseeing its independence, objectivity, performance and professionalism. I am pleased to advise, as Chair of the Committee, that I am satisfied that Internal Audit is effective and activity is undertaken in accordance with relevant standards.

External Audit Assurance

2.5 External Audit is an essential part of the process of accountability and assurance for public funds, providing an independent opinion on the financial statements, and reviewing aspects of governance and financial management. Working closely with Internal Audit, the external audit programme ensures that statutory responsibilities are delivered, without the duplication of audit appointed external auditors are Mazars.

2.6 T has been substantially Consequently, this should be a basis of assurance which the Committee can take as part of its duty as those charged with governance. Whilst at the time of writing this report the 2022/23 Trust Funds were still not signed off which is disappointing, we expect these to be presented by Mazars to the Committee in due course.

2.7 The Council was subject to a Best Value review in 2019/20 which highlighted that good progress was

autumn of 2024, allowing the new Committee to settle into its role and build up experience in this area of undertaking scrutiny reviews.

Audit Service fully conforms to the standards. The assessor also identified that the team are highly qualified with a training plan in place to address any skills gaps and that they deliver a high-quality service for the Council which is evident by the questionnaires returned after the completion of each review.

7.3

This was the first time the Internal Audit Service obtained a fully conforms opinion in all 14 areas of assessment. The independence demonstrates the importance of having a fully resourced and functioning

