

**South Ayrshire Council**

**Joint Report by Chief Financial Officer and Chief Governance Officer  
to South Ayrshire Council  
of 21 June 2024**

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**Subject: Audit and Governance Panel – 2023/24 Annual Report**

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**1. Purpose**

- 1.1 The purpose of this report is to provide the Council with the Audit and Governance Panel annual report for 2023/24.

**2. Recommendation**

- 2.1 **It is recommended that the Council considers and approves the Audit and Governance Panel annual report for 2023/34 (attached as [Appendix 1](#)).**

**3. Background**

- 3.1 At its meeting on 6 December 2023, as part of its consideration of the report entitled 'Audit and Governance Panel – 2023 Annual Self-Assessment Outcome', the Panel agreed:

- to receive an annual joint report by the Chief Governance Officer and the Chief Financial Officer in May 2024 outlining the work of the Audit and Governance Panel for the financial year 2023-24 (per Action 1 in Appendix 3 of the December report); and
- thereafter to remit the report to Council in June 2024 for consideration.

- 3.2 At its meeting on 29 May 2024, the Audit and Governance Panel considered the Annual Report for 2023/34 and requested that the report be submitted to Council on 21 June 2024 for consideration.

**4. Proposals**

- 4.1 The Audit and Governance Panel (AGP) annual report for 2023-24 is attached as Appendix 1 and contains information on the following:

- 4.1.1 AGP membership and meetings held during the year;
- 4.1.2 summary information on AGP activity and decisions during the year; and
- 4.1.3 an annual assurance statement by the Chair of the AGP.

- 4.2 The Council is asked to consider and approve the Audit and Governance Panel annual report for 2023/24.

## **5. Legal and Procurement Implications**

5.1 There are no legal implications arising from this report.

5.2 There are no procurement implications arising from this report.

## **6. Financial Implications**

6.1 Not applicable.

## **7. Human Resources Implications**

7.1 Not applicable.

## **8. Risk**

### ***8.1 Risk Implications of Adopting the Recommendations***

8.1.1 There are no risks associated with adopting the recommendations.

### ***8.2 Risk Implications of Rejecting the Recommendations***

8.2.1 There are no risks associated with rejecting the recommendations.

## **9. Equalities**

9.1 The proposals in this report have been assessed through the Equality Impact Assessment Scoping process. There are no significant potential positive or negative equality impacts of agreeing the recommendations and therefore an Equalities Impact Assessment is not required. A copy of the Equalities Scoping Assessment is attached as [Appendix 2](#).

## **10. Sustainable Development Implications**

10.1 ***Considering Strategic Environmental Assessment (SEA)*** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

## **11. Options Appraisal**

11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

## **12. Link to Council Plan**

12.1 The matters referred to in this report contribute to Priority 4 of the Council Plan: Efficient and effective enabling services.

## **13. Results of Consultation**

13.1 There has been no public consultation on the contents of this report.

- 13.2 Consultation has taken place with Councillor Ian Davis, Portfolio Holder for Finance, Human Resources and ICT, and the contents of this report reflect any feedback provided.

**Background Papers**    **Report to Audit and Governance Panel of 6 December 2023 – [Audit and Governance Panel – 2023 Annual Self-Assessment Outcome](#)**

**Report to Audit and Governance Panel of 29 May 2024 – [Audit and Governance Panel – 2023/24 Annual Report](#)**

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**Date: 13 June 2024**

# **Audit and Governance Panel Annual Report 2023-24**

Draft for Approval

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## **1. Introduction**

The Chartered Institute of Public Finance and Accountancy (CIPFA) published recommended best-practice guidance for the operation of Audit Committees in local authorities across the United Kingdom in its publication entitled 'Audit Committees: Practical Guidance for Local Authorities and Police (2013)' (the 'guidance'); and in its subsequent 'Position Statement: Audit Committees in Local Authorities and Police (2022)' (the 'position statement').

The guidance and position statement are seen as an integral element of the corporate governance framework.

A key element of the guidance is that an Audit Committee should be held to account on a regular basis. In practice within South Ayrshire Council this means accountability to full Council. The guidance recommends that the preparation of an annual report by the Audit Committee can be a helpful way to enable the Committee to demonstrate its accountability to the Council.

Within South Ayrshire Council, the Audit and Governance Panel undertakes the 'Audit Committee' role alongside its wider governance remit.

## **2. Audit and Governance Panel Terms of Reference and Delegations**

The terms of reference and delegations to the Audit and Governance Panel derive from the decision made by South Ayrshire Council to establish an Audit and Governance Panel and to delegate specific powers to the Panel rather than to reserve those powers to itself.

The current terms of reference and delegations to the Audit and Governance Panel are set out in detail in Section 3 ('Terms of Reference and Delegations to Scrutiny Panels') of the Council's Scheme of Delegation, effective December 2023.

The core remit of the Audit and Governance Panel is to provide independent assurance on the adequacy of the Council's arrangements for risk management, corporate governance, and internal control.

This Annual Report has been prepared to:

- meet the requirements of the CIPFA guidance and position statement;
- meet the requirements of the Council's Scheme of Delegation;
- ensure that the Panel clearly reports to the Council on the adequacy of the Council's risk management, corporate governance, and internal control arrangements; and
- inform the Council about the Audit and Governance Panel's activity and performance for the 2023-24 financial year.

## **3. Audit and Governance Panel Membership and Meetings**

### **Panel Membership**

In May 2022 Council appointed the following elected members to the Audit and Governance Panel:

- Councillor Peter Henderson (Chair until May 2023);
- Councillor Brian McGinley (Vice-Chair);

- Councillor Kenneth Bell;
- Councillor Chris Cullen;
- Councillor Mary Kilpatrick;
- Councillor Cameron Ramsey;
- Councillor Gavin Scott (until October 2023); and
- Councillor George Weir.

Council appointed Councillor Julie Dettbarn as Chair of the Panel at its meeting of 29 June 2023, following the resignation of Councillor Henderson earlier in June 2023. At its meeting of 12 October 2023, Council appointed Councillor Alan Lamont as a replacement for Councillor Gavin Scott on the Panel.

Quorum for the Audit and Governance Panel is three Members.

### Meeting schedule

The Audit and Governance Panel met on ten occasions during 2023-24:

31 May 2023	28 June 2023	6 Sept 2023	27 Sept 2023 (Special)	4 Oct 2023
8 Nov 2023	6 Dec 2023	24 Jan 2024	22 Feb 2024	20 March 2024

All Panel meetings took place in compliance with the Council's Scheme of Delegation and Standing Orders. Since August 2020 meetings have been held using the Council's hybrid meeting platform to allow remote and physical participation. From June 2022 meetings have been live-streamed and made available publicly on the Council's live streaming website.

Overall, an 86% Panel Member attendance at meetings was achieved during the year, either in person or remotely, as shown in the table below.

Date of meeting	In Person	Remote	Apologies	% achieved
31 May 2023	6	1	1	88
28 June 2023	5	2	1	88
6 September 2023	4	2	2	75
27 September 2023	3	3	2	75
4 October 2023	5	2	1	88
8 November 2023	6	2	-	100
6 December 2023	6	2	-	100
24 January 2023	4	1	3	63
22 February 2023	7	1	-	100
20 March 2023	5	2	1	88
			<b>Ave</b>	<b>86%</b>

#### 4. Audit and Governance Panel Activity and Performance

The Audit and Governance Panel Annual Report enables the Panel to clearly demonstrate delivery of its key responsibilities and accountabilities for providing the Council with independent assurance on the adequacy of arrangements for risk management, governance, and internal control.

##### Scrutiny Activity

The Panel performed its scrutiny work during 2023-24 by receiving a total of 35 reports in relation to, considering, scrutinising, and following up the outcomes from reports from various assurance providers, including:

- Internal Audit and Corporate Fraud;
- Corporate Finance;
- External Audit;
- Risk Management;
- External Regulatory or Assurance bodies; and
- Other Governance and Scrutiny reporting.

Detailed information on the reports received and action taken in relation to the above is shown in Annex A (pages 8 to 17 of this appendix).

Copies of the AGP agenda papers for the current meeting cycle and approved Minutes of meetings of the Audit and Governance Panel are available to the public on the Council's website.

##### Training Activity

A number of Members training sessions took place during 2023-24 to ensure the continued development of Members skills and experience. Details of all the sessions that were held during the year are provided in the table below. Some of the sessions, as described in the table, had a specific relevance for Members of the AGP but were open for all Members to attend. The specific AGP relevant sessions took place to allow Members of the Panel to gain a greater understanding of the activities scrutinised by the AGP and to more fully interrogate the scrutiny role for Panel members, thus increasing the frequency, scope and depth of members' questions at Panel.

Date	Title of training session	Specific relevance to AGP
3 May 2023	Treasury Management	Yes
7 June 2023	Accounts Commission Local Government Overview Report	Yes
3 Oct 2023	Scrutinising business case workshop - Improvement Service	Yes
25 Oct 2023	Scrutiny Foundations workshop - Improvement Service	Yes
1 Nov 2023	Corporate Fraud Team	Yes
24 Jan 2024	Common Good	No



Date	Title of training session	Specific relevance to AGP
24 Jan 2024	Scotland Excel (Procurement)	No
7 Feb 2024	Treasury Management Team	Yes

## Annual Survey – Feedback

**Members** - Twenty Elected Members were asked for anonymous feedback on their interaction with the Panel during the year. Nine responses were received and are presented below.

Rating	Strongly Agree %	Agree %	Disagree %	Strongly Disagree %
Quality of Panel Reports	11	88	0	0
Interaction During Meeting	11	66	22	0
Effective Role of Panel in Decision Making Structure	0	100	0	0

The information above reflects that the vast majority of members are satisfied (strongly agree or agree) with the quality of reports at Panel and the manner in which the Panel conducts its business as part of the Council’s decision-making structure.

**Officers** - Fifteen officers, who regularly interact with the Panel were asked for feedback on their interaction with the Panel during the year. Nine responses were received and are presented below.

Rating	Strongly Agree %	Agree %	Disagree %	Strongly Disagree %
Panel's Understanding of Tabled Reports	22	66	11	0
Effective Role in Decision Making Structures Relative to Service Requirements	55	33	11	0

The information above similarly reflects officers’ satisfaction in relation to the Panel’s understanding of reports and its effective decision making relative to individual services. Officer comments included suggested targeted areas for training for the Panel and, therefore, future training activity is being developed to address current identified and emerging needs.

## Self-Assessment Performance

In line with the CIPFA document ‘Audit Committees: Practical Guidance for Local Authorities and Police – 2022 Edition’, with particular reference to the ‘Self-Assessment of Good Practice – Checklist’ provided within that document, the Audit and Governance Panel undertook a self-assessment in September 2023, with the results being reported to the Panel in December 2023.

In general terms, the outcome of the self-assessment, as evidenced by the score of 159 out of 200, was broadly similar to the self assessment undertaken in 2021 (although not directly comparable due to the change in methodology), with Members being satisfied with the effectiveness of the Panel in undertaking its role and discharging its functions within the Council's decision-making arrangements in most respects.

Notwithstanding the considered overall general effectiveness of the Panel, a small number of important matters were raised relative to which actions for improvement were required. A summary of the agreed actions is provided in the table below along with an assessed status update on progress to date.

<b>Proposed action</b>	<b>Responsible Officer</b>	<b>Due Date</b>	<b>Status</b>
Introduce an annual report on the activities of the AGP to be considered and approved by AGP and then remitted to Council for consideration	Service Lead – Democratic Governance	June 2024	<b>Complete</b> (subject to approval at May 2024 AGP and remittance to Council for consideration)
Include relevant evaluation information and areas for development in the self-assessment reporting (Dec 2023) and include compliance information in the annual report to Council	Service Lead – Democratic Governance	June 2024	<b>Complete</b> (subject to approval at May 2024 AGP and remittance to Council for consideration)
Engage with Audit Scotland to seek to widen private discussions beyond Chair and Vice Chair to all AGP members	Chief Financial Officer	June 2024	<b>Complete</b> – Audit Scotland have agreed to widen the private informal discussion to encompass all members of the Panel following the formal AGP in September each year.
Develop and implement mechanisms for obtaining feedback from Elected Members and officers of the Council and include results in the annual report to Council	Service Lead – Democratic Governance	June 2024	<b>Complete</b> – Annual survey circulated to Members and Chief Officers in March 2024 with results included in the Annual Report.
Members of the AGP should be encouraged to contribute and engage in the scrutiny process whenever possible	Chair and Members of the Panel	Oct 2024	<b>In progress</b> – recent minutes of panel meetings evidence wider engagement and scrutiny from members of the panel.
Self-assessment to be undertaken annually (Sept) with outcomes to be considered by AGP each December and annual report to be consider by full Council in June each year. Annual self-assessment to include action plan for areas of improvement	Service Lead – Democratic Governance	Dec 2023 and then annually	<b>Complete</b> Dec 2023 - with next self assessment planned for Sept 2024.

## 5. Audit and Governance Panel Assurance Statements

The work of the Audit and Governance Panel during and in relation to 2023-24 is detailed at Section 4. This work was supported by reports, information and assurance statements from various sources including internal and external auditors, council management and regulatory or inspection bodies.

I have taken account of the breadth and depth of work performed by the Panel during the year to enable the Panel to provide the Council with independent assurance on the adequacy of its arrangements for risk management, governance, and control.

I can, therefore, provide the Council with reasonable assurance on the adequacy of the arrangements for risk management, governance, and control, based on the work undertaken by the Panel.

I can also confirm, in relation to its terms of reference, delegations and performance that during the year the Panel:

- operated in accordance with the Council's Scheme of Delegation which sets out the approved remit and delegations to the Audit and Governance Panel;
- operated in accordance with the requirements of the CIPFA 'Audit Committees Practical Guidance for Local Authorities and Police (2013)' and 'Position Statement: Audit Committees in Local Authorities and Police (2022)';
- received and took assurance from updates for Internal Audit reviews and assignments, sought any necessary clarification from council management on audit findings and assurance from management that agreed improvement actions to internal control, risk management and corporate governance arrangements would be implemented as agreed;
- satisfied itself that, for all improvement actions set out in Internal Audit reports, appropriate systems are in place to follow-up, monitor, evidence and report their implementation;
- noted the Internal Audit Annual Reports for 2022-23 and the Chief Internal Auditor's 'Audit Opinions for the Annual Governance Statement'. The Reports provided the Panel with reasonable assurance from the Chief Internal Auditor on the adequacy and effectiveness of the Council's internal control, risk management and corporate governance arrangements, based on the work of Internal Audit during the respective year;
- noted reports from the Council's external auditor, Audit Scotland, including the Annual Reports to Members and the Controller of Audit for the financial year ended 31 March 2023. The Panel sought any necessary clarification from management on audit findings and assurance that any agreed improvement actions to internal control, risk management and corporate governance arrangements would be implemented as agreed;
- noted and took assurance from risk management reports to fulfil its delegated function to monitor the effective development and operation of arrangements for the management of risk in the Council. The Panel undertook regular review and scrutiny of the development of the Strategic Risk Register and corporate risk management arrangements;
- noted corporate fraud reports on actual and potential frauds, losses, thefts, or financial irregularities reported or identified from counter fraud work and the Council's participation in the National Fraud Initiative exercise. This enabled the Panel to fulfil its delegated function to monitor the effective development and operation of arrangements for the prevention and investigation of fraud and irregularity. The Panel scrutinised and monitored the Council's counter fraud activity and compliance with best practice and any legal requirements;
- noted the audited Annual Accounts for the Council and for the Council's Common Goods Funds and Charitable Trusts for 2022-23 and considered the draft,

unaudited Annual Accounts for 2022-23 prior to submission to the external auditor;  
and

- approved the minutes of meetings held by the Panel as a record of attendance, its proceedings and the decisions made by the Panel.

In terms of the statutory requirements and timescales set out in the Local Authority Accounts (Scotland) Regulations 2014 I can also confirm that the Audit and Governance Panel undertook the following activities in relation to the Council's annual accounts during the year (as those related specifically to the 2022-23 annual accounts process):

- received and noted the Council's draft, unaudited Annual Accounts for 2022-23 by the statutory deadline of 30 June and considered the draft, unaudited Annual Accounts prior to submission to the external auditor;
- received and noted the draft Annual Governance Statement for 2022-23 included within the draft Annual Accounts by the statutory deadline of 30 June; and
- received and took assurance from the Internal Audit report on the annual review of the effectiveness of the Council's risk management, corporate governance and internal control arrangements and compliance with the Council's Code of Corporate Governance, which informed the Panel's consideration of the Annual Governance Statement for 2022-23.

**Councillor Julie Dettbarn**  
**Chair of the Audit and Governance Panel**

**May 2024**

## Internal Audit and Corporate Fraud

The Panel received 9 reports from the Chief Internal Auditor in relation to planned and unplanned audits, other annual assurance work and counter-fraud activity.

This enabled the Panel to oversee the work of Internal Audit and Corporate Fraud in relation to the provision of assurance on the Council's framework of arrangements for risk management, corporate governance, and internal control and in terms of corporate counter-fraud arrangements. Details of the Internal Audit and Corporate Fraud reports and other outputs considered during, or in relation to, 2023-24 are set out in Tables 1 below.

**Table 1**

Report	Panel Date	Purpose	Panel Action
Corporate Fraud – Activity report and update on 2022/23 National Fraud Initiative	31 May 2023	to advise Members of the Corporate Fraud Team's (CFT) activity from 1 October 2022 to 31 March 2023 and to provide an update on the progress of the 2022/23 National Fraud Initiative exercise	<ul style="list-style-type: none"> <li>considered the CFT activity for the six-month period to 31 March 2023</li> <li>noted the update on the 2022/23 National Fraud Initiative (NFI)</li> </ul>
Internal Audit annual Report 2022/23	28 June 2023	to report on the internal audit activity during 2022/23 and to provide an independent opinion on the adequacy and effectiveness of the Council's governance, risk management and internal control systems	<ul style="list-style-type: none"> <li>noted the Internal Annual Audit report and assurance statement</li> </ul>
Internal Audit Annual Update Report – Integration Joint Board	6 Sept 2023	to provide an annual report for information to the Panel on internal audit work carried out for the Integration Joint Board (IJB) by the South Ayrshire	<ul style="list-style-type: none"> <li>noted the content of the report.</li> </ul>

<b>Report</b>	<b>Panel Date</b>	<b>Purpose</b>	<b>Panel Action</b>
(IJB) Performance and Audit Committee (PAC)		Council and NHS Ayrshire and Arran (NHSAAA) internal auditors.	
Internal Audit – Progress Report	6 Sept 2023	to advise Members of progress of the 2022/23 internal audit plan, progress of the 2023/24 internal audit plan, directorates' progress against implementation of internal audit action plans and the status of the current Quality Assurance and Improvement Programme.	<ul style="list-style-type: none"> <li>considered the content of the report</li> </ul>
Internal Audit – Progress Report	8 Nov 2023	to advise Members of progress of the 2022/23 internal audit plan, progress of the 2023/24 internal audit plan, directorates' progress against implementation of internal audit action plans and the status of the current Quality Assurance and Improvement Programme	<ul style="list-style-type: none"> <li>considered the content of the report</li> </ul>
Internal Audit Plan 2023/24 – Midyear Review	8 Nov 2023	to seek approval for a revision to the 2023/24 Internal audit plan	<ul style="list-style-type: none"> <li>approved the revised 2023/24 Internal Audit plan</li> </ul>
Corporate Fraud Team – Activity Report and 2022/23 National Fraud Initiative Update	6 Dec 2023	to advise Members of the Corporate Fraud Team's (CFT) activity from 1 April 2023 to 30 September 2023 and to provide an update on the 2022/23 National Fraud Initiative exercise	<ul style="list-style-type: none"> <li>considered the CFT activity for the six-month period to 30 September 2023</li> <li>noted the update on the 2022/23 National Fraud Initiative</li> </ul>
Internal Audit – Progress Report	22 Feb 2024	to advise Members of progress of the 2022/23 and the 2023/24 internal audit	<ul style="list-style-type: none"> <li>considered the content of the report</li> </ul>

Report	Panel Date	Purpose	Panel Action
		plans, directorates' progress against implementation of internal audit action plans and the status of the current Quality Assurance and Improvement Programme	<ul style="list-style-type: none"> <li>approved the revision to the 2023/24 Internal Audit Plan</li> </ul>
Proposed Internal Audit Plan 2024/25 (including Annual Review of Internal Audit Charter)	20 March 2024	to submit, for approval, the proposed Internal Audit Plan and reserve list for 2024/24. Approval also being sought for the revised Internal Audit Charter.	<ul style="list-style-type: none"> <li>approved the annual audit plan for 2024/25</li> <li>approved the reserve list for 2024/25</li> </ul>

## Corporate Finance

The Panel received various reports from the Council's Chief Financial Officer. This allowed the Panel to oversee the annual accounts process for the Council, for Common Good Funds and for the charitable trusts of which the Council is a trustee. The Panel also oversaw the Treasury Management activity through consideration of quarterly and annual update reports. Details of the 7 reports considered are set out in Table 2.

**Table 2**

Report	Panel Date	Purpose	Panel Action
External Audit Reports – Progress to 31 March 2023	28 June 2023	to provide Members with an update on the progress that the Council is making in relation to external audit improvement actions.	<ul style="list-style-type: none"> <li>scrutinised the progress against the Council's external audit improvement actions</li> </ul>
Annual Accounts 2022/23	28 June 2023	to present unaudited Annual Accounts for the year ended 31 March 2023	<ul style="list-style-type: none"> <li>approved the accounting policies contained in the unaudited accounts</li> </ul>

Report	Panel Date	Purpose	Panel Action
			<ul style="list-style-type: none"> <li>considered the unaudited South Ayrshire Council and unaudited charitable trust accounts prior to submission to the External Auditor</li> </ul>
Treasury Management Annual Report 2022/23	28 June 2023	to present, in line with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management, the annual report of treasury management activities for 2022/23	<ul style="list-style-type: none"> <li>considered the Annual Treasury Management Report 2022/23</li> <li>remitted the Annual Treasury Management Report to the next Cabinet meeting on 22 August for approval</li> </ul>
Treasury Management and Investment Strategy Quarter 1 Update Report 2023/24	6 Sept 2023	to provide Members with an update on the 2023/24 treasury prudential indicators for the period April-June 2023 (Quarter 1) and provide an update on the latest wider economic position	<ul style="list-style-type: none"> <li>scrutinised the contents of the report</li> <li>remitted the Quarter 1 Update Report to the next Cabinet meeting on 26 September for approval</li> </ul>
Treasury Management and Investment Strategy Mid-Year Report 2023/24	6 Dec 2023	to provide Members with a mid-year treasury management update for the financial year 2023/24	<ul style="list-style-type: none"> <li>scrutinised the contents of this report</li> <li>remitted the report to the Cabinet meeting of 16 January 2024 for approval</li> </ul>
External Audit Reports – Progress to 31 December 2023	24 Jan 2024	to provide Members with an update on the progress that the Council is making in relation to external audit improvement actions	<ul style="list-style-type: none"> <li>scrutinised the progress against the Council's external audit improvement actions as presented in the report</li> </ul>
Treasury Management and Investment Strategy Quarter 3 Update Report 2023/24	22 Feb 2024	to provide Members with an update on the 2023/24 treasury prudential indicators for the period October-December 2023 (Quarter 3) and provide an update on the latest wider economic position	<ul style="list-style-type: none"> <li>scrutinised the contents of this report</li> <li>remitted the Quarter 3 Update Report to the next Cabinet meeting on 12 March 2024 for approval</li> </ul>



## External Audit

The Panel received reports from the Council's appointed external auditor, Audit Scotland.

The reports from Audit Scotland provided independent assurance and opinions *'to those charged with governance'* on the Council's annual financial statements, annual governance statements, governance arrangements, 'best value' arrangements and service performance. Details of the 4 reports considered are set out in Table 3.

**Table 3**

Report	Panel Date	Purpose	Panel Action
Audit Scotland: Best Value Thematic Work in South Ayrshire Council 2022/23	28 June 2023	to advise the Panel of the initial findings from Audit Scotland's recent Best Value thematic work in South Ayrshire	<ul style="list-style-type: none"> <li>considered the draft Audit Scotland report on Best Value thematic work in South Ayrshire Council 2022/23</li> <li>considered the draft improvement action plan included in Appendix 1 of the Audit Scotland report</li> <li>provided feedback on the report and action plan and remits the draft Audit Scotland report and improvement action plan to Cabinet on 29 August 2023 for approval.</li> </ul>
Final Report on the 2022/23 Audit	27 Sept 2023 (Special)	to submit the Annual Accounts for the financial year ended 31 March 2023 and the proposed independent auditor's report to Members of the Council, and to allow the auditor to communicate the matters raised during the audit to the Panel	<ul style="list-style-type: none"> <li>noted the Audit Scotland audit confirmation letter</li> <li>considered the 2022/23 Annual Audit Report by Audit Scotland, and noted that the Annual Accounts and Charitable Trust Accounts have an unmodified audit opinion</li> <li>noted that the attached Annex 2 included best value information that had previously been presented to Members</li> </ul>

Report	Panel Date	Purpose	Panel Action
			<ul style="list-style-type: none"> <li>• approved the Council's audited Annual Accounts for signature and their subsequent issue by 30 September 2023</li> <li>• approved the Charitable Trusts' audited Annual Accounts for signature and their subsequent issue by 30 September 2023</li> </ul>
Accounts Commission Annual Report 2022/23	4 Oct 2023	to advise the Panel of the Accounts Commission Annual Report 2022/23	<ul style="list-style-type: none"> <li>• considered the findings outlined in the Accounts Commission Annual Report 2022/23</li> </ul>
Audit Scotland: Workforce Innovation – How Councils are Responding to Workforce Challenges	20 March 2024	to present members with Audit Scotland's thematic report on workforce innovation in South Ayrshire	<ul style="list-style-type: none"> <li>• scrutinised the content of Audit Scotland's thematic report on workforce innovation in South Ayrshire</li> <li>• noted the improvement actions identified in Appendix 1 of the Audit Scotland report</li> <li>• agreed that these actions be incorporated within the existing Best Value Action Plan and reported quarterly to the Audit and Governance Panel and the Best Value Working Group</li> </ul>
Audit Scotland: Annual Audit Plan 2023/24	20 March 2024	to provide background to the presentation by Audit Scotland of their Annual Audit Plan 2023/24	<ul style="list-style-type: none"> <li>• agreed the attached Annual Audit Plan 2023/24 (Appendix 1)</li> </ul>

## Risk Management

The Panel received reports from the Chief Governance Officer in relation to risk management. This enabled the Panel to oversee the Council's risk management arrangements. Details of the 3 reports considered are set out in table 4.

**Table 4**

Report	Panel Date	Purpose	Panel Action
Strategic Risk Management	6 Sept 2023	to update Members on the reviewed Strategic Risk Register in line with the agreed reporting framework.	<ul style="list-style-type: none"> <li>considered the reviewed Strategic Risk Register (Appendix 1) updated by Chief Officers</li> <li>noted the 14 key risks and endorses the work currently being undertaken or proposed by risk owners to mitigate these risks</li> </ul>
Risk Implications - Panel Reports	8 Nov 2023	to update Members on a review to ascertain if the 'Risk Implications' detailed in Council/ Panel reports are being used successfully	<ul style="list-style-type: none"> <li>considered the analysis of 'risk implications' in sample Council and Cabinet Reports since January 2023</li> <li>agreed that the Head of Legal and Regulatory Services reinforces existing guidance to report authors and request that they seek any additional support, if required, from the Service Lead – Risk and Safety</li> <li>agreed that the Head of Legal and Regulatory Services reminds Members that ongoing scrutiny of the Risk Implications section of Panel reports will support informed decision making</li> </ul>
Strategic Risk Management	20 March 2024	to update Members on the reviewed Strategic Risk Register in line with the agreed reporting framework	<ul style="list-style-type: none"> <li>considered the reviewed Strategic Risk Register (Appendix 1) updated by Chief Officers</li> <li>noted the 14 key risks and endorses the work currently being undertaken or proposed by risk owners to mitigate these risks</li> </ul>

## External Regulatory Bodies or Assurance Providers

The Panel received other reports provided or published by external regulatory bodies and assurance providers, primarily Audit Scotland. These included `thematic' reports on national issues that the Chief Governance Officer and the Chief Financial Officer considered to be relevant to the Audit and Governance Panel's terms of reference and delegations, as set out in the Council's Scheme of Delegation. Details of the 5 reports considered are set out in Table 5.

**Table 5**

Report	Panel Date	Purpose	Panel Action
Audit Scotland – Integration Joint Boards – Financial analysis 2021/22	31 May 2023	to advise the Panel of the Audit Scotland report 'Integration Joint Boards – Financial Analysis 2021/22	<ul style="list-style-type: none"> <li>• considers the findings outlined in the Audit Scotland report 'Integration Joint Boards – Financial Analysis 2021/22</li> <li>• note the position in relation to South Ayrshire Council</li> </ul>
Audit Scotland – Resourcing the Benefits Service – A thematic Study	31 May 2023	to advise the Panel of the Audit Scotland report 'Resourcing the Benefit Service - A Thematic Study'	<ul style="list-style-type: none"> <li>• considers the findings outlined in the Audit Scotland report 'Resourcing the Benefit Service - A Thematic Study'</li> <li>• note the local arrangements in place</li> </ul>
Audit Scotland: Scotland's City Region and Growth Deals	6 Sept 2023	to provide an update on the progress of the audit recommendations for Scotland's City Region and Growth Deals, as reported in the national Audit Scotland June 2023 publication 'Scotland's City Region and Growth Deals - Progress of the 2020 audit report recommendations' and consider South Ayrshire Council's response to these audit recommendations.	<ul style="list-style-type: none"> <li>• considered the Audit Scotland report 'Scotland's City Region and Growth Deals: Progress of the 2020 audit report recommendations'</li> <li>• noted the 'Learning for future challenges' on page 18 of the report</li> <li>• considered the actions taken by South Ayrshire Council to respond to challenges presented in delivering the Ayrshire Growth Deal</li> </ul>
Audit Scotland: Fraud and Irregularity 2022/23	4 Oct 2023	to advise the Panel of the Audit Scotland report 'Fraud and Irregularity 2022/23'	<ul style="list-style-type: none"> <li>• considered the findings outlined in the Audit Scotland report 'Fraud and Irregularity 2022/23'</li> </ul>

Report	Panel Date	Purpose	Panel Action
Audit Scotland: Local Government in Scotland Overview 2023	4 Oct 2023	to advise Members of the findings from the Audit Scotland: Local Government Overview Report 2023	<ul style="list-style-type: none"> <li>considered the findings outlined in the Audit Scotland report 'Local Government in Scotland Overview 2023</li> <li>considered Supplement 2 (Questions/ Checklist for Elected Members)</li> </ul>

### Other Governance and Scrutiny reporting

In fulfilling its wider Governance and Scrutiny role the Panel considered a number of other reports. These included 'call-in' reports from Cabinet, Best Value progress reports, the Annual Good Governance assurance report and other update reports that the Chief Governance Officer considered to be relevant to the Audit and Governance Panel's terms of reference and delegations, as set out in the Council's Scheme of Delegation. Details of the 7 reports considered are set out in Table 6.

**Table 6**

Report	Panel Date	Purpose	Panel Action
Call in - Cabinet – 23 May 2023	31 May 2023	to consider the decision take by Cabinet – 23 May 2023 Item 8 - Temporary Senior Communities Officer - Glendoune	<ul style="list-style-type: none"> <li>decided: to uphold the decision of the Cabinet.</li> </ul>
Corporate Lets	28 June 2023	to provide an annual update in relation to requests for discretion to be applied to let charges from 1 April 2022 to 31 March 2023.	<ul style="list-style-type: none"> <li>reviewed the information in the report</li> </ul>
Delivering Good Governance – 2022/23 Assessment	28 June 2023	to invite Members to review the 2022/23 year-end assessment against the Council's Delivering Good Governance Framework	<ul style="list-style-type: none"> <li>reviewed and agreed the 2022/23 year-end assessment</li> </ul>

Report	Panel Date	Purpose	Panel Action
Best Value Action Plan 2023	4 Oct 2023	to seek approval for an expanded Best Value action plan	<ul style="list-style-type: none"> <li>agreed the augmented action plan, noting the additional improvement activity identified through the Best Value Thematic Work in South Ayrshire Council 22/23 report</li> <li>considered the response to the comments made by the Audit and Governance Panel in June 2023</li> </ul>
Audit and Governance Panel – 2023 Annual Self-Assessment Outcome	6 Dec 2023	to confirm the outcome of the Audit and Governance Panel Self-Assessment for 2023, which was undertaken on 7 September 2023; and to seek agreement of the resulting action plan	<ul style="list-style-type: none"> <li>noted the outcome of the 2023 self-assessment</li> <li>approved the action plan for improvements</li> <li>agrees to receive an annual joint report by the Head of Legal and Regulatory Services and the Head of Finance, ICT and Procurement in May 2024 outlining the work of the Audit and Governance Panel for the financial year 2023-24</li> <li>agreed thereafter to remit the report to Council in June 2024</li> </ul>
Best Value Action Plan 2023 – Progress Update	24 Jan 2024	to update members on the progress toward delivering the Council's Best Value Action Plan 2023	<ul style="list-style-type: none"> <li>scrutinised the content of the Best Value Action Plan 2023 update report</li> <li>considered the progress through the narrative set out within Appendix 1 to the report</li> </ul>
Call in - Cabinet – 14 Feb 2024	22 Feb 2024	to consider the decision take by Cabinet – 14 February 2023 Item 8 – Merlin Cinema Ltd – support Grant (Members only)	<ul style="list-style-type: none"> <li>noted officers advised that the decision was to be rescinded</li> </ul>

**South Ayrshire Council  
Equality Impact Assessment  
Scoping Template**

Equality Impact Assessment is a legal requirement under the Public Sector Duty to promote equality of the Equality Act 2010. Separate guidance has been developed on Equality Impact Assessment's which will guide you through the process and is available to view here: <https://www.south-ayrshire.gov.uk/equalities/impact-assessment.aspx>

Further guidance is available here: <https://www.equalityhumanrights.com/en/publication-download/assessing-impact-and-public-sector-equality-duty-guide-public-authorities/>

The Fairer Scotland Duty ('the Duty'), Part 1 of the Equality Act 2010, came into force in Scotland from 1 April 2018. It places a legal responsibility on Councils to actively consider ('pay due regard to') how we can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions. [FSD Guidance for Public Bodies](#) in respect of the Duty, was published by the Scottish Government in March 2018 and revised in October 2021. See information here: <https://www.gov.scot/publications/fairer-scotland-duty-guidance-public-bodies/>

### 1. Policy details

Policy Title	Audit and Governance Panel – 2023/24 Annual Report
Lead Officer (Name/Position/Email)	Tim Baulk, Chief Financial Officer – tim.baulk@south-ayrshire.gov.uk

**2. Which communities, groups of people, employees or thematic groups do you think will be, or potentially could be, impacted upon by the implementation of this policy? Please indicate whether these would be positive or negative impacts**

Community or Groups of People	Negative Impacts	Positive impacts
Age – men and women, girls & boys	-	-
Disability	-	-
Gender Reassignment (Trans/Transgender Identity)	-	-
Marriage or Civil Partnership	-	-
Pregnancy and Maternity	-	-
Race – people from different racial groups, (BME) ethnic minorities and Gypsy/Travellers	-	-
Religion or Belief (including lack of belief)	-	-
Sex – (issues specific to women & men or girls & boys)	-	-

Community or Groups of People	Negative Impacts	Positive impacts
Sexual Orientation – person’s sexual orientation i.e. LGBT+, lesbian, gay, bi-sexual, heterosexual/straight	-	-
Thematic Groups: Health, Human Rights & Children’s Rights	-	-

**3. What likely impact will this policy have on people experiencing different kinds of social disadvantage i.e. The Fairer Scotland Duty (This section to be completed for any Strategic Decisions). Consideration must be given particularly to children and families.**

Socio-Economic Disadvantage	Negative Impacts	Positive impacts
Low Income/Income Poverty – cannot afford to maintain regular payments such as bills, food, clothing	-	-
Low and/or no wealth – enough money to meet Basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future	-	-
Material Deprivation – being unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, leisure/hobbies	-	-
Area Deprivation – where you live (rural areas), where you work (accessibility of transport)	-	-
Socio-economic Background – social class i.e. parent’s education, employment and income	-	-

**4. Do you have evidence or reason to believe that the policy will support the Council to:**

General Duty and other Equality Themes Consider the ‘Three Key Needs’ of the Equality Duty	Level of Negative and/or Positive Impact (High, Medium or Low)
<b>Eliminate unlawful discrimination, harassment and victimisation</b>	Low
<b>Advance equality of opportunity</b> between people who share a protected characteristic and those who do not	Low
<b>Foster good relations</b> between people who share a protected characteristic and those who do not. (Does it tackle prejudice and promote a better understanding of equality issues?)	Low
Increase participation of particular communities or groups in public life	Low
Improve the health and wellbeing of particular communities or groups	Low
Promote the human rights of particular communities or groups	Low
Tackle deprivation faced by particular communities or groups	Low



## 5. Summary Assessment

<b>Is a full Equality Impact Assessment required?</b> (A full Equality Impact Assessment must be carried out if impacts identified as <b>Medium and/or High</b> )	<del>YES</del> <b>NO</b>
<b>Rationale for decision:</b>  <b>This report provides the Panel with the Audit and Governance Panel annual report for 2023/24. Members' decision on this has no specific equality implications</b>	
<b>Signed:</b> Tim Baulk  <b>Date:</b> 7 May 2024	<b>Chief Financial Officer</b>