
Report to Audit & Scrutiny Committee

Date of Meeting: 26 October 2023

**Subject: Audit & Scrutiny Committee Annual Report & Forward Planning
2023/24**

Report by: Strategic Director, Partnership & Performance

1.0 Purpose

- 1.1. The purpose of this report is to finalise a forward plan for Audit & Scrutiny Committee for the coming year, and to agree Committee development priorities as part of an Annual Report to ensure continuous improvement in discharging its remit effectively.

2.0 Recommendations

- 2.1. It is recommended that Committee:
- 2.2. Note the work undertaken by an informal session of the Committee that took place on 4 October 2023, outlined in the agenda as set out at Appendix 1;
- 2.3. Agrees its forward plan for 2023/24 as set out at Appendix 2 subject to Council approval;
- 2.4. Agrees to submit its Annual Report 2023 (as set out at Appendix 3) to the next available Council meeting for comment, challenge and approval.

3.0 Considerations

- 3.1. On 24 August 2023, Committee agreed to meet informally to finalise its forward plan for the year, and to undertake a process of reflection and self evaluation after its first year of operation in order to prepare an Annual Report.
- 3.2. The Committee met on MS Teams in informal session on 4 October 2023 to consider the agenda attached at Appendix 1. This included:
- 3.2.1. A review of the draft forward plan considered by Committee on 24 August 2023;
- 3.2.2. A Committee skills and development audit, following an online questionnaire completed by Members in advance of the meeting;

- 3.2.3. A self evaluation based on the based on the Chartered Institute of Professional Finance and Accountancy Audit Committee Position Statement.
- 3.3. Having considered the draft forward plan considered by Committee on 24 August, the meeting determined points of clarification to be added but no substantive amendments to its forward plan for 2023/24. This is set out at Appendix 2 for the Committee to agree subject to approval by Council.
- 3.4. Having considered the CIPFA Audit Committee Position Statement, the meeting determined its responses and improvement action plan. This is set out at Appendix 3 for the Committee to consider and agree, with a view to this being submitted to Council as an Annual Report 2023 for approval.
- 3.5. Key improvement action points arising from the Annual Report 2023 include:
- 3.5.1. Development a Committee learning and development plan based on a skills audit;
- 3.5.2. Exploration of bringing in co-opted members of the Committee to assist with specific skills and knowledge such as cyber Security or risk management
- 3.5.3. The Committee reporting annually to the Council on its suitability and capacity to discharge its remit.
- 3.6. It is likely that the improvement plan will have financial implications. If any cannot be met within the current approved resource base, appropriate governance will be sought.

4.0 Sustainability Implications

- 4.1. There are no sustainability implications arising from this report.

5.0 Resource Implications

5.1. Financial Details

- 5.2. 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

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

- 5.4. *Staffing – there are no staff implications arising from this report.*

6.0 Exempt Reports

- 6.1. Is this report exempt? No

7.0 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)

- Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all
- Our families; children and young people will have the best possible start in life
- Women and girls will be confident and aspirational, and achieve their full potential
- Our communities will be resilient and empowered so that they can thrive and flourish

(2) **Council Policies** (Please detail)

8.0 Equalities Impact

- 8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations? An EQIA is not applicable in this context.

9.0 Legality

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

10.0 Appendices

- 10.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

Appendix 1 – Audit & Scrutiny Committee Development Meeting 4 October 2023

Appendix 2 – Draft Forward Plan

Appendix 3 – Audit & Scrutiny Committee – Annual Report 2023

11.0 Background Papers

- 11.1 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)

- The Council's Decision-Making Framework and Special Responsibility Allowances, Report to Council 25 May 2022.

Author(s)

NAME	DESIGNATION	TEL NO / EXTENSION
Stuart Crickmar	Strategic Director	2127

Approved by

NAME	DESIGNATION	SIGNATURE
Stuart Crickmar	Strategic Director	



Audit and Scrutiny Committee

Self Assessment and Forward Plan Overview

1. Introduction
2. Consideration of Draft Forward Plan (copy attached)
3. Committee Skills Audit
4. Draft Self Evaluation against CIPFA Code (copy attached)
5. Next Steps and Action Planning

Date of Meeting	Title of Report	Lead Officer/Service
Cycle One 24 August 2023	Scrutiny - People	
	People Year End Business Plan Report 2022/23	L Sanda (People)
	National Improvement Framework Annual Report	C Scott (People)
	Annual Complaints Report	L Robertson (P&P)
	Audit	
	Internal Audit Assurance Report 2022/23	I Wright (Internal Audit)
	Corporate Risk Register Update	L Robertson (P&P)
	Council Financial Performance 2022/23	L Sim
	Internal Audit Actions - Progress Update	S Crickmar
	Exceptions to Contract Standing Orders	L Sim (P&P)
	Local Government in Scotland Overview	S Crickmar
	Draft Audit and Scrutiny Forward Plan	S Crickmar (P&P)
Cycle Two 26 October 2023	Scrutiny - Partnership	
	Police Year End Report 2022/23	Local Police Commander (Police)
	Fire Year End Report 2022/23	Local Fire Commander (Fire)
	Partnership and Performance Year End Business Plan Report 2022/23	S Crickmar (P&P)
	Community Justice Local Outcomes Annual Report	S McDonald (People)
	RIPSA – Annual Report	L Robertson (P&P)
	LOIP Annual Report	C Jarvie (P&P)
	Local Child Poverty Action Report	L Sanda/C Jarvie (People and P&P)
	Procurement Annual Report and Procurement Strategy Corporate	L Sim (P&P)
	Health and Safety Annual Report	C Alliston (P&P)
	Audit	
	Council Financial Performance – June 2023	L Sim (P&P)
	Annual Report – CIPFA position statement	Cllr Rennie (Chair)
	Final Audit and Scrutiny Forward Plan	S Crickmar (P&P)
	Corporate Risk Register Update	L Robertson (P&P)
	Exceptions to Contract Standing Orders (as needed)	L Sim (P&P)
	Internal Audit Updates (as needed)	I Wright (Internal Audit)
Cycle Three 14 December 2023	Scrutiny - Place	
	Place 2022/23 Year End Business Plan Progress Report	P Leonard (Place)
	Community Empowerment Act Annual Report (Participation Requests and Asset Transfer)	P Leonard (Place)
	Food Control Annual Assurance Information	E Fyvie (Place)
	Homelessness Performance Update	M Sharp (Place)
	Local Employability Performance Report	E Fyvie (Place)
	HSCP – Clackmannanshire Locality Performance Report 2022-2023	W Forrest (HSCP)
	Audit	
	Council Financial Performance - September	L Sim (P&P)
	Exceptions to Contract Standing Orders (as needed)	L Sim (P&P)
	Internal Audit Updates (as needed)	I Wright (Internal Audit)
Annual Governance Statement (including External Audit Actions) – ½ Year Progress Report	L Robertson (P&P)	
Cycle Four 8 February 2024	Scrutiny – People	
	People Business Plan 2023/24 - Half Year Report	L Sanda (People)

	HSCP - Clackmannanshire Annual Performance Report 2022-2023	A Black (HSCP)
	Community Learning & Development Annual Report	L Sanda (People)
	Audit	
	Annual Fraud Update	L Robertson (P&P)
	Maximising Attendance and Employee Wellbeing Annual Report	C Alliston (P&P)
	Internal Audit Updates (as needed)	I Wright (Internal Audit)
	Scrutiny – Partnership	
	Police Half Year Report 2023/24	Local Police Commander (Police)
	Fire Half Year Report 2023/24	Local Fire Commander (Fire)
	Staff Engagement Results	C Alliston (P&P)
	Interim Workforce Plan Progress Report	C Alliston (P&P)
	Partnership and Performance 2023/24 Half Year Business Plan Report	S Crickmar (P&P)
	Annual Corporate Performance (LGBF)	C Jarvie (P&P)
	Cyber Security Assurance Report	C Jarvie (P&P)
	Audit	
	2024/25 – External Audit Plan Report	External Auditor
	2024/25 – Internal Audit Plan Report	Internal Auditor
	Annual Fraud Risk Assessment & Assurance Report	L Robertson (P&P)
	Internal Audit Updates (as needed)	I Wright (Internal Audit)
	Council Financial Performance - December	L Sim (P&P)
	Annual Governance Statement (including External Audit actions)Progress Report	L Robertson (P&P)
	Internal Audit Actions - Progress Report	S Crickmar
	Scrutiny – Place	
	Place Half Year Business Plan Report	P Leonard (Place)
	Corporate Priorities Annual Report	S Crickmar (P&P)
	Housing Charter Report	M Sharp (Place)
	Net Zero/Sustainability Performance Update	E Fyvie (Place)
	HSCP – Clackmannanshire Locality Performance Report Half Year 2023-2024	W Forrest (HSCP)
	Audit	
	Internal Audit Updates (as needed)	I Wright (Internal Audit)
	Corporate Risk Register - Update	L Robertson (P&P)
	Council Financial Performance - Year End	L Sim (P&P)
	Internal Audit Annual Assurance Report 2023/24	Internal Audit
Cycle Five 18 April 2024		
Cycle Six 13 June 2024		

Question 1
<p>Is the Committee:</p> <ul style="list-style-type: none"> • directly accountable to the authority's governing body • independent of both the executive and the scrutiny functions • empowered to have rights of access to and constructive engagement with other committees/functions/strategic groups • empowered to have rights to request reports and seek assurances from relevant officers • of an appropriate size to operate as a cadre of experienced, trained committee members (large committees should be avoided)
<p>Yes Qualified Yes No Qualified No</p>
Areas for Improvement
<p>Yes to most elements – however the Strategic Director Partnership & Performance is remitted to undertake enquiries on suitable independence of current arrangements related to the scrutiny function and report back to the Committee by December 2023 on any areas for improvement.</p>

Question 2
<p>Does the committee include co-opted independent members in accordance with the appropriate legislation? (Where there is no legislative direction to include co-opted independent members, CIPFA recommends that each authority audit committee should include at least two co-opted independent members to provide appropriate technical expertise.</p>
<p>Yes Qualified Yes No Qualified No</p>
Areas for Improvement
<p>No inspect of the Audit function. The Strategic Director Partnership & Performance is remitted to undertake enquiries on suitable arrangements and report back to the Committee by December 2023 with recommendations.</p>

Core Functions

The core functions of an audit committee is to provide oversight of a range of core governance and accountability arrangements, responses to the recommendations of assurance providers and helping to ensure robust arrangements are maintained.

The specific responsibilities include:

Maintenance of governance, risk and control arrangements

Question 3

Does the Committee:

- Support a comprehensive understanding of governance across the organisation and among all those charged with governance, fulfilling the principles of good governance.
- Consider the effectiveness of the authority's risk management arrangements. It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.
- Monitor the effectiveness of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics and managing the authority's exposure to the risks of fraud and corruption.

Yes

Qualified Yes

No

Qualified No

Areas for Improvement

Yes to most elements – however the Committee require further information and reassurance on the following when the Annual Fraud and Risk Report is considered in April 2024. *“Monitor the effectiveness of the system of internal control supporting standards and ethics and managing the authority's exposure to the risks of fraud and corruption.”*

Financial and Governance Reporting

Question 4

Is/does the Committee:

- Satisfied that the authority's accountability statements, including the annual governance statement, properly reflect the risk environment, and any actions required to improve it, and demonstrate how governance supports the achievement of the authority's objectives.
- Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.

Yes

Qualified Yes

No

Qualified No

Areas for Improvement

Establishing appropriate and effective arrangements for audit and assurance

Question 5

Does the Committee:

Consider the arrangements in place to secure adequate assurance across the body's full range of operations and collaborations with other entities.

Consider in relation to the authority's internal audit functions:

- oversee its independence, objectivity, performance and conformance to
- professional standards
- support effective arrangements for internal audit
- promote the effective use of internal audit within the assurance framework.

Consider the opinion, reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control, and monitor management action in response to the issues raised by external audit.

Contribute to the operation of efficient and effective external audit arrangements, supporting the independence of auditors and promoting audit quality.

Support effective relationships between all providers of assurance, audits and inspections, and the organisation, encouraging openness to challenge, review and accountability.

Yes

Qualified Yes

No

Qualified No

Areas for Improvement

Audit Committee Membership

To provide the level of expertise and understanding required of the committee, and to have an appropriate level of influence within the authority, the members of the committee will need to be of high calibre. When selecting elected representatives to be on the committee or when co-opting independent members, aptitude should be considered alongside relevant knowledge, skills and experience.

Question 6

Are the following characteristics of audit committee membership evident:

- A membership that is trained to fulfil their role so that members are objective, have an inquiring and independent approach, and are knowledgeable.
- A membership that promotes good governance principles, identifying ways that better governance arrangement can help achieve the organisation's objectives.
- A strong, independently minded chair, displaying a depth of knowledge, skills, and interest.

Yes

Qualified Yes

No

Qualified No

Areas for Improvement

The Committee has undertaken a skills audit and identified a number of training needs, the output of which is set out at the end of this report. The Strategic Director Partnership & Performance is remitted to developing a training programme based on that audit.

Question 7

Does the Committee Chair:

- promote apolitical open discussion
- manage meetings to cover all business and encouraging a candid approach from all participants
- maintain the focus of the committee on matters of greatest priority.
- show willingness to operate in an apolitical manner.
- exhibit unbiased attitudes – treating auditors, the executive and management fairly.
- exhibit ability to challenge the executive and senior managers when required.
- exhibit knowledge, expertise and interest in the work of the committee.

Yes

Qualified Yes

No

Qualified No

Areas for Improvement

Engagement and Outputs

The audit committee should be established and supported to enable it to address the full range of responsibilities within its terms of reference and to generate planned outputs.

Question 8
<p>To discharge its responsibilities effectively, does the Committee:</p> <ul style="list-style-type: none">• meet regularly, at least four times a year, and have a clear policy on those items to be considered in private and those to be considered in public• have the ability to meet privately and separately with the external auditor and internal audit manager• include, as regular attendees, the chief finance officer(s), the chief executive, the head of internal audit and the appointed external auditor; other attendees may include the monitoring officer and the Strategic Director of Partnership & Performance• have the right to call on any other officers or agencies of the authority as required; recognise the independence of the chief constable in relation to operational policing matters• support transparency, reporting regularly on its work to those charged with governance• report annually on how the committee has complied with the position statement, discharged its responsibilities, and include an assessment of its performance. The report should be available to the public.
Yes Qualified Yes No Qualified No
Areas for Improvement
The Committee cannot describe this question as an unqualified yes until such times as this Annual Report is considered by Council. The Strategic Director Partnership & Performance is tasked with enabling this.

Audit & Scrutiny Committee Skills Audit Priorities agreed on 4 October

Highest Priority – Annual Governance Statement & the Control Environment; Information Security & Governance

Mid-order Priority – Procurement; Performance & Risk Management; Principles of Best Value and Value for Money; Fraud & Corruption

Lower Priority – Financial Monitoring