
Report to: Council

Date of Meeting: 23 March 2023

**Subject: Annual report to those charged with Governance and the
Controller of Audit for Financial Year Ended 2021/22**

Report by: Chief Finance Officer

1.0 Purpose

- 1.1. This report and appendices set out the findings arising from the work carried out by the External Auditors on the Audit of the 2021/22 Financial Statements.

2.0 Recommendations

It is recommended that Council:

- 2.1. note the content of the Independent Auditor's Report (Appendix 1);
- 2.2. approve the content of the Letter of Representation (ISA 580), (Appendix 1) and
- 2.3. note the content of the Annual Audit Report, the recommendations for improvement and the follow up on prior year recommendations (Appendix 2).

3.0 Considerations

- 3.1 International Standard on Auditing (UK and Ireland) 260 (ISA 260) requires auditors to report specific matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action.
- 3.2 Appendix 1 of this report contains a covering letter from the Auditor and the Independent Auditors Report. This sets out the basis of the audit work and the Audit opinion.
- 3.3 Also contained within Appendix 1 is the draft Letter of Representation (ISA 580) to the Auditor which the Council is required to prepare confirming the representations that have been made in connection with the audit of the Councils annual accounts for the year ended 31 March 2022. On approval, this letter will be signed by the Council's Chief Finance Officer.
- 3.4 The 2021/22 Annual Audit Report is included at Appendix 2 and sets out the significant findings from the 2021/22 audit of the Councils Annual Accounts (Exhibit 2). The report covers the scope of the audit as set out in the Annual Audit Plan presented to Council in June 2022, considering the four audit dimensions that frame the wider scope of public audit set out in the Code of Audit Practice 2016 covering:

- Financial Sustainability;
- Financial Management;
- Governance & Transparency; and
- Value for Money.

3.5 The report also sets out recommendations and provides an action plan which has been agreed with Senior Officers, set out at Appendix 1. Contained within the action plan is an update on progress on recommendations brought forward from 2020/21.

4.0 Conclusion

4.1 Council is asked to approve the Letter of Representation and note the content of the Independent Auditor's Report and the 2021/22 Annual Audit Report.

5.0 Sustainability Implications

5.1 Not applicable

6.0 Resource Implications

6.1 *Financial Details*

6.2 The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes

6.3 Finance have been consulted and has agreed the financial implications as set out in the report. Yes

7.0 Exempt Reports

7.1 Is this report exempt? Yes (please detail the reasons for exemption below) No

8.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box)

- The area has a positive image and attracts people and businesses
- Our communities are more cohesive and inclusive
- People are better skilled, trained and ready for learning and employment
- Our communities are safer
- Vulnerable people and families are supported
- Substance misuse and its effects are reduced
- Health is improving and health inequalities are reducing

- The environment is protected and enhanced for all
- The Council is effective, efficient and recognised for excellence

(2) Council Policies (Please detail)

9.0 Equalities Impact

9.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

Yes No

10.0 Legality

10.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

11.0 Appendices

11.1 Appendix 1 - Independent Auditor's Report and Letter of Representation (ISA 580)

11.2 Appendix 2 - Clackmannanshire Council 2021/22 Annual Audit Report

12.0 Background Papers

12.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)



Yes (please list the documents below) No

Council Draft and Audited Financial Statements 2021/22

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Lindsay Sim	Chief Financial Officer	2022

Approved by

NAME	DESIGNATION	SIGNATURE
Lindsay Sim	Chief Finance Officer	
Stuart Crickmar	Director of Partnership & Performance	

8 Nelson Mandela Place
Glasgow
G2 1BT

T: 0131 625 1500

E: info@audit-scotland.gov.uk

www.audit-scotland.gov.uk



Clackmannanshire Council

23 March 2023

Audit of 2021/22 annual accounts

Independent auditor's report

1. Our audit work on the 2021/22 annual accounts is now substantially complete. Subject to receipt of a revised set of annual accounts for final review, we anticipate being able to issue unqualified audit opinions in the independent auditor's report on 23 March 2023 (the proposed report is attached at [Appendix A](#)).

Annual audit report

2. Under International Standards on Auditing in the UK, we report specific matters arising from the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action. We present for the Audit and Scrutiny Committee's consideration our draft Annual Audit Report on the 2021/22 audit. The section headed "Significant findings from the audit in accordance with ISA 260" sets out the issues identified in respect of the annual accounts.

3. The report also sets out conclusions from our consideration of the four audit dimensions that frame the wider scope of public audit as set out in the Code of Audit Practice.

4. This report will be issued in final form after the annual accounts have been certified.

Unadjusted misstatements

5. We also report to those charged with governance all unadjusted misstatements which we have identified during our audit, other than those of a trivial nature and request that these misstatements be corrected.

6. There are two unadjusted misstatements within the accounts. These are detailed in paragraph 33 of our 2021/22 annual audit report and relate to the valuation of one property within non-current assets (£0.282 million) and the calculation of component values in the revaluation adjustment of non-current assets (£0.398 million).

Fraud, subsequent events and compliance with laws and regulations

7. In presenting this report to the Council we seek confirmation from those charged with governance of any instances of any actual, suspected or alleged fraud; any subsequent events that have occurred since the date of the financial statements; or material non-compliance with laws and regulations affecting the entity that should be brought to our attention.

Representations from Section 95 Officer

8. As part of the completion of our audit, we are seeking written representations from the Chief Finance Officer, as the Section 95 Officer, on aspects of the annual accounts, including the judgements and estimates made.

9. A draft letter of representation is attached at [Appendix B](#). This should be signed and returned to us by the Chief Finance Officer with the signed annual accounts prior to the independent auditor's report being certified.

Appendix A: Proposed Independent Auditor's Report

Independent auditor's report to the members of Clackmannanshire Council and the Accounts Commission

Reporting on the audit of the financial statements

Opinion on financial statements

I certify that I have audited the financial statements in the annual accounts of Clackmannanshire Council and its group for the year ended 31 March 2022 under Part VII of the Local Government (Scotland) Act 1973. The financial statements comprise the group and council-only Comprehensive Income and Expenditure Statements, Movement in Reserves Statements, Balance Sheets, and Cash Flow Statements, the council-only Housing Revenue Account Income and Expenditure Statement, the Movement in Housing Revenue Account Statement, the Council Tax Income Account, the Non Domestic Rates Income Account, the Common Good Comprehensive Income and Expenditure Statement, the Common Good Balance Sheet and the Common Good Movement on Reserves Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (the 2021/22 Code).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with applicable law and the 2021/22 Code of the state of affairs of the council and its group as at 31 March 2022 and of the income and expenditure of the council and its group for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2021/22 Code; and
- have been prepared in accordance with the requirements of the Local Government (Scotland) Act 1973, the Local Authority Accounts (Scotland) Regulations 2014, and the Local Government in Scotland Act 2003.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Accounts Commission for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Accounts Commission on 10 June 2021. The period of total uninterrupted appointment is two years. I am independent of the council and its group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the council. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ability of the council and its group to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the current or future financial sustainability of the council and its group. However, I report on the council's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

I report in my Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Chief Finance Officer and the Audit and Scrutiny Committee for the financial statements

As explained more fully in the Statement of Responsibilities, the Chief Finance Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Finance Officer is responsible for assessing the ability of the council and its group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the operations of the council and its group.

The Audit and Scrutiny Committee is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- obtaining an understanding of the applicable legal and regulatory framework and how the council and its group is complying with that framework;
- identifying which laws and regulations are significant in the context of the council and its group;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the council's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Reporting on other requirements

Opinion prescribed by the Accounts Commission on the audited part of the Remuneration Report

I have audited the part of the Remuneration Report described as audited. In my opinion, the audited part of the Remuneration Report has been properly prepared in accordance with the Local Authority Accounts (Scotland) Regulations 2014.

Other information

The Chief Finance Officer is responsible for other information in the annual accounts. The other information comprises the Management Commentary, Annual Governance Statement, Statement of Responsibilities and the unaudited part of the Remuneration Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on the Management Commentary and Annual Governance Statement to the extent explicitly stated in the following opinions prescribed by the Accounts Commission.

Opinions prescribed by the Accounts Commission on the Management Commentary and Annual Governance Statement

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with statutory guidance issued under the Local Government in Scotland Act 2003; and
- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Delivering Good Governance in Local Government: Framework (2016).

Matters on which I am required to report by exception

I am required by the Accounts Commission to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit; or
- there has been a failure to achieve a prescribed financial objective.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice, including those in respect of Best Value, are set out in my Annual Audit Report.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with Part VII of the Local Government (Scotland) Act 1973 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

[Signature will be inserted electronically]

Carole Grant CPFA
Audit Director
Audit Scotland
4th Floor, The Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT

[Date will be inserted electronically]

Appendix B: Letter of Representation (ISA 580)

Carole Grant
Audit Director
Audit Scotland
4th Floor
8 Nelson Mandela Place
Glasgow
G2 1BT

[Date will be inserted electronically]

Dear Carole

Clackmannanshire Council Annual Accounts 2021/22

1. This representation letter is provided about your audit of the annual accounts of Clackmannanshire Council and its group for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the financial reporting framework, and for expressing other opinions on the Remuneration Report, Management Commentary and Annual Governance Statement.
2. I confirm to the best of my knowledge and belief and having made appropriate enquiries of the Chief Executive and Senior Leadership Group, the following representations given to you in connection with your audit of Clackmannanshire Council and its group's annual accounts for the year ended 31 March 2022.

General

3. Clackmannanshire Council and I have fulfilled our statutory responsibilities for the preparation of the 2021/22 annual accounts. All the accounting records, documentation and other matters which I am aware are relevant to the preparation of the annual accounts have been made available to you for the purposes of your audit. All transactions undertaken by Clackmannanshire Council and its group have been recorded in the accounting records and are properly reflected in the financial statements.
4. I confirm that the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. I am not aware of any uncorrected misstatements other than those reported by you.

Financial Reporting Framework

5. The annual accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 (2021/22 accounting code), and in accordance with the requirements of the Local Government (Scotland) Act 1973, the Local Government in Scotland Act 2003 and The Local Authority Accounts (Scotland) Regulations 2014.
6. In accordance with the 2014 regulations, I have ensured that the financial statements give a true and fair view of the financial position of the Clackmannanshire Council and its group at 31 March 2022 and the transactions for 2021/22.

Accounting Policies and Estimates

7. All significant accounting policies applied are as shown in the notes to the financial statements. The accounting policies are determined by the 2021/22 accounting code where applicable. Where the code does not specifically apply I have used judgement in developing and applying an accounting policy that results in information that is relevant and reliable. All accounting policies applied are appropriate to Clackmannanshire Council and its group's circumstances and have been consistently applied.

8. The significant assumptions used in making accounting estimates are reasonable and properly reflected in the financial statements. Judgements used in making estimates have been based on the latest available, reliable information. Estimates have been revised where there are changes in the circumstances on which the original estimate was based or as a result of new information or experience.

Going Concern Basis of Accounting

9. I have assessed Clackmannanshire Council's ability to continue to use the going concern basis of accounting and have concluded that it is appropriate. I am not aware of any material uncertainties that may cast significant doubt on Clackmannanshire Council's ability to continue as a going concern.

Assets

10. Where a rolling programme of asset valuations has been used, I have satisfied myself that the carrying amount of assets at 31 March 2022 does not differ materially from that which would be determined if a revaluation had been carried out at that date.

11. I carried out an assessment at 31 March 2022 as to whether there is any indication that an asset may be impaired and have recognised any impairment losses identified.

12. I have provided you with all information of which I am aware regarding any valuation exercises carried out after 31 March 2022.

13. There are no plans or intentions that are likely to affect the carrying value or classification of the assets recognised within the financial statements.

14. Owned assets are free from any lien, encumbrance or charge except as disclosed in the financial statements.

Liabilities

15. All liabilities at 31 March 2022 of which I am aware have been recognised in the annual accounts.

16. Provisions have been recognised in the financial statements for all liabilities of uncertain timing or amount at 31 March 2022 of which I am aware where the conditions specified in the 2021/22 accounting code have been met. The amount recognised as a provision is the best estimate of the expenditure likely to be required to settle the obligation at 31 March 2022. Where the effect of the time value of money is material, the amount of the provision has been discounted to the present value of the expected payments.

17. Provisions recognised in previous years have been reviewed and adjusted, where appropriate, to reflect the best estimate at 31 March 2022 or to reflect material changes in the assumptions underlying the calculations of the cash flows.

18. The accrual recognised in the financial statements for holiday untaken by 31 March 2022 has been estimated on a reasonable basis.

19. The pension assumptions made by the actuary in the IAS 19 report for Clackmannanshire Council have been considered and I confirm that they are consistent with management's own view.

20. There are no plans or intentions that are likely to affect the carrying value or classification of the liabilities recognised in the financial statements.

Contingent liabilities

21. There are no significant contingent liabilities, other than those disclosed in Note 36 to the financial statements, arising either under formal agreement or through formal undertakings requiring disclosure in the accounts. All known contingent liabilities have been fully and properly disclosed, including any outstanding legal claims which have not been provided under the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 and IAS 37.

Fraud

22. I have provided you with all information in relation to:

- my assessment of the risk that the financial statements may be materially misstated because of fraud
- any allegations of fraud or suspected fraud affecting the financial statements
- fraud or suspected fraud that I am aware of involving management, employees who have a significant role in internal control, or others that could have a material effect on the financial statements.

Laws and Regulations

23. I have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

Related Party Transactions

24. All material transactions with related parties have been appropriately accounted for and disclosed in the financial statements in accordance with the 2021/22 accounting code. I have made available to you the identity of all the Clackmannanshire Council and its group's related parties and all the related party relationships and transactions of which I am aware.

Remuneration Report

25. The Remuneration Report has been prepared in accordance with the Local Authority Accounts (Scotland) Amendment Regulations 2014, and all required information of which I am aware has been provided to you.

Management Commentary

26. I confirm that the Management Commentary has been prepared in accordance with the statutory guidance and the information is consistent with the financial statements.

Corporate Governance

27. I confirm that Clackmannanshire Council has undertaken a review of the system of internal control during 2021/22 to establish the extent to which it complies with proper practices set out in the Delivering Good Governance in Local Government: Framework 2016. I have disclosed to you all deficiencies in internal control identified from this review or of which I am otherwise aware.

28. I confirm that the Annual Governance Statement has been prepared in accordance with the Delivering Good Governance in Local Government: Framework 2016 and the information is consistent with the financial statements. There have been no changes in the corporate governance arrangements or issues identified, since 31 March 2022, which haven't been reflected.

Group Accounts

29. I have identified all the other entities in which Clackmannanshire Council has a material interest and have classified and accounted for them in accordance with the 2021/22 accounting code. Any significant issues with the financial statements of group entities, including any qualified audit opinions, have been advised to you.

Common Good Fund

30. I confirm, to the best of my ability, that all material common good assets have been identified and correctly accounted for within the common good financial statements. Where appropriate any common good assets in use by Clackmannanshire Council have been assessed and accounted for in line with IAS 17.

Events Subsequent to the Date of the Balance Sheet

31. All events subsequent to 31 March 2022 for which the 2021/22 accounting code requires adjustment or disclosure have been adjusted or disclosed.

Yours sincerely

[Signature will be inserted electronically]

Lindsay Sim, Chief Finance Officer
Section 95 Officer

Clackmannanshire Council

2021/22 Annual Audit Report – PROPOSED



 AUDIT SCOTLAND

Prepared for the Members of Clackmannanshire Council and the Controller of Audit
March 2023

Contents

Key messages	3
Introduction	5
1. Audit of 2021/22 annual accounts	7
2. Financial management	16
3. Financial sustainability	21
4. Governance and transparency	25
5. Best Value	27
Appendix 1. Action plan 2021/22	31
Appendix 2. Summary of uncorrected misstatements	35
Appendix 3. Summary of 2021/22 national performance reports and briefing papers	36

Key messages

2021/22 annual accounts

- 1 Our audit opinions on the annual accounts of Clackmannanshire Council and its group are unmodified and confirm that the 2021/22 financial statements present a true and fair view of the financial activities of the council and its group.
- 2 Due to delays in receiving supporting documentation the statutory deadline was not met with the audited annual accounts signed on 23 March 2023.
- 3 The unaudited annual accounts were received in line with our agreed audit timetable on 31 August 2022. However this version, which was considered by the Audit and Scrutiny Committee, did not include the council cashflow statement, the group financial statements or the transactions for the Clackmannanshire and Stirling Integration Joint Board funding adjustment.
- 4 Bank reconciliations were not carried out on a regular basis during 2021/22. The year-end bank reconciliations were not completed and passed to audit until 5 December 2022.
- 5 Our audit noted opportunities to strengthen the management commentary and annual governance statement to provide clearer information to the reader of the accounts.
- 6 There were a number of audit adjustments identified in our testing of non-current assets including errors in accounting for surplus assets, revaluations, and impairments.

Financial management and sustainability

- 7 Financial management is effective with budget setting focused on the council's strategic priorities. There was a general fund increase of £3.2 million for 2021/22 and 85 per cent of planned efficiency savings were achieved.
- 8 Financial systems of internal control need to be strengthened and supported by updated financial management and governance documents.
- 9 Medium-term financial plans are aligned to the council's corporate priorities, are regularly updated and demonstrate how the council intends to address future financial challenges.
- 10 Transformational planning has continued during 2021/22 with a focus on the work that is needed to deliver required outcomes.

Governance and transparency

- 11 The council demonstrates its commitment to conducting its business in an open and transparent manner.
- 12 Officers should ensure the extensive remit of the newly established Audit and Scrutiny committee still allows sufficient time for members to review papers and provide effective scrutiny and challenge.

Best Value

- 13 The council continues to make positive progress addressing the recommendations contained in the Best Value Assurance Report published in January 2018 and the subsequent progress report published in June 2019.
- 14 Performance reporting during 2021/22 was appropriate and the LGBF data demonstrates the council is maintaining performance levels but needs to focus on the Raising Attainment priority.

Introduction

1. This report summarises the findings arising from the 2021/22 audit of Clackmannanshire Council and its group. The scope of the audit was set out in our 2021/22 Annual Audit Plan presented to the June 2022 meeting of Clackmannanshire Council.
2. This report comprises the findings from:
 - our audit of the annual accounts, and the issue of an independent auditor's report setting out our opinions for Clackmannanshire Council and its group
 - a review of the council's key financial systems
 - audit work covering the four audit dimensions that frame the wider scope of public audit set out in the [Code of Audit Practice 2016](#) and consideration of the council's arrangements for securing Best Value with a focus on performance, outcomes and progress in addressing the matters arising from previous Best Value reports.

Adding value through the audit

3. We add value to Clackmannanshire Council by:
 - identifying and providing insight on significant risks and making clear and relevant recommendations and conclusions
 - sharing intelligence and good practice through our national reports ([Appendix 3](#)) and good practice guides.

Responsibilities and reporting

4. Clackmannanshire Council has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices.
5. It is also responsible for compliance with legislation and putting arrangements in place for governance and propriety that enable it to successfully deliver its objectives.
6. Our responsibilities as independent auditor appointed by the Accounts Commission are established by the Local Government in Scotland Act 1973, the [Code of Audit Practice 2016](#) and supplementary guidance, and International Standards on Auditing in the UK.

- 7.** As public sector auditors we give independent opinions on the annual accounts. Additionally, we conclude on financial management, the arrangements for securing financial sustainability, the suitability of corporate governance arrangements and the effectiveness of the council's performance management arrangements.
- 8.** Further details of the respective responsibilities of management and the auditor can be found in the [Code of Audit Practice 2016](#).
- 9.** This report raises matters from our audit. Weaknesses or risks identified are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its responsibility to address the issues we raise and to maintain adequate systems of control.
- 10.** An agreed action plan at [Appendix 1](#) setting out specific recommendations, responsible officers and dates for implementation. It also includes details of progress made against prior year recommendations.

Auditor Independence

- 11.** Auditors appointed by the Accounts Commission must comply with the Code of Audit Practice and relevant supporting guidance. When auditing the financial statements auditors must comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies. We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services and therefore the 2021/22 audit fee of £214,256 as set out in our Annual Audit Plan remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.
- 12.** This report is addressed to both the council and the Controller of Audit and will be published on Audit Scotland's website www.audit-scotland.gov.uk in due course. We would like to thank the management and staff who have been involved in our work for their cooperation and assistance during the audit.

Audit appointments from 2022/23

- 13.** The Accounts Commission is responsible for the appointment of external auditors to local government bodies. External auditors are appointed from Audit Scotland's Audit Services Group or a private firm of accountants. This is the final year of the current appointment round.
- 14.** The procurement process for the new round of audit appointments was completed in May 2022. From financial year 2022/23 Deloitte will be the appointed auditor for Clackmannanshire Council. We are working closely with the new auditors to ensure a well-managed transition.
- 15.** A new [Code of Audit Practice](#) applies to public sector audits for financial years starting on or after 1 April 2022 and includes some significant changes including the integration of Best Value into annual wider scope audit work.

1. Audit of 2021/22 annual accounts

The principal means of accounting for the stewardship of resources and performance

Main judgements

Our audit opinions on the annual accounts of Clackmannanshire Council and its group are unmodified and confirm that the 2021/22 financial statements present a true and fair view of the financial activities of the council and its group.

The unaudited annual accounts were received in line with our agreed audit timetable on 31 August 2022. However this version, which was considered by the Audit and Scrutiny Committee, did not include the council cashflow statement, the group financial statements or the transactions for the Clackmannanshire and Stirling Integration Joint Board funding adjustment.

Due to delays in receiving supporting documentation the statutory deadline was not met with the audited annual accounts signed on 23 March 2023.

Bank reconciliations were not carried out on a regular basis during 2021/22. The year-end bank reconciliations were not completed and passed to audit until 5 December 2022.

Our audit noted opportunities to strengthen the management commentary and annual governance statement to provide clearer information to the reader of the accounts.

There were a number of audit adjustments identified in our testing of non-current assets including errors in accounting for surplus assets, revaluations, and impairments.

Our audit opinions on the annual accounts are unmodified

16. The accounts for the council and its group for the year ended 31 March 2022 were approved by Clackmannanshire Council on 23 March 2023. As reported in the independent auditor's report:

- the financial statements give a true and fair view and were properly prepared in accordance with the financial reporting framework

- the audited part of the remuneration report, management commentary and the annual governance statement were all consistent with the financial statements and properly prepared in accordance with the relevant regulations and guidance.

Delays in receiving supporting audit documentation resulted in the statutory deadline being missed

17. Submission dates for the 2019/20 and 2020/21 audited annual accounts were deferred due to the impact of the Covid-19 pandemic. Audit Scotland set target dates for 2021/22 to support the transition to pre-pandemic timescales of 31 October 2022 for the audited annual accounts, with a statutory deadline of 30 November 2022.

18. The unaudited annual accounts were received in line with our agreed audit timetable on 31 August 2022. However this version, which was considered by the Audit and Scrutiny Committee, did not include the council cashflow statement, the group financial statements or the transactions for the Clackmannanshire and Stirling Integration Joint Board funding adjustment. We received a revised version of the unaudited annual accounts on 5 September 2022 adjusted for these items.

19. Our experience of remote working is that it takes longer to obtain, review and document audit evidence than when working onsite. We experienced challenges accessing key working papers and receiving responses to audit queries due to resourcing pressures within the finance team. As a result, and to allow officers additional time to provide additional information, it was agreed to defer the sign off of the annual accounts until 23 March 2023.

20. In particular, we note reliance on one officer to cover significant areas within the finance department, such as non-current assets, due to the ongoing vacancies. The council continues to experience recruitment and retention issues.

Recommendation 1

The council should ensure that the finance team is adequately resourced to prepare a comprehensive set of unaudited accounts and provide the necessary working papers in a timely manner to support the audit process.

There were no objections raised to the annual accounts

21. The Local Authority Accounts (Scotland) Regulations 2014 require local government bodies to publish a public notice on its website that includes details of the period for inspecting and objecting to the annual accounts. This must remain on the website throughout the inspection period. The council complied with the regulations. There were no objections to the 2021/22 accounts.

Overall materiality was reviewed on receipt of the unaudited accounts and remains at the planning level of £2.3 million

22. We apply the concept of materiality in both planning and performing the audit and in evaluating the effect of identified misstatement on the audit when forming the opinion in the auditor's report. We identify a benchmark on which to base overall materiality, such as gross expenditure, and apply what we judge to be the most appropriate percentage level for calculating materiality values. We also determine a lower performance materiality threshold.

23. The determination of materiality is based on professional judgement and is informed by our understanding of the audited body and what users are likely to be most concerned about in the annual accounts. In assessing performance materiality, we have considered factors such as our findings from previous audits, any changes in business processes and the entity's control environment including fraud risks.

24. Our initial assessment of materiality for the annual accounts was carried out during the planning phase of the audit. As detailed within our Annual Audit Plan, these apply to both Clackmannanshire Council single entity and the group financial statements. This was reviewed on receipt of the unaudited annual accounts and remains unchanged, as summarised in [Exhibit 1](#).

Exhibit 1 Materiality values

Materiality level	Amount
Overall materiality	£2.3 million
Performance materiality	£1.2 million
Reporting threshold	£50,000

Source: Audit Scotland

We have significant findings to report on the audited annual accounts

25. International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance, including our view about the qualitative aspects of the body's accounting practices. The significant findings are summarised in [Exhibit 2](#).

Exhibit 2

Significant findings from the audit of financial statements

Issue	Resolution
<p>1. Bank reconciliations</p> <p>Bank reconciliations are a fundamental key control for all public sector bodies. The council's own financial regulations require that all bank accounts must be reconciled at least once a month.</p> <p>Bank reconciliations were not carried out on a regular basis during 2021/22.</p> <p>We were advised by finance staff that the year-end bank reconciliations, to 31 March 2022, were not available during the audit process, due to issues reconciling the variances.</p>	<p>The various bank reconciliations, including the main General Fund account, were received by audit on 5 December 2022, more than 8 months after the year end.</p> <p>We undertook additional audit procedures and concluded it was materially accurate and complete.</p> <p>This issue has now been disclosed in the annual governance statement.</p> <p>Recommendation 2</p>
<p>2. Statutory adjustment for depreciation</p> <p>Statutory adjustments are processed in the annual accounts due to differences between accounting requirements and funding requirements. <i>The Statutory Basis for Accounting for and Disclosing Reserves in Scottish Local Government Bodies</i> is mandatory guidance that was issued by LASAAC in May 2021.</p> <p>This guidance made a change to the way the statutory adjustment for the difference between fair value and historic cost depreciation is processed. From 2020/21 this was to be processed from the revaluation reserve to the general fund instead of the capital adjustment account.</p> <p>The revised approach was not reflected in the council's annual accounts.</p>	<p>The audited financial statements have been revised to reflect this adjustment.</p> <p>Statutory adjustments have decreased by £4.140 million and £4.715 million in 2020/21 and 2021/22 respectively, with corresponding increases in adjustments permitted by accounting standards.</p> <p>This adjustment does not have any impact on the council's reserves. Notes 7 and 24 have been updated to reflect adjustments.</p>
<p>3. Non-current asset accounting</p> <p>There were a number of audit issues identified in our testing of non-current assets. This included errors in accounting for surplus assets, revaluations, and impairments.</p> <p>One property declared surplus by council was not reclassified as a surplus asset within the financial statements. A valuation showed that the value of the asset was overstated by £5.682 million.</p> <p>One vacant property identified had not been revalued or subject to impairment review for the financial statements. A valuation showed that the</p>	<p>The audited financial statements have been revised to reflect the adjustment to the surplus asset which decreases the value of the non-current asset by £5.682 million, and disclosure has been updated as a surplus asset.</p> <p>The two misstatements in respect of impairment and revaluation, identified during our audit testing have not been corrected by management. These are detailed in Appendix 2.</p> <p>Recommendation 3</p>

Issue	Resolution
<p>value of this asset was understated by £0.282 million.</p> <p>On review of revaluation adjustment workings, we identified that changes in component values detailed in the valuer's report were not applied across assets subject to adjustments for revaluation movements. A revised calculation showed that the total value of assets was understated by £0.398 million.</p>	
<p>4. Revenue advances due to Central Scotland Valuation Joint Board</p> <p>Our work identified that the balance due to Central Scotland Valuation Joint Board within the financial statements was overstated by £0.948 million. This resulted in cash and cash equivalents being overstated and a corresponding understatement in short term debtors. There was no overall impact on net assets.</p>	<p>The audited financial statements have been revised to reflect this adjustment.</p>
<p>5. Accounting for developer Income</p> <p>In response to our 2020/21 audit finding on developer income the council agreed to a full review of the short-term creditor balance would be undertaken.</p> <p>Our audit work identified that no adjustment had been made in respect of these balances in the unaudited 2021/22 financial statements.</p> <p>As there is no requirement for these amounts to be repaid they should not be included within the creditors balance and should be recognised as income in the Comprehensive Income and Expenditure Statement.</p>	<p>The council completed this review and subsequently confirmed that £0.772 million should be recognised as income and held within earmarked reserves.</p> <p>The audited financial statements have been revised to reflect this adjustment.</p>
<p>6. VAT reconciliation</p> <p>Our work identified that no year-end reconciliation had taken place for the VAT control account. It was confirmed that the last VAT reconciliation was as at 31 December 2021.</p> <p>The balance per the annual accounts is £1.1 million compared to a balance in the VAT return of £0.770 million, resulting in an unreconciled difference of £0.332 million.</p>	<p>The VAT return remains outstanding. Whilst the unreconciled balance is not material, there is a potential unadjusted error of £0.322 million included within the financial statements.</p> <p>This should be considered as part of the internal control review captured at Recommendation 5.</p>

Issue	Resolution
<p>7. Disclosure of Borrowings repayable within 12 Months</p> <p>The financial statements provided for audit disclosed the Public Works Loan Board loans as repayable after 12 months. Our audit work confirmed that two loans totalling £2.946 million were due for repayment within 12 months.</p>	<p>The audited financial statements have been revised to reflect this adjustment.</p>
<p>8. Management commentary</p> <p>The management commentary that accompanies the annual accounts should clearly explain how the council has performed against its budget and how this is reconciled to the financial statements.</p> <p>Our audit noted several areas where financial and performance reporting could be strengthened, including clearer analysis of how the council performed against its priorities and better financial information which can be reconciled more easily to the financial statements.</p>	<p>The disclosures in the management commentary have been amended and it now meets the minimum statutory requirements.</p> <p>We believe there are further opportunities to improve these key disclosures.</p> <p>Recommendation 4</p>
<p>9. Annual governance statement</p> <p>The annual governance statement should provide the reader of the accounts with a clear understanding of how the council complies with the national framework.</p> <p>Responsibility for the preparation changed this year and our review noted a number of areas where disclosures needed to be improved. In addition the certificates of assurance were not completed prior to the unaudited accounts being considered by the Audit and Scrutiny committee in August 2022.</p>	<p>The audited annual governance statement has been amended.</p> <p>Signed certificates of assurance have now been obtained.</p> <p>We believe there are further opportunities to improve these key disclosures.</p> <p>Recommendation 4</p>

Source: Audit Scotland

26. We have obtained audit assurances over the identified significant risks of material misstatement to the financial statements. [Exhibit 3](#) sets out the significant risks of material misstatement to the financial statements we identified in our 2021/22 Annual Audit Plan. It summarises the further audit procedures we performed during the year to obtain assurances over these risks and the conclusions from the work completed.

Exhibit 3**Significant risks of material misstatement in the financial statements**

Audit risk	Assurance procedure	Results and conclusions
<p>1. Risk of material misstatement due to fraud caused by the management override of controls</p> <p>International Auditing Standards require that audits are planned to consider the risk of material misstatement in the financial statements caused by fraud, which is presumed to be a significant risk in any audit. Management is in a unique position to perpetrate fraud because of the ability to override controls that otherwise appear to be operating effectively.</p>	<ul style="list-style-type: none"> • Assess the design and implementation of controls over journal entry processing. • Make inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. • Test journals at the year-end and post-closing entries and focus on significant risk areas. • Evaluate significant transactions outside the normal course of business. • Assess any changes to the methods and underlying assumptions used to prepare accounting estimates compared to the prior year. • Focused testing of accounting accruals and prepayments. 	<p>Results: We did not identify any significant issues within our work on journals. There were no significant transactions outside the normal course of business. The methods and assumptions used for accounting estimates were consistent with the prior year. Our testing of accruals and prepayments did not identify any issues.</p> <p>Conclusion: No issues were identified that indicate management override of controls.</p>

Source: Audit Scotland

27. In our 2021/22 Annual Audit Plan we identified other areas where we considered there to be a risk of material misstatement to the financial statements. Based on our assessment of the likelihood and magnitude of the risk, we did not consider these to represent significant risks. The areas of specific audit focus were:

- **Valuation and measurement of non-current assets:** We carried out 'reliance on a management expert' work on the valuer.
- **Measurement and judgements applied to the valuation of pension liabilities:** We carried out 'reliance on a management expert' work on the actuary. This included review of Audit Scotland's consulting actuary's report on actuarial assumptions. Based on the findings of the audit procedures performed we concluded that we could place reliance on the actuary's valuation of the pension liability.

28. We kept these areas under review throughout our audit based on the findings of the audit procedures performed. In relation to non-current assets details on the resulting adjustment can be seen in [Exhibit 2](#).

Across the UK a technical accounting issue has been identified covering infrastructure assets

29. Infrastructure assets typically include highways, footpaths, bridges and culverts and are included at depreciation historical cost in the financial statements (£59 million for Clackmannanshire Council). A replaced component of an asset has to be de-recognised and at some councils the records of additions were not detailed enough to comply with accounting code. A failure to derecognise assets correctly results in double-counting and an overstatement of the gross book value, accumulated depreciation and net book value of the assets.

30. CIPFA/LASAAC considered the matter and proposed amendments to the 2021/22 accounting code to allow a reasonable assumption that the net book value of replaced parts of infrastructure assets are £ nil and a temporary adaptation to remove the requirement to disclose gross book value and accumulated depreciations in the financial statements. The Scottish Government has issued Finance Circular 9/2022 to implement these changes.

31. At Clackmannanshire Council management considered the detailed records available to support infrastructure additions since 2010 and concluded that the above statutory overrides were required and have amended the infrastructure disclosures. This is explained at Note 11 of the audited annual accounts.

Identified misstatements were above performance materiality but our audit approach did not need to be revised

32. Adjustments made in the audited annual accounts increased net expenditure in the Comprehensive Income and Expenditure Statement by £4.910 million and decreased net assets in the Statement of Financial Position by £4.910 million. We have reviewed the nature and causes of these misstatements and concluded that further audit procedures were not required as the misstatements arose from issues that have been isolated and identified in their entirety and do not indicate further systemic error.

33. Misstatements, totalling £0.680 million were identified that have not been adjusted by management in the accounts, as these assets will be reviewed as part of the 2022/23 revaluation process. If adjusted, this would have increased net assets and total unusable reserves in the Balance Sheet by £0.680 million respectively ([Appendix 2](#)).

The number of charitable trusts administered by the council should be reviewed

34. Clackmannanshire Council administers the funds of 61 trusts, some of which have charitable status and are registered with the Office of the Scottish Charity Regulator. Due to changes implemented in 2017/18 the council is no longer the sole trustee meaning there is no requirement for an external audit in line with Section 106 of the Local Government in Scotland Act 1973. However, there is still a requirement for the council to disclose information on the nature and amounts of these trusts. The disclosure note shows that the trust funds have a total value of £0.4 million.

35. None of the trust funds received any income, other than interest, or incurred any expenditure during this, or the preceding year. Consideration should be given to whether the trust funds could be merged to make them more accessible.

Limited progress has been made on prior year recommendations

36. The council has made limited progress in implementing our prior year audit recommendations. Workload pressures on staff and capacity issues have contributed to a delay in addressing several areas as detailed in [Appendix 1](#).

2. Financial management

Financial management is about financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

Main judgements

Financial management is effective with budget setting focused on the council's strategic priorities. The council reported a general fund increase of £3.2 million for 2021/22 and achieved 85 per cent of planned efficiency savings.

Financial systems of internal control need to be strengthened and supported by updated financial management and governance documents.

The council should review and update its anti-fraud arrangements and policies and ensure these are clearly communicated to staff.

The council reported a surplus, but the Covid-19 pandemic continued to impact on the 2021/22 financial year

37. The council's budget is aligned to its strategic priorities. The approved Budget Strategy sets out the planning assumptions and indicative savings figures for a rolling four year period. The key aims outlined within the Strategy are to focus on a framework to reduce expenditure; maximise income and to transform service provision, including more joint working.

38. Clackmannanshire Council approved its 2021/22 budget in March 2021. The budget was set at £131.9 million and included a contribution from general reserves of £0.9 million and the application of unapplied capital receipts of £0.7 million. The budget also required the achievement of £2.1 million of efficiency and policy savings.

39. The council revised its financial position during the year as the Covid-19 pandemic continued to impact of costs and income. The final budget forecasted net expenditure of £148.3 million and estimated total income of £139.8 million, with budgeted funding from reserves of £8.5 million. Over the course of the year additional revenue support of £5 million was provided by the Scottish Government to address service pressures.

40. As at 31 March 2022 the council reported a final general fund surplus of £3.2 million. The improved outturn position is largely due to additional Covid funding received from the Scottish Government and delays in budgeted expenditure.

41. During 2021/22 the council administered the distribution of £6.7 million of Covid-19 support grants to local businesses and residents. There was an agency arrangement between the council and the Scottish Government in the administration of these grants.

The housing revenue account operated within budget

42. The council is required by legislation to maintain a separate housing revenue account and to ensure that rents are set a level which will at least cover the costs of its social housing provision.

43. The housing revenue account recorded a surplus of £1.530 million in 2021/22 (deficit of £2.222 million in 2020/21). Housing revenue account reserves have increased by £1.9 million to £9.6 million. This reserve is used to support the delivery of the council's housing business plan.

Budget processes were appropriate and the council achieved 85 per cent of planned efficiency savings

44. We observed that senior management and members receive regular and accurate financial information on the council's performance against budgets. We concluded that the council has appropriate budget setting and monitoring arrangements in place.

45. The council prepare a year end outturn report for councillors. This report provides an important opportunity to scrutinise the financial performance of individual services and investigate the reasons for significant revenue and capital over and underspends. The Audit and Scrutiny committee considered the 2021/22 year-end outturn report in August 2022.

46. The 2021/22 budget included planned savings and contributions from reserves to address the budgeted funding gap. Savings plans totalling £2.1 million were approved as part of the budget process and the council achieved actual savings of £1.8 million (85 per cent of this total).

The level of general fund reserves has increased, but this is already earmarked for specific purposes

47. One of the key measures of the financial health of a local authority is the level of reserves held. Clackmannanshire Council has increased its usable reserves however the majority is held for a statutory purpose or is ring-fenced and aligned to future spending plans.

48. The overall level of usable reserves increased by £5 million from £33.1 million in 2020/21 to £38.1 million in 2021/22. A table showing all reserves movements is included in [Exhibit 5](#).

Exhibit 5

Movements in usable reserves in 2021/22

	Opening £m	Used £m	Added £m	Closing £m
General Fund (Unallocated)	6.452	(4.527)	4.123	6.048
General Fund (Ring-fenced)	13.573	(8.404)	11.983	17.152
Total General Fund	20.025	(12.931)	16.106	23.200
Housing Revenue Account	7.610	(0.307)	2.249	9.552
Insurance Fund	1.276	(0.027)	0.001	1.250
Capital Receipt Reserve	1.333	(1.690)	1.158	0.801
Capital Statutory Funds	2.850	(0.689)	1.141	3.302
Total	33.094	(15.644)	20.655	38.105

Source: Audited annual accounts 2021/22

49. The council reviews the level of unallocated reserves when setting the budget each year and, as part of the 2021/22 budget setting process, agreed to retain this at a minimum of 3 per cent of net expenditure. At the end of 2021/22 the council's unallocated reserves were £6 million, 4.3 per cent of net budgeted expenditure. The council has since agreed to reduce the minimum level to 2.4 per cent as part of the 2022/23 budget setting process to reflect additional pressures and financial uncertainty.

Underspending against the capital budget continued in 2021/22 due to delays in capital projects

50. Plans for capital expenditure are approved as part of the budget setting process each year. The council approved a capital budget of £26.8 million for 2021/22 (including £9 million on housing related projects). In 2021/22 total spending on capital projects was £16.4 million (£17.7 million in 2020/21), with non-housing capital expenditure of £10.5 million and housing capital expenditure of £5.7 million. This represents an overall underspend of £10.4 million.

51. The capital programme for 2021/22 has been adversely impacted by the Covid-19 pandemic and ongoing global events. The underspend was mainly due to delays in the timing of large projects such as Clackmannan Regeneration, City Region Deal, digital infrastructure project and the delivery of purchased vehicles. Housing revenue account projects were delayed due to lockdown restrictions, contractor availability and supply chain issues.

52. The council continues to adjust future years capital programmes to reflect the rephasing of projects. As at 31 March 2022, the council had commitments on capital contracts for non-housing projects of £2.6 million (£7.2 million in 2020/21) and for housing projects of £14.0 million (£6.2 million in 2020/21).

Financial systems of internal control need to be strengthened and supported by updated financial management and governance documents

53. As part of our audit we identify and assess the key internal controls in those accounting systems which we regard as significant to produce the financial statements.

54. In September 2021 we presented our management letter to the Audit Committee and concluded that the introduction of remote working, additional duties and reprioritisation of tasks had impacted on the control environment. A number of control weaknesses were identified that required us to revise our audit approach and increase our substantive testing to obtain the required audit assurances.

55. The control weaknesses identified last year have yet to be addressed. As noted at [Exhibit 2](#) there was a significant delay in the council completing the year-end bank reconciliations. Bank reconciliations are a key financial control designed to highlight possible irregularities and help identify potential fraud.

56. In addition the council's procedures should include undertaking monthly and year end Valued Added Tax (VAT) reconciliations. As part of our financial statements audit we noted that no year-end reconciliation had taken place for the VAT control account. We confirmed that the last VAT reconciliation was as at 31 December 2021, due to staff shortages within the council.

57. In previous years we have highlighted the importance of ensuring that key financial management and governance documents are regularly reviewed and updated. The Scheme of Delegation is a key document that contains details of duties and delegated responsibilities and provides guidance to committees, subcommittees and officers. This document has not been reviewed since December 2012.

58. The council has approved Standing Orders which set out the framework within which the council conducts its business. This includes information on the timing of meetings, order of business, rules of debate and matters of procedure. Whilst the Standing Orders were updated in June 2020 they have not yet been updated to reflect the change in governance arrangements adopted following the May 2022 elections.

Recommendation 5

The council must review the control environment and reinstate critical key controls such as timely reconciliations. This should be supported by revised financial management and governance documents that clearly define expectations and responsibilities.

Supporting evidence to inform the risk assessment of housing benefits was limited

59. In July 2022, we issued a Risk Assessment Report on the audit of Housing Benefit for Clackmannanshire Council as part of our wider risk assessment programme. The key objective of this work is to determine the extent to which the benefit service is meeting its obligations to achieve continuous improvement. The risk assessment considers the effectiveness of the benefit service's business planning and reporting in meeting priorities and delivering outcomes.

60. The report noted that due to the limited information and supporting evidence submitted by the council, auditors were unable to conduct a full and comprehensive review of performance. However, the report also highlighted that since the last housing benefit performance audit in 2015, the council has significantly improved its claims processing times, with performance for new claims the best in Scotland in 2020/21.

61. Despite this strong performance the analysis indicated that there was a lack of documented management checks in place which would ensure that claims are being processed accurately. This finding challenges the council's overall performance in this area and highlights that it is critically important that a robust framework of management checks is introduced to ensure claimants are receiving the correct payments.

Arrangements for the prevention and detection of fraud and error need to be improved

62. The council is responsible for establishing arrangements for the prevention and detection of fraud, error and irregularities, bribery and corruption. Furthermore, it is responsible for ensuring that its affairs are managed in accordance with proper standards of conduct by putting effective arrangements in place.

63. The risk profile of public bodies during 2021/22 continued to be affected by the Covid-19 pandemic. We have previously highlighted weaknesses in the council's anti-fraud arrangements and the results of the Your Reputation @ Risk Survey that was run during 2020/21 indicated issues with staff awareness of key policies and individual responsibilities.

64. Due to capacity issues the council has made limited progress against the agreed action to address these weaknesses and work will continue in 2022/23.

Recommendation 6

The council should review and update its anti-fraud arrangements and policies and ensure these are clearly communicated to staff.

3. Financial sustainability

Financial sustainability looks forward to the medium and long term to consider whether the council is planning effectively to continue to deliver its services or the way in which they should be delivered

Main judgements

The council is effectively managing emerging pressures and plans to strengthen the 2023/24 budget-setting process.

Medium-term financial plans are aligned to the council's corporate priorities, are regularly updated and demonstrate how the council intends to address future financial challenges.

Transformational planning has continued during 2021/22 with a focus on the work that is needed to deliver required outcomes.

Recent financial reporting highlights that the council is managing the emerging pressures in the 2022/23 budget

65. Clackmannanshire Council approved its 2022/23 general revenue budget in March 2022. The budget was set at £141.4 million and includes a contribution from uncommitted reserves of £3.9 million. The budget also requires the achievement of £1.8 million of efficiency savings. The latest forecast outturn for 2022/23 indicates a projected overspend for the council of £0.3 million, a significantly improved position from earlier reporting. In addition 87 per cent of the planned efficiency savings are expected to be delivered.

Development of an enhanced budget setting process is being implemented for 2023/24

66. It is likely that further decisions and announcements by the UK and Scottish Governments will impact and influence the council's outlook, in the short, medium and longer-term. The council recognises this is an extremely challenging time for the public sector.

67. An enhanced corporate budget process is underway for 2023/24 with the aim of ensuring the achievement of a balanced budget position. Planning work for this has started and includes:

- The establishment of a Budget Challenge Board in August 2022, consisting of the Chief Executive, Strategic Directors and the Chief Finance Officer.

- Agreement of an in-depth review of existing budgets across all services and the development of a workplan to focus on specific areas including producing a list of savings and collating information on additional contractual pressures
- Inclusion of the impact of organisational redesign and digital transformation into the budget process.

We have obtained assurances over the wider audit risk identified in our Annual Audit Plan on financial sustainability

68. [Exhibit 6](#) sets out the significant risk we identified in our 2021/22 Audit Plan, our assurance procedures and the conclusions from our work.

Exhibit 6

Risks identified from the auditor's wider responsibility under the Code of Audit Practice

Audit risk	Assurance procedure	Results and conclusions
<p>Financial sustainability</p> <p>Clackmannanshire Council continues to face significant financial pressures.</p> <p>The council's 2022/23 budget has a £5.8 million funding gap with plans to balance this through £1.8 million savings and £3.9 million reserves.</p> <p>The council's updated cumulative funding gap for 2023/24 to 2027/28 is £33 million.</p> <p>Longer-term financial planning has been developed with the establishment of a 20-year capital budget, organised around the council's 'Be the Future' transformation programme priorities.</p> <p>The council's medium to longer term financial plans must continue to be updated to reflect the future financial impact of the Covid-19 pandemic.</p>	<ul style="list-style-type: none"> • Regular budget strategy reports to councillors, including scenario planning and identifying and tracking the progress of savings. • As part of the budget for 2022/23, the council intends to take advantage of the financial flexibility arrangements to secure financial stability in the short-term. • Setting of annual council tax / budget. • Council's transformation programme. 	<p>Results: The council continues to invest in long term planning through the 20-year capital programme.</p> <p>Despite the pandemic the council successfully delivered 85 per cent of planned efficiencies.</p> <p>Conclusion: Long-term planning remains an important area and the council recognises the need to regularly refresh and update this due to emerging pressures.</p>

Source: Audit Scotland

Medium-term financial plans are aligned to the council's corporate priorities, are regularly updated and demonstrate how the council intends to address future financial challenges

69. The financial pressures on Clackmannanshire Council are significant. The impact of the Covid-19 pandemic is likely to extend across several years and could include a reduction in income from business rates and council tax non-payments as well as a reduction in fees and charges and increased costs such as higher staff costs to cover the delivery of services. The cost of living crisis is driving greater demand for public services at the same time as the council faces rising costs due to high inflation, affecting energy, fuel, food and materials.

70. It is important that long-term financial strategies (typically covering five to ten years) are in place which link spending to the council's strategies. These support the annual budgets approved by council by providing the context of indicative future spending plans and the impact of forecasted pressures on the council.

71. Clackmannanshire Council has longer term financial plans in place that cover a range of scenarios for a rolling five-year period. These scenarios, which are regularly reviewed, are based on a range of assumptions for a number of variables including the level of Scottish Government funding, demand pressures and pay awards.

72. The council updated its indicative funding gap for 2023/24 to 2027/28 as part of the 2022/23 budget setting process. This resulted in an indicative fundings gap of £11.311 million in 2023/24 and a cumulative funding gap of £32.995 million by 2027/28. The council is planning to take advantage of the approved financial flexibility arrangement to secure financial stability in the short-term and help address the forecast medium-term budget deficit.

73. The council's longer-term financial plans have been developed with the establishment of a 20-year capital budget, organised around the council's 'Be the Future' transformation programme priorities.

74. It is likely that further decisions and announcements by the UK and Scottish Governments will impact and influence the Council's financial outlook, both in the short, medium and longer-term.

75. The council continue to experience financial pressures within the People directorate attributable to Social Services Childcare which is a demand-led cost.

Transformational planning has continued during 2021/22 with a focus on the work that is needed to deliver required outcomes

76. Alongside the significant financial and demand pressures the council is facing there are additional challenges relating to workforce and technology advances. We previously reported that the council is using its 'Be the Future' transformation programme as the basis for building financial and service sustainability.

77. To support this, the council has now also agreed to establish a Target Operating Model that will provide a consistent foundation and framework within which future organisational change and redesign can be developed and accelerated. The aim of the Target Operating Model is to ensure the council is delivering the right services in the most efficient way. It sets out a new operating approach for the council which aims to address the funding gap and secure longer-term sustainability. This was agreed in August 2022.

78. The development of the Target Operating Model around 'People, Process and Digital' has resulted in the priorities of the 'Be the Future' programme being increasingly focused on exploring new delivery models and future ways of working. This combines an internal service delivery focus with a recognition of the importance of engaging with communities and partners to develop collaborative services. It also builds on the importance of data to provide insight and support improved service delivery.

79. The council plans to provide an overall picture of the impacts and outcomes of the 'Be the Future' programme in February 2023, along with proposals for resourcing transformation and the management of the capital programme moving forward. Proposals are also due to come forward on the organisational redesign and Target Operating Model in Spring 2023, which will draw on recent work of capacity and skills analysis.

80. All posts in respect of the above are funded through transformation funds on a temporary basis. The 2023/24 budget approved additional capacity to continue supporting Transformation and key projects. However, the Strategic Director role will end as at 31 March 2023 with the Senior Manager continuing until 31 May 2023. The five transformation officers roles will continue until 17 May 2023 although it is anticipated that some posts may become vacant before this date. The PMO administrator role which is due to end as at 31 March 2023 became vacant in February 2023.

81. The council are looking at sustainable options for a transformation team moving forward however as the new structure will not have a Strategic Director for transformation with this function transferring to the Chief Executives' Office, overseen directly by the Chief Executive.

4. Governance and transparency

The effectiveness of scrutiny and oversight and transparent reporting of information

Main Judgements

The council demonstrates its commitment to conducting its business in an open and transparent manner through the recording of committee meetings and the availability of information on the council website.

Officers should ensure the extensive remit of the newly established Audit and Scrutiny committee still allows sufficient time for members to review papers and provide effective scrutiny and challenge.

Clackmannanshire Council demonstrates its commitment to conducting its business in an open and transparent manner

82. The council made significant changes to its governance arrangements in response to the Covid-19 pandemic. Throughout 2021/22 all committee meetings were held virtually. In May 2022 Clackmannanshire Council introduced hybrid arrangements for full Council and committee meetings. These meetings are recorded and available on the council's website alongside the agenda papers and minutes for each meeting.

83. As noted at [Exhibit 2](#) the audit process has identified opportunities for the council to improve the annual governance statement to ensure that it provides the reader of the accounts with a clear understanding of how the council complies with the [national framework](#). The Annual Governance Statement includes a large number of agreed improvement actions to the governance arrangements that have been carried forward from 2019/20 and 2020/21. Limited progress has been made on a significant number of these actions.

New administration and revised governance arrangements should be kept under review to monitor any impact on the effectiveness of the scrutiny

84. In May 2022 the Scottish Local Authority elections were held. For Clackmannanshire Council 18 councillors were elected and a new administration was formed with the Scottish National Party (SNP). A key change to the revised governance arrangements is the establishment of the Audit and Scrutiny Committee which replaces the previous Audit Committee.

85. The remit of this new committee also includes the remit of the dis-established People, Place and Partnership and Performance Committees. As the workload of four committees have now been combined into a single committee it is important that the council keeps the arrangements under review to ensure that there is sufficient time available to members to scrutinise performance across all service areas. Members should also feel supported to highlight any concerns about the volume of papers required given the changed remit.

Recommendation 7

Officers should keep the revised Audit and Scrutiny committee arrangements under review to ensure there is sufficient time for members to review papers and provide effective scrutiny and challenge.

86. It is important that councillors ensure they have the skill and knowledge to perform their role. Following the election in May 2022 an induction programme for newly elected members was put in place, including:

- A welcome session where members were issued with an induction pack including details about the council, roles and responsibilities, support for councillors and council procedures.
- A training programme, split in to two phases covering essential training events for all members and those councillors appointed to specific boards and committees followed by events and opportunities for further development.

87. Induction and training sessions are still ongoing, with eight phase two sessions still to be held. The council will continue to monitor training uptake and reflect on feedback to ensure it is fit for purpose.

5. Best Value

Using resources effectively and continually improving services.

Main judgements

The council continues to make positive progress addressing the recommendations contained in the Best Value Assurance Report published in January 2018 and the subsequent progress report published in June 2019.

Performance reporting during 2021/22 was appropriate and the LGBF data demonstrates the council is maintaining performance levels but needs to focus on the Raising Attainment priority.

The council is continuing to make progress in securing Best Value

88. Best value is assessed over the audit appointment, as part of the annual audit work. In addition, a Best Value Assurance Report (BVAR) for each council has been considered by the Accounts Commission at least once in this period. The BVAR report for Clackmannanshire Council was published in January 2018 with a BVAR progress report published in June 2019.

89. Our 2021/22 audit work focused on the council's progress against the recommendations of the BVAR progress report which were:

- Councillors and officers should build on recent progress and work collaboratively to agree initiatives which secure transformational change, long-term savings, and service and financial sustainability.
- The council should work urgently to finalise its new management structure and proceed with organisational change and ensure the initiatives that are in train provide the necessary capacity to support and embed change.
- The council should further develop its working relationships with local councils and others and use these to secure efficiencies in services.

90. The Stirling and Clackmannanshire City Region Deal was signed in February 2022. The UK Government and Scottish Government are investing up to £90.2 million into the region over the next 10 years. Alongside this joint Government investment, regional partners, including Clackmannanshire Council, Stirling Council and The University of Stirling, will invest up to £123.8 million.

91. As part of the deal, a capital fund for Clackmannanshire Council was created. A number of projects are now in the delivery phase, including the Japanese Garden renovation project, which received £750,000 in funding.

92. The council is now in year three of its ten-year 'Be the Future' Plan and work has continued on the transformation projects and programmes. This has involved work with the community and collaborative working between councillors, officers and other organisations. Some of the main projects include:

- Transformation Zones – the council has been working closely with the Scottish Future's Trust to develop a Project Initiation Document for Alloa Transformation Zones. The Transformation Zone approach is to build place-based integration of capacity, services, investment and infrastructure.
- Digital Transformation – this programme covers a range of activities that will support operational efficiencies in line with budgetary pressures. The programme is developing a series of workstreams that address the priorities identified from budget work. It will focus on three key areas: customer centred digital services, digitally enabled workforce, and data centric and data informed organisation. Work is still ongoing to enable the Microsoft 365 implementation and additional funding has been allocated to Digital Transformation to support this.
- Family Wellbeing Partnership – the council and the Social Innovation Partnership have agreed to a transformation partnership with an aim to build services around communities. A member briefing was held in October 2022 detailing the breadth of the work being carried out. This focuses on what changes are needed at system and local level to improve the lives of families across Clackmannanshire. As part of the work on the partnership the council has been working with Columba 1400 and the Hunter Foundation.

The council has maintained performance levels but needs to focus on the Raising Attainment priority

93. The council presented a year end outturn report to the Audit and Scrutiny Committee in August 2022 with an update on financial performance for the year ended 31 March 2022. Each of the three service areas set measurable targets in the business plans, with year-end performance data included in the forward-looking business plans.

94. The council participates in the [Local Government Benchmarking Framework \(LGBF\)](#). The framework aims to bring together a wide range of information about how all Scottish councils perform in delivering better services to local communities, including the cost of services and how satisfied citizens are with them.

95. Clackmannanshire Council produced a [Corporate Plan 2018-22 performance report](#). This summaries performance for each of the council's corporate priorities using results from the LGBF. It is presented as a combined report including indicators, risks and strategies. The report includes targets for individual indicators along with management commentary to add further context on performance outcomes. The performance reporting provided a timely opportunity for members to scrutinise service performance.

Exhibit 7**Corporate Priority performance for LGBF indicators in 2020/21**

Corporate Priority	Number of LGBF indicators	Performance in upper 2 quartile		Performance in bottom 2 quartile	
		Number	(%)	Number	(%)
Inclusive Growth, Jobs & Employment	19	11	57.9%	8	42.1%
Reducing Child Poverty	6	3	50.0%	3	50.0%
Raising Attainment	25	9	36.0%	16	64.0%
Sustainable Health & Social Care	11	6	54.5%	5	45.5%
Empowering Families & Communities	23*	10	43.5%	13	56.5%
Organisational Transformation	15	8	53.3%	7	46.7%
<i>* Note that there are 24 indicators but 1 indicator has not been ranked</i>					
All LGBF indicators	99	47	47.5%	52	52.5%

Source: Corporate Plan 2018-22 Performance Report to Audit and Scrutiny Committee (August 2022)

96. Overall the council's performance has been relatively stable when compared to the prior year, however there is a key challenge in Raising Attainment where 64 per cent of the indicators are currently in the bottom quartiles.

The council complies with the Accounts Commissions' Statutory Performance Information Direction

97. The Accounts Commission has a statutory responsibility to define the performance information that councils must publish. In turn, councils have their own responsibility, under their Best Value duty, to report performance to the public. The commission does not prescribe how councils should report this information but expects them to provide the public with fair, balanced and engaging performance information.

98. The Accounts Commission issued a revised Statutory Performance Information Direction in December 2018 which requires a council to report:

- its performance in improving local public services provided by the council (on its own and with its partners and communities), and progress against agreed desired outcomes
- its own assessment and independent audit assessments of how it is performing against its duty of Best Value, and how it plans to improve these assessments and how it (with its partners where appropriate) has engaged with and responded to its diverse communities.

99. We have evaluated the council's arrangements for fulfilling the above requirements and concluded that the council complies with the direction.

National performance audit reports

100. Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. During 2021/22, Audit Scotland published a number of reports which may be of interest to the body. These are outlined in [Appendix 2](#).

Appendix 1. Action plan 2021/22

2021/22 recommendations

Issue / risk	Recommendation	Agreed management action / timing
<p>1. Finance team capacity</p> <p>The unaudited annual accounts did not include key areas including the council cashflow statement and group financial statements.</p> <p>There were delays in receiving audit information due to workload pressures within the finance team. We note reliance on one officer to cover a number of significant areas, including non-current assets, due to the ongoing vacancies.</p> <p>Risk – The lack of finance team resources could impact on the audit opinion.</p>	<p>The council should ensure that the finance team is adequately resourced to prepare a comprehensive set of unaudited accounts and provide the necessary working papers in a timely manner to support the audit process.</p> <p>Paragraph 20.</p>	<p>Finance management continue to review team capacity and undertake recruitment of permanent staff. Due to a tight labour market, recruiting to vacancies continues to be challenging and a redesign of the Service is underway including the opportunity to offer apprenticeships and/ or trainee positions to support future succession planning.</p> <p>Responsible officer - Chief Finance Officer</p> <p>Agreed date - ongoing</p>
<p>2. Bank reconciliations</p> <p>Bank reconciliations are a fundamental key control that must be completed each month in a timely manner.</p> <p>The year-end bank reconciliation, including the main General Fund account, were not received by audit until 5 December 2022.</p> <p>Risk – A delay in preparing bank reconciliations weakens the control environment and increases the risk of fraud and error in the ledger.</p>	<p>The council must comply with its own financial regulations and prepare bank reconciliations at least once a month.</p> <p>Exhibit 2</p>	<p>Bank reconciliations were completed in a timely manner through the year, however, work to resolve reconciling items led to delays in finalising the reconciliations and passing the information over to External Audit.</p> <p>Regular reviews have been scheduled to ensure progress through the year.</p> <p>Responsible officer - Chief Finance Officer</p> <p>Agreed date - ongoing</p>

Issue / risk	Recommendation	Agreed management action / timing
<p>3. Non-current asset accounting</p> <p>There were a number of audit issues identified in our testing of non-current assets. This included errors in accounting for surplus assets, revaluations, and impairments.</p> <p>Risk – The financial statements do not accurately capture the asset position or correct accounting treatment.</p>	<p>The process for identifying surplus assets, impairment and accounting for revaluations should be strengthened to ensure they can be accurately captured in the financial statements.</p> <p>Exhibit 2</p>	<p>Finance staff will continue to liaise with internal officers and external valuers to ensure financial statements accurately reflect the non-current asset position.</p> <p>Responsible officer – Chief Finance Officer</p> <p>Agreed date – September 2023</p>
<p>4. Management commentary and annual governance statement</p> <p>Our review of the unaudited accounts noted a number of areas where the process and disclosures should be improved, including:</p> <ul style="list-style-type: none"> • clearer analysis of how the council performed against its priorities • better financial information which can be reconciled easily to the financial statements • ensuring certificates of assurance support the preparation of the annual governance statement • reviewing the length and detail to ensure accessibility / focus. <p>Risk - The documentation to support the preparation of the annual governance statement is incomplete.</p>	<p>The council should review the project plan for the preparation of the unaudited annual governance statement to ensure it is prepared to the appropriate standard and fully supported by audit evidence.</p> <p>Exhibit 2</p>	<p>A number of enhancements were made to the Management Commentary and Annual Governance Statement during the audit period. Officers will review both these areas for the 2022/23 accounts.</p> <p>Responsible officer - Chief Finance Officer and Monitoring Officer</p> <p>Agreed date – June 2023/24</p>

Issue / risk	Recommendation	Agreed management action / timing
<p>5. Financial systems of internal control and key supporting documents</p> <p>The control weaknesses identified last year have yet to be addressed. In addition there are a number of financial management and governance documents that have not been subject to recent review and update.</p> <p>Risk – The control environment is not supported by key governance documents and is not sufficiently robust to support the prevention of fraud and the preparation of the financial statements.</p>	<p>The council must review the control environment and reinstate critical key controls such as timely reconciliations. This should be supported by revised financial management and governance documents that clearly define expectations and responsibilities.</p> <p>Paragraph 58.</p>	<p>As reported to Council on 6th October 2022, a working group consisting of Officers and Elected Members has been set up to consider and review both the Scheme of Delegation & Standing Orders. These will be presented to Council for approval following completion.</p> <p>Responsible officer - Chief Finance Officer and Monitoring Officer</p> <p>Agreed date – 2023/24</p>
<p>6. Prevention and detection of fraud and error</p> <p>We reported last year that the results of the 2020/21 Your Reputation @ Risk Survey indicated weaknesses in the council's anti-fraud arrangements, particularly in relation to staff awareness.</p> <p>Risk – Staff are not aware of their responsibilities and the steps they should take in response to issues identified.</p>	<p>The council should review and update its anti-fraud arrangements and policies and ensure these are clearly communicated to staff.</p> <p>Paragraph 63.</p>	<p>An annual fraud and corruption training plan will be developed for all staff and the profile of the whistleblowing policy raised through a programme of internal communication.</p> <p>Responsible officer Senior Manager, Legal & Governance</p> <p>Agreed date December 2022</p>
<p>7. Audit and scrutiny committee</p> <p>The newly established audit and scrutiny committee includes the remit of a number of previous committees which could impact on the volume of papers and robustness of scrutiny.</p> <p>Risk - Members may not have sufficient time to review papers and deliver effective scrutiny.</p>	<p>Officers should keep the revised Audit and Scrutiny committee arrangements under review to ensure there is sufficient time for members to review papers and provide effective scrutiny and challenge.</p> <p>Paragraph 85.</p>	<p>Officers will monitor this during the year.</p> <p>Responsible Officer – Extended Strategic Leadership Group</p> <p>Ongoing</p>

Follow-up of prior year recommendations

Issue/risk	Recommendation	Agreed management action / timing
PY1. Assets held for sale	The process for identifying assets held for sale should be strengthened to ensure they can be accurately captured in the financial statements.	Replaced by Recommendation 3 above.
PY 2. Developer income	The council should review the remaining short term creditors balances to ensure the correct accounting treatment for any that relate to developer income.	Completed – now addressed as detailed in Exhibit 2
PY 3. Finance team capacity	<p>The council should continue to work to recruit to key finance posts and develop a plan to address any capacity and skills issues identified by the workforce analysis.</p> <p>The council should continue to ensure the finance team has the resources needed to prepare its annual accounts</p>	Replaced by Recommendation 1 above
PY 4. Control environment	The council must reintroduce key controls to ensure the overall control environment is robust and appropriate.	Replaced by Recommendation 6 above
PY 5. Whistleblowing and fraud and corruption awareness training	Clackmannanshire Council should focus on improving the communication of key corporate policies and implement training for staff on whistleblowing and preventing and detecting fraud and corruption.	Replaced by Recommendation 7 above
PY 6. Long-term planning	Long-term planning arrangements, including a range of scenarios, should continue to be developed to support the council in recovering from the Covid-19 pandemic and in transforming services.	Progressing – the council has a clear focus on continuing to develop its longer-term planning.

Appendix 2. Summary of uncorrected misstatements

We report all uncorrected misstatements in the annual accounts that are individually greater than our reporting threshold of £50,000 and request they be corrected.

The table below summarises uncorrected misstatements that were identified during our audit testing and have not been corrected by management. Cumulatively these errors are below our performance materiality level as explained in [Exhibit 2](#). We are satisfied that these errors do not have a material impact on the financial statements however we request that they be corrected.

Account areas	Comprehensive income and expenditure statement		Balance sheet	
	Dr £000	Cr £000	Dr £000	Cr £000
1. Non-Current Assets			282	
Revaluation reserve				(282)
2. Non-Current Assets			398	
Revaluation reserve				(398)
Net impact			680	(680)

Notes:

Entry 1: relates to the increase in valuation of a building revalued in the financial year but not recognised in the 2021/22 accounts.

Entry 2: relates to a difference in the calculation of component values used in Non-current asset revaluations not recognised in the 2021/22 accounts.

Appendix 3. Summary of 2021/22 national performance reports and briefing papers

May

[Local government in Scotland Overview 2021](#)

June

[Covid 19: Personal protective equipment](#)

July

[Community justice: Sustainable alternatives to custody](#)

September

[Covid 19: Vaccination programme](#)

January

[Planning for skills](#)

[Social care briefing](#)

February

[NHS in Scotland 2021](#)

March

[Local government in Scotland: Financial Overview 20/21](#)

[Drug and alcohol: An update](#)

[Scotland's economy: Supporting businesses through the Covid 19 pandemic](#)

Clackmannanshire Council

2021/22 Annual Audit Report Proposed

Audit Scotland's published material is available for download on the website in a number of formats. For information on our accessibility principles, please visit:

www.audit-scotland.gov.uk/accessibility

For the latest news follow us on social media or

[subscribe to our email alerts.](#)



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN

Phone: 0131 625 1500 Email: info@audit-scotland.gov.uk

www.audit-scotland.gov.uk

