



Council Offices, Almada Street
Hamilton, ML3 0AA

Monday, 18 March 2024

Dear Councillor

Risk and Audit Scrutiny Committee

The Members listed below are requested to attend a meeting of the Committee to be held as follows:-

Date: Tuesday, 26 March 2024

Time: 14:00

Venue: Hybrid - Committee Room 1, Council Offices, Almada Street, Hamilton, ML3 0AA

The business to be considered at the meeting is listed overleaf.

Yours sincerely

Paul Manning
Chief Executive

Members

Elaine McDougall (Chair), Mary Donnelly (Depute Chair), Mathew Buchanan, Alistair Fulton, Ross Gowland, Celine Handibode, Cal Johnston-Dempsey, Susan Kerr, Richard Lockhart

Substitutes

Colin Dewar, Gavin Keatt, Monique McAdams, Helen Toner

BUSINESS

1 Declaration of Interests

- 2 Minutes of Previous Meeting** 3 - 6
Minutes of the meeting of the Risk and Audit Scrutiny Committee held on 30 January 2024 submitted for approval as a correct record. (Copy attached)

Item(s) for Decision

- 3 Good Governance Update** 7 - 42
Report dated 28 February 2024 by the Executive Director (Finance and Corporate Resources). (Copy attached)
- 4 2024/2025 Internal Audit Plan** 43 - 58
Report dated 8 March 2024 by the Executive Director (Finance and Corporate Resources). (Copy attached)

Item(s) for Noting

- 5 South Lanarkshire Council Annual Audit Plan 2023/2024** 59 - 80
Report dated March 2024 by Audit Scotland, External Auditors. (Copy attached)
- 6 Internal Audit Activity as at 8 March 2024** 81 - 86
Report dated 8 March 2024 by the Executive Director (Finance and Corporate Resources). (Copy attached)
- 7 Forward Programme for Future Meetings** 87 - 90
Report dated 28 February 2024 by the Executive Director (Finance and Corporate Resources). (Copy attached)

Urgent Business

- 8 Urgent Business**
Any other items of business which the Chair decides are urgent.

Clerk Name:	Elizabeth-Anne McGonigle
Clerk Telephone:	07385403101
Clerk Email:	elizabeth-anne.mcgonigle@southlanarkshire.gov.uk

RISK AND AUDIT SCRUTINY COMMITTEE

Minutes of meeting held via Confero and in Committee Room 1, Council Offices, Almada Street, Hamilton on 30 January 2024

Chair:

Councillor Elaine McDougall

Councillors Present:

Councillor Mary Donnelly, Councillor Alistair Fulton, Councillor Ross Gowland, Councillor Cal Johnston-Dempsey, Councillor Susan Kerr

Councillors' Apologies:

Councillor Mathew Buchanan, Councillor Celine Handibode, Councillor Richard Lockhart

Attending:

Chief Executive's Service

P Manning, Chief Executive

Finance and Corporate Resources

Y Douglas, Audit and Compliance Manager; T Little, Head of Communications and Strategy; E-A McGonigle, Administration Officer; A Norris, Administration Assistant

Also Attending:

Audit Scotland

M Ferris, External Auditor

1 Declaration of Interests

No interests were declared.

2 Minutes of Previous Meeting

The minutes of the meeting of the Risk and Audit Scrutiny Committee held on 31 October 2023 were submitted for approval as a correct record.

The Committee decided: that the minutes be approved as a correct record.

3 Internal Audit Activity as at 12 January 2024

A report dated 14 January 2024 by the Chief Executive was submitted on work completed by Internal Audit during the period 14 October 2023 to 12 January 2024.

Findings from internal audit assignments were reported to this Committee throughout the year and the last progress report was considered by this Committee on 31 October 2023. Key performance indicators, which reflected quality, on time and within budget as at 31 December 2023, were summarised in Appendix 1 to the report.

As at 31 December 2023, 9% of the 2023/2024 Audit Plan was completed to draft report stage and a further 28 assignments were in progress at that date. In the reporting period, all elements of the Audit Plan had been progressed with a continued focus on the National Fraud Initiative (NFI), investigative activities and external client audit plans. Alongside this, there had been a significant time commitment to the implementation of Oracle Fusion, a cloud based human resources and financial management system within the Council. Internal Audit would continue to provide resources to assist with the implementation of Oracle Fusion through to 31 March 2024. Updates would continue to be provided to the Committee in the Internal Audit Activity report.

An update was also provided on progress against the Audit Strategy which was a requirement of the Public Sector Internal Audit Standards (PSIAS). Delivery of the 2023/2024 Strategy had been evidenced by the completion of the Internal Audit Plan in year and monitored during the year by performance indicators which were regularly reported to the Committee.

The Audit and Compliance Manager responded to a member's question in relation to delivery of the remaining assignments in the 2023/2024 Audit Plan.

The Committee decided: that the report be noted.

[Reference: Minutes of 31 October 2023 (Paragraph 7)]

4 Fraud Statistics 6 Monthly Update 2023/2024

A report dated 12 January 2024 by the Chief Executive was submitted on fraud statistics for the 6 month period to 30 September 2023.

Details were given on the number, types, outcomes and costs of fraud investigations, together with performance measures for the 6 month period to 30 September 2023. A comparison with the statistics for the same period in 2022 was also provided. The fraud statistics for the 6 month period to September 2023 highlighted that:-

- ◆ 68 investigations, with a total value of £27,000, had been reported in the period, representing an increase in number from the same period in 2022
- ◆ of the 204 open cases, 47, valued at £33,000, had been closed within the period, representing an increase when compared to the closed investigations for the same period in 2022
- ◆ 23% of cases closed in the period were founded and one of those involved a Council employee
- ◆ all but one of the founded cases related to fraud committed by a third party

Referrals from the Department for Work and Pensions (DWP) had been removed from the statistics to ensure that the caseload reflected only those cases where a potential fraud had been identified by the Council. In the 6 months to 30 September 2023, there were 5 further referrals from the DWP. In the same period, the DWP had closed 6 referral cases with no outcome because of time delays and a further 3 on the basis that no fraud had been proven.

Costs had been incurred by Internal Audit in the period to 30 September 2023 in relation to 2 investigations. Time to complete those investigations would be required in the remainder of 2023/2024. Time, budgets and target completion timescales for investigations were set at the start of each audit and would vary depending on the nature of the investigation. Those timescales could be extended to reflect other Service priorities although every effort was made to complete work within a reasonable timeframe.

On conclusion of all internal investigations, an assessment was made on whether an improvement action was necessary and, if required, an improvement plan would be issued containing recommended actions. Improvement plans were agreed with the relevant Heads of Service and the actions followed up by Internal Audit to ensure implementation and that gaps in controls had been addressed. Outcomes for concluded investigations would be reported to the Committee as part of Internal Audit's Annual Assurance report.

The Council's Serious and Organised Crime (SOC) Working Group progressed the delivery of various actions which would be revised if new or emerging threats were identified through the pan Lanarkshire Multi Agency SOC Group. Updates would be presented to the Committee periodically.

In addition to the Internal Audit work captured in the statistics contained within the report, the following 3 areas of fraud related work were included in the 2023/2024 Audit Plan:-

- ◆ National Fraud Initiative (NFI) – coordinating investigation of matches from the 2022 NFI exercise
- ◆ anti-fraud checks – a rolling programme, including, but not limited to, procurement, petty cash and purchase cards
- ◆ fraud – reacting to fraud alerts through internal and external sources and disseminating information as required and undertaking investigations as required

A report had been presented to the Committee in June 2023 on the results of the NFI matching exercise and the target investigations that had to be undertaken. Good progress had been made with investigations and it was planned that those would be concluded by 31 March 2024. In addition, investigative work had continued throughout the year, however, progress with anti-fraud checks had been impacted by the re-direction of resources to the Oracle Fusion project. Some limited time to complete routine anti-fraud checks would be allocated before the end of the financial year.

The Audit and Compliance Manager responded to members' questions on various aspects of the report and, where information was not immediately available, undertook to provide this to the relevant members.

The Committee decided: that the report be noted.

[Reference: Minutes of 7 March 2023 (Paragraph 6) and 27 June 2023 (Paragraph 7)]

5 Performance and Review Scrutiny Forum Annual Update

A report dated 20 December 2023 by the Chief Executive was submitted on reports considered by the Performance and Review Scrutiny Forum in the period from January to December 2023.

A report on the business considered by the Performance and Review Scrutiny Forum would continue to be submitted to the Risk and Audit Scrutiny Committee on an annual basis.

The Committee decided: that the report be noted.

[Reference: Minutes of 6 December 2022 (Paragraph 7)]

6 Forward Programme for Future Meetings

A report dated 8 January 2024 by the Chief Executive was submitted on the outline forward programme for the meetings of the Risk and Audit Scrutiny Committee to 18 February 2025.

As part of future arrangements, members were invited to suggest topics for inclusion in the Committee's forward programme.

The Committee decided: that the outline forward programme for the meetings of the Risk and Audit Scrutiny Committee to 18 February 2025 be noted.

[Reference: Minutes of 31 October 2023 (Paragraph 10)]

7 Urgent Business

There were no items of urgent business.

Report

3

Report to:	Risk and Audit Scrutiny Committee
Date of Meeting:	26 March 2024
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Good Governance Update
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ provide an update on the Council's governance arrangements

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the findings from the annual compliance check against the Local Code of Corporate Governance is noted;
- (2) that the updated Local Code of Corporate Governance is approved; and
- (3) that progress against the significant governance areas, identified within the Annual Governance Statement 2022/2023, is noted.

3. Background

3.1. Each year the Council undertakes a comprehensive review of the governance arrangements that are required to support the Council's financial and operational controls. The annual review of governance arrangements informs the Governance Statement which is included within the Council's Annual Accounts.

3.2. On 1 April 2016, a governance framework came into effect, Delivering Good Governance in Local Government and the guidance for Scottish Local Authorities was published in December 2016. This framework was established by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE).

3.3. To achieve good governance, the Council should be able to demonstrate that its governance structures comply with the principles contained in the CIPFA/SOLACE framework (referred to as 'the framework' from here on) and should therefore develop and maintain a Local Code of Governance and governance arrangements reflecting these principles. A Local Code of Corporate Governance was developed and approved by the Council on 16 May 2018 and this is reviewed, updated and re-published annually. Compliance with the Code is also reviewed as part of the annual review of governance arrangements.

3.4. On 19 June 2019, the Risk and Audit Scrutiny Committee approved a revised reporting process which is as follows:-

♦ Governance Statement - Significant Governance Areas

These are areas that have a significant impact on the Council's governance arrangements. A position statement giving progress against these areas will be provided with the report on the review of the Local Code of Corporate

Governance at the end of Quarter 2; and at Quarter 4 with the Governance Statement to the Risk and Audit Scrutiny Committee.

- ◆ **Director's Statement of Assurance - Resource Level Areas for Improvement**
These are actions approved by each Director in their Statement of Assurance. Progress will be monitored by Resources and reported through the Resource/Service Planning process at Quarter 2 and Quarter 4.

3.5. The purpose of this report is to advise the Committee of the findings from the annual compliance check against the Local Code of Corporate Governance; the outcome of the review of the Code and the updated document; and an update on progress against the significant governance areas highlighted in the 2022/2023 Annual Governance Statement.

4. Findings from the Annual Compliance Check against the Code

4.1. The Council annually reviews the effectiveness of its governance arrangements. There are a few key sources of assurance that inform this review; however, the main purpose of the Annual Governance Statement is to explain how the Council has complied with the principles in its Code and provide assurance as to how these are met.

4.2. The principles in the Code underpin the process for the annual review of governance arrangements and there is a strong golden thread running through the key documents in this process: The Resource/Corporate Self-Assessments; the Director's Statements of Assurance; and the Governance Statement.

4.3. The table at Appendix 1 has been extracted from the 2022/2023 Annual Governance Statement and shows the significant elements of the systems and processes that comprise the Council's governance arrangements and important changes/developments. This section of the statement shows how the Council has complied with its Code.

5. Annual Review of the Code

5.1. As part of the evaluation of the annual review of governance arrangements, an annual review of the Code is carried out. The Code is updated with any changes to the approach the Council uses to review its governance arrangements and it is compared with the corporate annual self-assessment and updated as required.

5.2. The revised Code is attached at Appendix 2 and has been amended as follows:-

- ◆ The introduction sets out the purpose and key elements of the code. Updates have been made to sections 4 and 5 to provide additional information on how the Code fits in with the annual review of governance arrangements.
- ◆ Section 1 outlines the actions and behaviours that demonstrate good governance as set out in the National Framework. Changes here relate to the alignment of the principles contained in the Code with the Council's values.
- ◆ Section 2 provides links to the policies, procedures and other documentary evidence that demonstrate the Council's governance arrangements. This section has been updated with changes identified through the 2023/2024 corporate governance self-assessment.

6. Significant Governance Areas

6.1. Progress on the significant governance areas highlighted within the Annual Governance Statement 2022/2023 is attached at Appendix 3.

7. Communication of the Code

- 7.1. The Good Governance Learn on Line course was reviewed in late 2019 and republished in March 2020.
- 7.2. The revised Code is published annually alongside other key governance documents on the [governance information pages](#) on the Council's website.

8. Employee Implications

- 8.1. Officers will continue to attend the Good Governance Group and will commit time to review and monitor governance and assurance arrangements.

9. Financial Implications

- 9.1. There are no financial implications directly associated with this report.

10. Climate Change, Sustainability and Environmental Implications

- 11.1. There are no implications for climate change, sustainability or the environment in terms of the information contained within this report.

11. Other Implications

- 11.1. There are no significant risk issues associated with this report.

12. Equality Impact Assessment and Consultation Arrangements

- 12.1. All Resources, through senior officers, are involved in the progress, monitoring and review of governance good arrangements and the development of the Annual Governance Statement and Improvement Plan.
- 12.2. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.

Jackie Taylor

Executive Director (Finance and Corporate Resources)

28 February 2024

Link(s) to Council Values/Priorities/Outcomes

- ♦ All Council values/priorities/outcomes.

Previous References

- ♦ Risk and Audit Scrutiny Committee - "Good Governance Statement 2022/2023 and Q4 Progress" - 27 June 2023

List of Background Papers

- ♦ None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
Links to Council's values: <ul style="list-style-type: none"> Accountable, effective, efficient, and transparent; Working with and respecting others
How we do this: <ul style="list-style-type: none"> The Council's values and objectives provide clear direction to councillors and employees and are embedded in all policies and processes. Standards of conduct and integrity were promoted through the national Code of Conduct for Councillors and by the Standards and Procedures Advisory Forum. This is supplemented by role profiles which have a core accountability to maintain the highest standards of conduct. The employee Code of Conduct outlines standards of conduct and integrity. All breaches including reported cases of suspected unethical behaviour and non-compliance with the law/policy were investigated through the employee disciplinary process and the recommended actions taken. Professional Codes of Conduct ensured that ethical standards were maintained, and all breaches were investigated by the governing body. To support integrity in decision making, the Council has a number of Committee procedural documents including decision making protocols known as the Scheme of Delegation, terms of reference documents, standing orders on procedures and contracts and financial regulations. To ensure openness and transparency agendas and Committee reports are published to the council website at least five working days ahead of the scheduled meeting dates and any minutes of decisions taken by the Chief Executive during any period when committee meetings are suspended are publicised on the Council website. Committee meetings are live streamed to the Council's YouTube channel. To ensure openness and transparency in decision making processes, all declarations of interest made by councillors at meetings were recorded and made available online. There are a range of policies such as the Counter Fraud, Bribery and Corruption Policy Statement and Strategy, Fraud Response Plan, Whistleblowing for Third Parties and Confidential Reporting procedures. These continue to be updated to reflect best practice and support a culture of ethical behaviour amongst employees and councillors. Health and Safety compliance during 2022/2023 was assessed as being within the top rating band of "good". Legal Services maintained an overview of legislation and regulations and worked with services to ensure compliance.
Principle B: Ensuring openness and comprehensive stakeholder engagement
Links to Council's values: <p>Accountable, effective, efficient, and transparent; Fair, open, and sustainable; Focused on people and their needs; Working with and respecting others</p>
How we do this: <ul style="list-style-type: none"> To ensure transparency and openness in decision making processes, all agendas, reports, and decisions were published on the Council's website and printed copies were available for public inspection for all Committee and Forum meetings (except the Standards and Procedures Advisory Forum). From April 2021 all Committee meetings were live streamed to the Council's YouTube channel http://bit.ly/SL_Committees. From August 2021 all Forum meetings have been live streamed. The Committee Management Information System allows members of the public to register and be notified when Committee and forum papers are published. The system also facilitates the creation of online petitions to increase the potential reach of signatories.

- The work of the Council and key information from our partners is communicated regularly using a range of communication channels. The [South Lanarkshire View](#) pages on the Council website provide a dedicated source of local information and news for communities. A variety of social media channels are used to communicate updates and share information.
- A suite of dedicated Pandemic pages providing advice, help and public health information were created and maintained on the council website.
- A 'Let's Talk South Lanarkshire' campaign has been established and was used to engage local people in an initial discussion about their experiences of the pandemic and continues to be used for ongoing dialogue with communities on both the Council and community planning priorities.
- The Council's Community Engagement Team continue their work to increase stakeholder engagement and involvement in decision making processes through the continued development of new Community Planning Partnership Neighbourhood Plans which are aimed at improving outcomes and reducing inequalities.
- The Community Planning Partnership published its first [Community Participation and Engagement Strategy 2020 to 2025](#) which is also available online in [BSL](#) and the Council has produced an online course for employees to complement this.
- A partnership Participation and Engagement Group has been established to ensure that there is a consistent and co-ordinated approach to engaging with communities.
- The Council carried out circa 50 surveys and engagement activities with residents, employees, and partners, and through the council's Citizens Panel to inform policy and service delivery. Further information on our surveys is published on the [Council's website](#).
- To ensure inclusivity and help shape service delivery, the Council co-ordinates regular engagement with targeted groups of people such as young people, older people, people with disabilities, unpaid carers, black and ethnic minorities, etc. Groups considered items such as the budget consultation, rent setting and performance reporting.
- The [Participation Requests](#) and [Community Asset Transfer](#) processes support communities to engage with the Council to improve local outcomes.
- The Council's performance [Spotlights](#) summarise what the council has achieved and the [Public Performance Reports](#) provide a comprehensive overview of service performance. These, along with the council's [Benchmarking report](#) demonstrate the council's commitment to continuous improvement and achieving Best Value; summarise the progress that the council has made in meeting its priorities and how it is performing locally and nationally.
- The Council's Digital Inclusion Strategy 2020 to 2023 sets out the actions that the Council is taking to assist those people who are unable to get online to access services digitally. The Council also leads on a partnership Digital Inclusion Group.
- A comprehensive range of information on how the Council operates is available on the website. The [Freedom of Information Publication Scheme](#) ensures that key information about how the council works is accessible to the public.

Principle C: Defining outcomes in terms of sustainable, economic, social, and environmental benefits

Links to Council's values:

Accountable, effective, efficient, and transparent; Fair, open, and sustainable; Focused on people and their needs

How we do this:

- The Council has a Capital Strategy that has a long-term outlook on future capital investment (up to 2027/2028). This document is underpinned by a suite of Asset Management Plans which are aligned with the council's objectives and focus on creating an efficient, fit-for-purpose and sustainable core estate that delivers best value in terms of investment, running costs and environmental impact.

- The Council Plan 2022 to 2027 and Community Plan 2022 to 2032 have clearly defined economic, social, and environmental outcomes to be delivered during the period.
- A Community Wealth Building Strategy setting out the Council's ambitions in relation to spending, workforce, land and property, finance and building the generative economy was approved in March 2021. A Community Wealth Building Commission was established to oversee the implementation of the Strategy. A Community Wealth Building Progress Group has been set up to ensure that timescales within the action plan are met.
- Annual Resource Plans which deliver the objectives of the Council Plan were reviewed and updated. These plans outline the outcomes and actions to be achieved within the year and reference linkages with other key strategic plans of the Council and partnership plans.
- The [Sustainable Development and Climate Change Strategy 2022-27](#) was approved by the Council in June 2022 and which sets out the Council's strategic vision, themes and priorities in terms of the Council, environment and communities for sustainable development and climate change during the period was developed using the principles of the United Nation's Sustainable Development Goals and to reduce the council's contribution to global warming.
- The Council's [Climate Change and Sustainability Committee](#) oversees the delivery of the Sustainable Development and Climate Change Strategy 2022-2027, the council's transition to carbon neutrality and climate resilience.
- The Council's new [Procurement Strategy 2023-28](#) which will be complemented by an annual action plan, sets out how value for money, national and local priorities will be delivered. It also demonstrates how the council will deliver the wider social, economic, and environmental aims of procurement as required by the sustainable procurement duty.
- Sustainability principles are embedded in procurement processes and in recognition of the importance of our suppliers in achieving the Council's aim to become more sustainable.
- Strategic Environmental Assessments (SEAs) were completed for all relevant council led policies, plans and strategies developed during 2022/2023.
- The [South Lanarkshire Local Development Plan 2](#) was adopted by the Council on 9 April 2021. The spatial strategy of the plan is to encourage sustainable economic growth and regeneration, a move towards a low carbon economy, protect the natural and historic environment and mitigate against the impacts of climate change.
- A summary of the findings resulting from [Equality Impact Assessments](#) of the council's key decisions on service users, communities and businesses have been published on the Council's website.
- Strategic decisions of the Council have been subject to a Fairer Scotland Impact Assessment which considers how inequalities of outcome can be reduced.

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes

Links to Council's values:

Accountable, effective, efficient, and transparent; Ambitious, self-aware, and improving;
 Focused on people and their needs; Working with and respecting others

How we do this:

- There is a standard approach to identifying savings across the Council. The Council's efficiency programme is overseen by the Senior Management Team. Frameworks are in place for holding discussions with key stakeholders. Savings achievements are monitored monthly and reported to the Senior Management Team quarterly.
- The Financial Strategy which is aligned with the Council's objectives was updated during the year to reflect the latest internal and external influences. This plan sets out the assumptions in terms of commitments, grant funding and efficiency requirement and demonstrates sound financial management and the ability to address projected funding gaps.

- The annual budget setting consultations took place with members of the public, groups and the Council's partners in order to inform the budget process. The annual budget is open to scrutiny and amendment by councillors until the approval of the final budget.
- The Council's Performance Management Framework has ensured that progress against intended outcomes has been regularly reported to Management Teams; Committees; and the Performance and Review Scrutiny Forum. Decisions and actions to address performance issues have been taken and monitored to ensure that they have been effective.
- The Council has complied with its statutory and regulatory reporting requirements during the year.
- The Public Bodies (Joint Working Act) sets out those Adult Care Services that are delegated to the Integration Joint Board (IJB) as set out in the South Lanarkshire Integration Scheme. These services continue to be operationally delivered by the council in line with the strategic direction set out in the Strategic Commissioning Plan and annual IJB Directions.
- The Council considers the specification and achievement of community benefits, which focus on the health, economic, social, and environmental wellbeing of the South Lanarkshire area, when awarding contracts.
- To improve efficiency and effectiveness, the Council is the lead authority for a range of collaborative projects and services delivered through the Clyde Valley Learning and Development Group.

Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

Links to Council's values:

Accountable, effective, efficient, and transparent; Ambitious, self-aware, and improving; Excellent employer; Focused on people and their needs; Working with and respecting others

How we do this:

- A Leadership Challenge Programme which is linked to succession planning has been developed and rolled out during 2022/2023.
- Learning and Development programmes were revised and employees at all levels can now access optional accredited management qualifications.
- Training requirements were identified and online learning and development opportunities including webinars and e-briefings were developed and offered to all councillors.
- Feedback from the survey on working from home/hybrid working, will be used to inform future agile working arrangements.
- A range of policies and activities are in place to support the Health and Wellbeing of employees including physical and mental health and these have been regularly communicated. Online wellbeing events were held in response to the new ways of working.
- The Council recognises that skilled and motivated employees are a key asset. All employees have an annual performance appraisal which links to the Council values and a Personal Development Plan. The council offers a range of training interventions to support employee development.
- The Council has a comprehensive and coordinated approach to workforce planning which also supports succession planning. Each Resource reviews their workforce plan and related action plan to better understand workforce capacity issues, further challenges, and opportunities to ensure that resources are in the right place, at the right time and people have the right skills. The Council-wide Workforce plan has been revised to consider the workforce requirements as a result of the pandemic response.
- Senior Managers have overseen the annual scrutiny of the Council's assets through the review of a suite of Asset Management Plans. Service Asset Management Plans have been developed in line with CIPFA guidance and these feed into the Corporate Asset Management Plan which outlines priorities and provides an overview of how the Council has performed in this area.

- The Council's Scheme of Delegation, Financial Regulations, Standing Orders on Contracts and Terms of Reference ensured that Committees, officers, and statutory officers were clear on the decisions that could be made within their area of authority. This is supplemented by councillor's role profiles which outline the key purpose, specific and core accountabilities for each role.
- The Council continues to work with a range of public sector, business, and academic partners to improve outcomes for those living and working in South Lanarkshire. Strategic Partnerships include the Community Planning Partnership and the Glasgow City Region City Deal.
- Local Government Benchmarking Framework (LGBF) results continue to be reported to the Performance Review and Scrutiny Forum, containing all LGBF indicators. As other reporting arrangements mature, the scale of this report may be reduced and the strategic suite of indicators aligned to Council Plan outcomes will feature in a new appendix to the Council Plan Q4 report, giving an opportunity to assess the Council's performance over time and comparative performance in the context of the Council Plan priorities.
- Further LGBF indicators will feature in the Council's public performance reporting, both in the Annual Performance Spotlights and in the PPR pages on the website. These are topic-based and place the LGBF information in a richer context than is possible in the annual LGBF report. The results are analysed and an action plan developed which will be monitored by the Senior Management Team.
- The Council takes a risk-based approach to self-assessment which is used to review and redesign services with a focus on fundamental change. Progress and the impact of improvement activity was reported to the Senior Management Team and the Performance and Review Scrutiny Forum.
- The Council has a robust complaints process which is underpinned by national complaints handling standards. Complaints performance was regularly reported to Senior Management and Committee and [learning from complaints](#) which is integral to this process is also published on the Council's website. Complaint handling procedures have been updated in line with national changes and communicated to all employees.

Principle F: Managing risks and performance through robust internal control and strong public financial management

Links to Council's values:

Accountable, effective, efficient, and transparent; Ambitious, self-aware, and improving

How we do this:

- The Council, in partnership with Trade Unions, ensured that safe systems of work were in place through a robust risk assessment process, changes to working methods and supply of personal protective equipment.
- The Council has put in place comprehensive arrangements for identifying, evaluating, and controlling significant risks which threaten the council's ability to meet its objectives to deliver services to the public. There is also a robust process in place for compliance monitoring of the Council's Risk Management Strategy, Resource Risk Registers and Control Plans.
- The annual end of year compliance statement evidenced that all Resources were compliant with Risk Management Strategic requirements.
- The Council's risk scoring matrix was revised as an outcome of the 2021/2022 annual review of risks.
- The Council's Internal Audit Service which complies with Public Sector Internal Audit Standards completed a revised annual programme of risk-based audits with an objective of providing an opinion on the adequacy and effectiveness of the Council's risk management, governance, and internal control arrangements. Where improvements were required, action plans were developed and monitored and where necessary follow-up audit work completed.

- In response to changes in working practices and the introduction of new systems, for example to process pandemic grants, Internal Audit has advised on key internal controls that should be maintained through the identification of alternative controls and has been involved in the development of new systems.
- The Information Governance Board is satisfied that Resources have followed the Information Governance operational arrangements to promote effective arrangements for the safe collection, storage, use and sharing of data, including processes to safeguard personal data.
- Information security incidents have continued to be monitored and considered for notification to the Information Commissioner's Office. Throughout the period, the Council's Data Protection Officer provided advice and assistance to Resources in relation to meeting their obligations under UK General Data Protection Regulations (GDPR).
- The system of internal financial control is based upon the Financial Regulations which set out the rules to ensure robust internal control over the council's finances. Control is maintained through regular management information, management supervision and a structure of delegation and accountability.
- The cost of the pandemic on the council's budgets has been closely monitored and regular reports have been presented to the Senior Management Team and Committee.
- External Audit of the Council's accounts is robust and a "clean audit certificate" was issued for 2022/2023.
- Through a well-established Performance Management Framework, the council has clearly defined processes in place for the identification, monitoring, and reporting of its objectives to ensure continued effectiveness and the achievement of Best Value. Progress is monitored and reported regularly to both managers and councillors. This includes areas of under-performance and the related improvement actions.
- Trustees of the South Lanarkshire Charitable and Educational Trusts received independent legal training setting out their duties and responsibilities in ensuring that the trusts operate in a manner designed to benefit communities.
- The Executive Director of Finance and Corporate Resources is a member of the Council's Senior Management Team and as such, is integral in all major decisions taken by the Council, and in material matters which are submitted to councillors for decision. This involvement fulfils the expectation of CIPFA in terms of the role of the Chief Financial Officer.
- The Council previously completed a self-assessment using the principles of the CIPFA Financial Management Code identifying 3 areas to be progressed. Since then, the 2020/2021 annual budget consultation approach and a standard options appraisal process continue to be embedded across the Council, while our existing financial management controls and measures continue to provide comfort on the Council's financial management and resilience. This includes the preparation of a medium term strategy presented to members regularly as part of the annual budget process, providing members with the information required to assist budget planning.

Principle G: Fair, Open and Sustainable; Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Links to Council's values:

Accountable, effective, efficient, and transparent; Ambitious, self-aware, and improving; Working with and respecting others

How we do this:

- The Good Governance Group has completed the annual review of governance arrangements at resource level and in line with the CIPFA/SOLACE Delivering Good Governance Framework. Governance improvement actions have also been identified and are included in Resource/Service Action Plans. Progress against actions including those highlighted as significant governance areas for action will be reported to the Senior Management Team and Committee.

- In the 2022/2023 annual audit report, the external auditor reported that the council had in place appropriate arrangements to support good governance and accountability and they were of the view that governance arrangements remained effective in 2022/2023.
- All Directors completed their annual Statement of Assurance and relevant assurances have been provided.
- The Council prepares and publishes an Annual Governance Statement which is aligned with national guidance and reflects on the adequacy and effectiveness of the Council's governance arrangements. This is independently considered by External Audit and published with the Annual Accounts and separately on a dedicated [governance web page](#).
- The annual review of governance arrangements for the Council's at Arm's Length External Organisation (ALEO) and key external service providers has not highlighted any compliance issues.
- The annual review of the Local Code of Corporate Governance was completed, and the revised Code was approved by Committee and re-published on the Council's website.
- all agendas, reports and decisions continue to be published (except those exempt under the Local Government (Scotland) Act 1973) on the council's website. All Committee and Forum meetings are livestreamed to the Council's YouTube page http://bit.ly/SL_Committees.
- The Risk and Audit Scrutiny Committee considered the adequacy and effectiveness of the Council's governance arrangements and internal control environment and approved the Annual Governance Statement and Accounts.
- Internal audit activity has continued to be reported to the Senior Management Team and to the Risk and Audit Scrutiny Committee.
- Internal Audit changed how their findings are presented to the Risk and Audit Scrutiny Committee to improve scrutiny.
- Outcomes from external audit and inspection activity was reported to the appropriate Committee and action plans were developed for implementation where required.



Local Code of Corporate Governance

Introduction

1. What is Corporate Governance?

South Lanarkshire Council has set the framework for strong Corporate Governance by having a clear vision which states that the council will:-

“Improve the lives and prospects of everyone in South Lanarkshire”

The function of good governance in the public sector is to ensure that organisations achieve their intended outcomes while acting in the public interest at all times. This means doing the right things, in the right way, for the right people, at the right time, in an inclusive, open, honest and accountable manner.

2. Purpose

This document sets out South Lanarkshire Council’s Local Code of Corporate Governance which has been produced in accordance with the principles and requirements contained within the framework established by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) in the publication, Delivering Good Governance in Local Government Framework (2016 Edition) (referred to as “The Framework” from here on). It comprises of a framework of policies, procedures, behaviours and values by which the council is controlled and governed. It shows how the council will continue to review the governance arrangements that are currently in place and implement improvements where necessary.

The Code is split into two sections:-

- Section 1 outlines the actions and behaviours that demonstrate good governance as set out in the framework; and
- Section 2 provides links to the policies, procedures and other documentary evidence that demonstrate the council’s governance arrangements.

These provide the structures and guidance that our councillors and employees need to ensure effective governance across the council.

3. Good Governance in the Public Sector (The Framework)

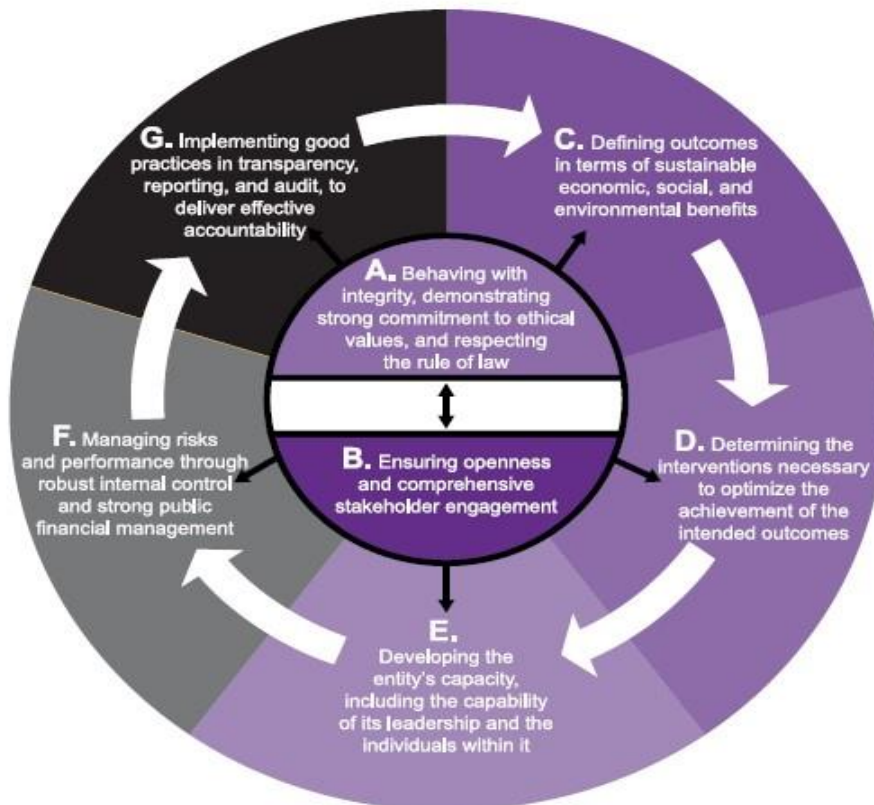
The Framework defines the principles that should underpin the governance of each council and provides a structure to help councils with their approach to governance. Whatever arrangements are in place, councils should test their governance structures and partnerships against the principles contained in the Framework by:-

- reviewing existing governance arrangements;
- developing and maintaining an up-to-date local code of governance, including arrangements for ensuring ongoing effectiveness; and

- reporting publicly on compliance with their own code on an annual basis and on how they have monitored the effectiveness of their governance arrangements in the year and on planned changes.

To achieve good governance, each council should be able to demonstrate that its governance structures comply with the principles contained in this Framework. It should therefore develop and maintain a local code of governance/governance arrangements reflecting the principles set out.

The diagram below illustrates the seven principles of good governance in the public sector and how they relate to each other:-



Further information regarding each of the above principles and the behaviours and actions that demonstrate good governance in practice are detailed at Section 1.

4. Monitoring and Review

The council will monitor its governance arrangements for their effectiveness in practice and will review them on a continuing basis to ensure that they are up to date. For more information on how we do this see the council's Annual Governance Statement which can be found on the [governance information page](#) on the council's website.

5. Compliance with the Code

Compliance with the code will be assessed annually using the councils "Governance Assurance Framework". This will be carried out by a governance working group which is chaired by the council's monitoring officer and comprises of senior officers from each of the council's five Resource departments. The Internal Auditor also attends these meetings. The results of the assessment will be reported to the Risk and Audit Scrutiny Committee. This will incorporate recommendations for additions and/or improvements to the code to reflect any

changes in the way in which the council does business or new legislation affecting the council's governance arrangements.

Each year the council will publish an Annual Governance Statement. The Leader of the Council and the Chief Executive are required to produce this as part of the auditing of the council's annual accounts. The document sets out the following:-

- the scope of the council's responsibility;
- the purpose of the council and its governance framework;
- how the council monitors and evaluates the effectiveness of its governance arrangements;
- key elements of the council's governance framework. This is the main part of the document which sets out how the council has complied with the principles in this code and provides assurance as to how they are met;
- provides an opinion on the effectiveness of the council's arrangements; and
- provides details of improvements that have been delivered and are required moving forward.

In addition, the council's Internal Audit team will also conduct an annual independent audit reviewing the adequacy, effectiveness and extent of compliance with the code.

6. Certification

The council is committed to the seven principles of good corporate governance detailed within the Framework and demonstrates this commitment through the development, adoption and implementation of a Local Code of Corporate Governance.

We hereby certify our commitment to this Code of Corporate Governance and will make sure that the council continues to review, evaluate and develop the council's governance arrangements to ensure continuous improvement of the council's systems.

Joe Fagan
Leader of the Council

Signature:

Date:

Paul Manning
Chief Executive

Signature:

Date:

Section 1

Actions and behaviours that demonstrate good governance in practice

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

What this means in practice:- The council are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Links to council's values:

Accountable, effective, efficient and transparent; Working with and respecting others; Fair, open and sustainable

Sub principles:	South Lanarkshire Council is committed to:-
A1: Behaving with integrity	Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the council.
	Ensuring members take the lead in establishing specific standard operating principles or values for the council and its employees and that they are communicated and understood. These should build on the Seven Principles of Public Life (The Nolan Principles).
	Leading by example and using the above standard operating principles or values as a framework for decision making and other actions.
	Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively.
A2: Demonstrating strong commitment to ethical values	Seeking to establish, monitor and maintain the council's ethical standards and performance.
	Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the council's culture and operation.
	Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values.
	Ensuring that external providers of services on behalf of the council are required to act with integrity and in compliance with ethical standards expected by the council.
A3: Respecting the rule of law	Ensuring members and employees demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations.
	Creating the conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements.
	Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders.
	Dealing with breaches of legal and regulatory provisions effectively.
	Ensuring corruption and misuse of power are dealt with effectively.

Principle B: Ensuring openness and comprehensive stakeholder engagement	
What this means in practice:- The council is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.	
Links to council's values: Accountable, effective, efficient and transparent; Fair, open and sustainable; Focused on people and their needs; Working with and respecting others	
Sub principles:	South Lanarkshire Council is committed to:-
B1: Openness	Ensuring an open culture through demonstrating, documenting and communicating the council's commitment to openness.
	Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided.
	Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear.
	Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/courses of action.
B2: Engaging comprehensively with institutional stakeholders	Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably.
	Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively.
	Ensuring that partnerships are based on: trust; a shared commitment to change; a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit.
B3: Engaging with individual citizens and service users effectively	Establishing a clear policy on the types of issues that the council will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes.
	Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement.
	Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs.
	Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account.
	Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity.
	Taking account of the impact of decisions on future generations of tax payers and service users.

Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

What this means in practice:- The long-term nature and impact of many of the council's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the council's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

Links to council's values:

Accountable, effective, efficient and transparent; Fair, open and sustainable; Focused on people and their needs; Ambitious, self-aware and improving

Sub principles: **South Lanarkshire Council is committed to:-**

C1: Defining Outcomes

Having a clear vision which is an agreed formal statement of the council's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the council's overall strategy, planning and other decisions.

Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer.

Delivering defined outcomes on a sustainable basis within the resources that will be available.

Identifying and managing risks to the achievement of outcomes.

Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available.

C2: Sustainable economic, social and environmental benefits

Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision.

Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the council's intended outcomes and short-term factors such as the political cycle or financial constraints.

Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs.

Ensuring fair access to services.

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes	
What this means in practice:- The council achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that the council has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.	
Links to council's values: Accountable, effective, efficient and transparent; Ambitious, self-aware and improving; Focused on people and their needs; Working with and respecting others	
Sub principles:	South Lanarkshire Council is committed to:-
D1: Determining interventions	Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore ensuring best value is achieved however services are provided.
	Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.
D2: Planning interventions	Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets.
	Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered.
	Considering and monitoring risks facing each partner when working collaboratively, including shared risks.
	Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances.
	Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured.
	Ensuring capacity exists to generate the information required to review service quality regularly.
	Preparing budgets in accordance with objectives, strategies and the medium term financial plan.
	Informing medium and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.
D3: Optimising achievement of intended outcomes	Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints.
	Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term.
	Ensuring the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.

	Ensuring the achievement of 'social value' through service planning and commissioning.
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Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

What this means in practice:- The council needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve intended outcomes within the specified periods. The council must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

Links to council's values:

Accountable, effective, efficient and transparent; Ambitious, self-aware and improving; Excellent employer; Focused on people and their needs; Working with and respecting others

Sub principles:	South Lanarkshire Council is committed to:-
E1: Developing the entity's capacity	Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness.
	Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently.
	Recognising the benefits of partnerships and collaborative working where added value can be achieved.
	Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.
E2: Developing the capability of the entity's leadership and other individuals	Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained.
	Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body.
	Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority.
	<p>Developing the capabilities of members and senior management to achieve effective leadership and to enable the council to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:</p> <ul style="list-style-type: none"> • Ensuring members and employees have access to appropriate induction tailored to their role and that ongoing training and development matching individual and council requirements is available and encouraged; • Ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis; and

	<ul style="list-style-type: none"> • Ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external.
Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it (continued)	
Links to council's values: Accountable, effective, efficient and transparent; Ambitious, self-aware and improving; Excellent employer; Focused on people and their needs; Working with and respecting others	
Sub principles:	South Lanarkshire Council is committed to:-
E2: Developing the capability of the entity's leadership and other individuals (continued)	Ensuring that there are structures in place to encourage public participation.
	Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections.
	Holding staff to account through regular performance reviews which take account of training or development needs.
	Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.

Principle F: Managing risks and performance through robust internal control and strong public financial management

What this means in practice:- The council needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

Links to council's values:

Accountable, effective, efficient and transparent; Ambitious, self-aware and improving

Sub principles:	South Lanarkshire is committed to:-
F1: Managing risk	Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making.
	Implementing robust and integrated risk management arrangements and ensuring that they are working effectively.
	Ensuring that responsibilities for managing individual risks are clearly allocated.
F2: Managing performance	Monitoring service delivery effectively including planning, specification, execution and independent post-implementation review.
	Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the council's financial, social and environmental position and outlook.
	Ensuring an effective scrutiny or oversight function is in place which provides constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the council's performance and that of any organisation for which it is responsible. (Or, for a Committee system - Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making).
	Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement.
	Ensuring there is consistency between specification stages (such as budgets) and post-implementation reporting (e.g. financial statements).
F3: Robust internal control	Aligning the risk management strategy and policies on internal control with achieving objectives.
	Evaluating and monitoring risk management and internal control on a regular basis.
	Ensuring effective counter fraud and anti-corruption arrangements are in place.
	Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.

Principle F: Managing risks and performance through robust internal control and strong public financial management (continued)

Links to council's values:

Accountable, effective, efficient and transparent; Ambitious, self-aware and improving

Sub principles:	South Lanarkshire is committed to:-
F3: Robust internal control (continued)	<p>Ensuring an audit Committee or equivalent group/function, which is independent of the executive and accountable to the governing body;</p> <ul style="list-style-type: none"> • provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment; and • that its recommendations are listened to and acted upon.
F4: Managing data	Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data.
	Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies.
	Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.
F5: Strong public financial management	Ensuring financial management supports both long-term achievement of outcomes and short-term financial and operational performance.
	Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls.

Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

What this means in practice:- Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the council plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Links to council's values:

Accountable, effective, efficient and transparent; Ambitious, self-aware and improving; Working with and respecting others; Fair, open and sustainable

Sub principles:	South Lanarkshire Council is committed to:-
G1: Implementing good practice in transparency	Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.
	Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand.
G2: Implementing good practices in reporting	Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way.
	Ensuring members and senior management own the results reported.
	Ensuring robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement).
	Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate.
	Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations.
G3: Assurance and effective accountability	Ensuring that recommendations for corrective action made by external audit are acted upon.
	Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon.
	Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations.
	Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement.
	Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met.

Section 2 Policies, Procedures and other documentary evidence

Evidence that the council complies with the requirements of the framework (see Section 1) (Link provided where available)	Core Principles						
	A	B	C	D	E	F	G
Annual Accounts							●
Annual Performance Spotlights		●	●				●
Annual Resource budget strategy meeting				●			
Fraud management plan and procedures	●					●	
Asset Management					●		
Audit Scotland monitoring and reporting process					●		●
Behaviours Framework/Performance Appraisal	●				●		
Budget Consultations and Savings Plans		●	●	●			
Business Continuity Plans/Recovery Plans				●		●	
CEO/Political leaders meetings					●		
Codes of Conduct (Link to Councillors Code)	●				●		
Committee Management Procedural Documents	●	●					
Communication plans and strategies		●		●			
Community Engagement and Participation Strategy Community Engagement Partnership Group Community Engagement Team Participation Requests Community Asset Transfer		●			●		
Community Planning Partnership Plans Community Plan Annual Report		●	●	●	●		●
Complaints Handling ; You said, we did	●	●		●	●		
Consultation Database		●		●			
Corporate Management Team , Committees and Forums	●	●	●	●	●	●	●
Council Plan – Connect	●	●	●	●	●		
Devolved school management scheme 2022	●	●	●		●		●
Digital Communications	●	●		●			●

Empower Self-Assessment process					•		
Equality Impact Assessments/Equal Opportunities Policy	•	•	•	•	•		
Fairer Scotland Duty Impact Assessments	•	•	•	•	•		
Financial Management			•	•		•	•
Evidence that the council complies with the requirements of the framework (see Section 1) (Link provided where available)	Core Principles						
	A	B	C	D	E	F	G
Financial Regulations	•				•	•	
Freedom of Information Act Publication Scheme (How the council works)		•					
Governance Arrangements Register of Partnerships		•			•		•
Induction process/programme	•				•		
Information Governance Data Protection Privacy Impact Assessment	•	•				•	
Internal Audit Plan	•			•		•	•
Information Security Policy	•	•				•	
Investors in People Award	•				•		
Learning and Development Programmes	•				•		•
Local Code of Corporate Governance	•						•
Local Government Benchmarking Framework				•	•	•	•
Media and Public Relations		•					
Members Role profiles					•		
Monitoring Officer provisions	•						
Multi-member ward protocol					•		
Neighbourhood Planning		•	•	•	•		
Officer job description/specifications	•						
Participatory Budgeting			•				
Partnerships: Glasgow Region City Deal/Clyde Valley		•			•		•
People's Panel		•		•	•		

Performance Management				•	•	•	
Personnel strategies, policies and procedures	•				•		
Health and social care - Planning with People	•	•	•	•	•		
Procurement	•		•	•		•	
Public Performance Reports		•			•		•
Records Management Plan						•	
Records Management Policy						•	
Register of gifts and hospitality/Register of Interests	•						
Evidence that the council complies with the requirements of the framework (see Section 1) (Link provided where available)	Core Principles						
	A	B	C	D	E	F	G
Resource Contingency Plans						•	
Resource Plans / Health and Social Care Strategic Commissioning Plan			•	•		•	
Risk and Audit Scrutiny Committee						•	
Risk Management			•	•		•	•
Scheme of Delegation	•				•		
Scrutiny Forums	•					•	
Service Review Framework				•	•		
Standards and Procedures Advisory Forum	•				•		
Standing Orders on Procedures / Standing Orders on Contracts	•			•	•	•	
Statutory guidance	•						
Strategic Environmental Assessments			•				
Strategies and Policies	•		•				
Terms of Reference , the council, Committees and associated forums	•				•	•	
Whistle blowing policies (link to Third Parties)	•					•	
Workforce planning					•		

**2022/2023 Annual Governance Statement
Significant Governance Areas Q2 Update**

Appendix 3

No.	Areas identified in 2022/2023	Actions	Lead Officer	Quarter 2 Progress
1	Cyber Resilience Compliance with legislative and regulatory policy	A programme of actions to maintain cyber security and resilience in 2023/2024 will include: <ul style="list-style-type: none"> • Refresh/retiral of legacy systems, network equipment and end user devices (mobile phones, PCs) • Programme of security patching of all systems • Compliance with PSN and Cyber Essentials schemes • Incident response • Officer training and awareness (e.g., phishing) • Data security reviews as part of new system installation • Security monitoring 	Executive Director (Finance and Corporate Resources)	Programme of activities continues including: Daily messaging focused on Scottish Cyber Week published on Intranet. Annual PSN IT Health Check completed successfully, and results submitted for assessment. Developing relationship with Scottish Local Government Digital Office Chief Information Security Officer. Engagement with key technology procurements to ensure appropriate Information Security standards applied. Enhanced programme of security patching to provide greater depth by covering additional applications.
2	Financial Challenges Exceptional increase in costs, reduction in council funding, resulting	The Council faces a challenging situation in the medium to long-term because of reduced funding in real terms, rising costs and an increase in demand. In addition there are exceptional increases	Executive Director (Finance and	The Budget Strategy was updated and presented to the Executive Committee in June 2023 and a Budget Sounding Board and latterly a Budget Working Group with cross party membership was formed to allow

No.	Areas identified in 2022/2023	Actions	Lead Officer	Quarter 2 Progress
	in difficulties maintaining front line services	<p>in costs being experienced resulting in significant budget gaps that will require to be managed.</p> <p>The Council has developed a long-term strategy which identifies budget pressures, future risks and uncertainties, and projects budget gaps to 2028/2029.</p> <p>The Budget Strategy for 2023/2024 will be updated and presented to councillors during 2023/2024.</p>	Corporate Resources)	advance preparations for the Council Budget Setting in 2024/2025. Regular updates were provided to Members throughout 2023 and early 2024 and budgets approved on 21 February for 2024/2025 for Council General Fund, HRA revenue, and for the coming years capital programmes.
3	<p>Integrated Joint Board – Health and Social Care</p> <p>The need for the Council to deliver the objectives set out in the Integrated Joint Board (IJB) Strategic Commissioning Plan 2022-2025</p>	<p>The current strategic direction set out and approved by the IJB is detailed within the Strategic Commissioning Plan. The council and NHS Board are required to deploy their resources in line with this strategic direction.</p> <p>The IJB issues Directions that set out the key actions to be delivered by the council during the year 2023/2024 and these Directions were agreed by the IJB at a special budget meeting in March 2023. The council will provide progress updates against Directions for which it is the lead organisation.</p>	Director, Health and Social Care, South Lanarkshire Health, and Social Care Partnership	<p>Alongside partners in the HSCP, HTR will continue to lead on the implementation of the 2 Directions developed as part of the Strategic Commissioning Plan 2022-2025:</p> <ul style="list-style-type: none"> • Direct NHS Lanarkshire to deliver routine enquiry across all services, including visiting outreach, GP services and A&E to identify housing issues and requirements • Direct NHS Lanarkshire and South Lanarkshire Council to prioritise access to general medical and universal health screening services for homeless people, including those currently engaged with the Housing First model.

No.	Areas identified in 2022/2023	Actions	Lead Officer	Quarter 2 Progress
				<p>The Strategic Commissioning Plan 2022 – 2025 was approved by the IJB on 29 March 2022. The IJB reviewed its directions which were issued in March 2023 to NHS Lanarkshire and South Lanarkshire Council on 28 March 2023, which were approved. The IJB continues to review and monitor the progress against directions.</p> <p>The Social Work Resource Plan also reflects the statutory relationship between the IJB and the Council with respect to adult and older people's social care. Those elements of the Resource Plan are a response to the directions within the IJB's Strategic Commissioning Plan and a recognition that the IJB has operational oversight for those areas of delivery.</p>
4	<p>Review of Community Planning</p> <p>Provide support to the review of Community Planning arrangements</p>	<p>Complete the of Community Planning which focussed on several key areas including structures, governance and accountability arrangements. The Council will provide resources to support the</p>	<p>Executive Director (Finance and</p>	<p>Following a full review of Community Planning structures and plans, on 22 March 2023 the Community Planning Partnership Board approved a new Thematic Board structure. On 6 September 2023, the board approved its revised Governance</p>

No.	Areas identified in 2022/2023	Actions	Lead Officer	Quarter 2 Progress
		completion of the Review and work with partners to progress changes	Corporate Resources)	Framework. The final part of the review is to develop a proposal for partnership working at a locality level. Work continues with the Outcomes Leads Group to deliver on this.
5	Community Wealth Building Deliver the Community Wealth Building (CWB) Strategy	<p>The Community Wealth Building Strategy which was approved in March 2021 will bring fundamental changes to how the Council delivers its services and works with its partners and communities. In August 2021 the Community Wealth Building Commission approved an action plan containing a range of actions to progress the aspirations of the Strategy over a 3 to 5-year timeframe. A risk register has been developed and approved. Risk monitoring arrangements are in place</p> <p>An annual report highlighting progress over the first year of the Strategy was presented to the Commission on 28 June 2022 for approval.</p> <p>Year 2 Actions identified in the approved Action will be progressed in 2022/2023.</p>	Executive Director (Finance and Corporate Resources)	<p>The work building on the CWB Strategy continued throughout 2022 and 2023. The Q4 update on the 2022/2023 Action Plan was approved by the Commission on 6 June 2023. The Action Plan was then given a refresh, following an annual review led by FCR with input from other Resources, which was approved on 5 September 2023. The 72 actions will be progressed throughout the year and will be reported on at Q2 and Q4. In addition, the Commission agreed on 7 February 2022 that CWB annual reports should be produced to bring the work to a wider, public audience. The most recent of these was approved on 5 September 2023. Risk monitoring remains in place and the CWB risk register is presented annually.</p>

No.	Areas identified in 2022/2023	Actions	Lead Officer	Quarter 2 Progress
6	Sustainable Development and Climate Change	<p>The Council acknowledges the serious and immediate threat of climate change and is committed to accelerating the pace of action in response to the climate emergency and in Scotland's transition to a net-zero and climate resilient society and economy, however for the transition to be truly just, it is essential at a national level that sufficient funding is provided to avoid an unacceptable burden being placed on tenants and residents. A review of the council's Sustainable Development and Climate Change Strategy (2017-2022) has commenced and is scheduled to conclude during 2022; and a new Strategy for 2022-2027 was developed and presented to Council in June 2022 for approval together with the Council Plan and Community Plan. An Action Plan is being developed covering the 5-year period of the Strategy. The Action Plan will be reviewed annually with progress updates being reported to the Climate Change and Sustainability Committee on a 6 monthly basis.</p>	Executive Director (Community and Enterprise Resources)	<p>The Sustainable Development and Climate Change action plan continues to be implemented. Progress against these actions is monitored using IMPROVe and reported to the Climate Change and Sustainability Committee at quarter two and quarter four. The quarter two progress report 2023/2024, for the period 1 April 2023 to 30 September 2023, was presented at the Climate Change and Sustainability Committee on 28 February 2024.</p> <p>Delivery of the Action Plan provides the main focus for SLC's sustainable development activity.</p> <p>Annual review to commence during 2024/2025. Contribute to annual review, including housing actions/measures.</p> <p>The 2025 and 2032 EESSH performance reporting Milestones have been suspended as the Scottish Government are reviewing the EESSH2 standards to strengthen and realign the standard with the target for net zero heat in houses from 2045.</p> <p>Scottish Government opened consultation on 28 November on their proposals for Social Housing Net Zero Standard (SHNZS) in Scotland. The</p>

No.	Areas identified in 2022/2023	Actions	Lead Officer	Quarter 2 Progress
				<p>content was considered and responded to on 8 March. This will be brought to HTR Committee in April 2024.</p> <p>Key activities in the period:</p> <ul style="list-style-type: none"> • Preparation of Biodiversity Strategy • Preparation of Local Heat and Energy Efficiency Strategy • Preparation of review of community engagement activities
7	Economic Strategy	<p>The new draft Economic Strategy 2022-2027 has been developed and approved by Council on 15 June 2022 as part of a suite of documents accompanying the draft Council Plan and Community Plan. The vision within the Strategy is “to make South Lanarkshire a flourishing, green, dynamic and equitable place for communities, visitors, businesses and investors”. The Strategy is framed around the 3 themes of sustainable, inclusive, economic development- People, Place and Business.</p>	Executive Director (Community and Enterprise Resources)	<p>Ongoing activity to support the work of the Economic Strategy with next annual report being presented to committee in April 2024.</p> <p>Key areas of activity include:</p> <ul style="list-style-type: none"> • Preparation of town centre masterplans • Development of inward investment strategy • Review of Business Gateway; and • Review of Lanarkshire Economic Forum.

No.	Areas identified in 2022/2023	Actions	Lead Officer	Quarter 2 Progress
		<p>Further online consultation on the Strategy took place during July and August. Progress on the delivery of the Action Plan will be measured 6-monthly with the results being reported annually to the relevant committees.</p> <p>The council will continue to lead on local economic recovery for South Lanarkshire businesses through promotion of local economic support networks and contribution to the pan-Lanarkshire Economic Forum.</p>		
8	Recruitment and Retention Challenges	<p>The labour market tightened and employees have more mobility through agile working which is not necessarily tied to a geographical location. In addition some older workers have reassessed priorities and taken up an option for partial or full retiral earlier than they would have done previously.</p> <p>As a result there are a number of skills in short supply nationally and this is putting pressure on local government services. Examples of this include HGV drivers, procurement and Social Care. The impact on Senior Manager</p>	Chief Executive and all Directors	<p>A Social Work workforce plan 2022–2025 and a Lanarkshire Health and Social Care Integrated Workforce plan 2022-2025 have been developed. They include actions in respect of updated recruitment practices, career pathways, progression, succession planning, and staff wellbeing supports. A Lanarkshire Care Academy has been established to create a pipeline into health and social care.</p> <p>The service is currently undertaking a review of its locality model with a view to mitigating some of the challenges and risks with regards recruitment and retention of staff.</p>

No.	Areas identified in 2022/2023	Actions	Lead Officer	Quarter 2 Progress
		<p>recruitment and retention is also clear and turnover at this level is closely monitored</p> <p>South Lanarkshire Council has experienced these issues and is taking the following actions:-</p> <ul style="list-style-type: none"> • Workforce Plans were refreshed to reflect the changed environment by 30 June 2022. The updated plans were reported to the relevant Resource Committees in September and October 2022. • A grow your own approach is being used in key areas (recruited graduates in Procurement) • Increasing social media recruitment and use of job fairs • Employability routes are being defined for skills shortage areas (e.g. Social care) • Enhanced employee support arrangements are in place but also being reviewed for development 		<p>Links to higher education through research and development have been mutually beneficial for the Health and Social Care Partnership and further education sector. This will continue to be explored.</p> <p>The Health and Care (Staffing) (Scotland) Act 2019 will come into effect on 1 April 2024. The Act will place duties or obligations on organisations such as health boards, local authorities and integration authorities to provide assurance that services have appropriate levels of staffing and skill mix. Investment continues to be prioritised on key areas of statutory services while redesign options are considered to maximise the use of available resources.</p> <p>In the annual census Education Resources complied with and met the target for teacher numbers in September 2023. Noting this continues to be a top risk for Education Resources going forward</p>

Report

4

Report to:	Risk and Audit Scrutiny Committee
Date of Meeting:	26 March 2024
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	2024/2025 Internal Audit Plan
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ seek approval of the proposed Internal Audit Plan for 2024/2025

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the proposed Internal Audit Plan for 2024/2025, as detailed in Appendix 3 to the report, be approved; and
- (2) that it be noted that a detailed, strategic 3-year plan be presented after the first quarter of 2024/2025 in relation to proposed audit areas across all Fusion functions for 2024/2025 and, indicatively, through to 2026/2027.

3. Background

3.1. Internal Audit within South Lanarkshire Council forms part of the Council's wider governance framework and output from the function is the delivery of a planned programme of internal audit assignments. Each assignment is formally reported to the Council's Risk and Audit Scrutiny Committee (RASC) and an audit opinion expressed based on the level of assurance that testing has provided. The definitions of the various levels of assurance that are expressed within an audit report are included at Appendix 1. These assurances, in turn, inform an overall audit opinion of the adequacy and effectiveness of the Council's framework of governance, risk management and control arrangements that is reported annually to the Committee and captured within the Council's Governance Statement that forms part of the Annual Accounts.

4. Internal Audit Plan 2024/2025

Internal Audit Charter and Public Sector Internal Audit Standards

4.1. The function operates within the context of an Internal Audit Charter (see Appendix 2) and a set of internal audit standards known as the Public Sector Internal Audit Standards (PSIAS). The Council's Internal Audit function's compliance with PSIAS was externally assessed in 2022/2023 and the outcome of this review reported to the Committee in October 2023. A few areas of improvement were highlighted and an update on progress with addressing these actions will be included within the 2023/2024 Internal Audit Annual Report presented to the Committee in June 2024. Two of the actions, however, are relevant to the audit planning process and an earlier update is provided below in respect of these:-

- ◆ The relationship between the Chief Internal Auditor and the Monitoring Officer is clarified in the next update to the Internal Audit Charter
 - ✓ Internal Audit Charter updated (see section on *Escalation*)
- ◆ Audit Activities should be prioritised as part of the South Lanarkshire Annual Audit Plan
 - ✓ Audit activities prioritised (detail now provided in Appendix 3 with priority assignments graded as 'H' – High)

4.2. New Internal Audit Standards will be effective from January 2025 with PSIAS currently being updated to reflect these new standards within a UK public sector context. It is anticipated that any subsequent changes to the UK's PSIAS, and their implementation, will be subject to consultation and appropriate transitional arrangements. At this point in time, compliance with the Standards continues to be an annual self-assessment exercise (with a periodic independent external inspection) and an annual statement or report on the function's level of compliance.

4.3. PSIAS require a specific risk-based approach to be taken when preparing audit plans and all planning requirements within the Standards have been applied in preparation of the 2024/2025 Internal Audit Plan. The risks assessment matrix utilised when evaluating each audit 'idea' is set out in the matrix attached at Appendix 4.

Capacity Planning

4.4. At the outset of the planning process each year, capacity to deliver the Audit Plan needs to be determined. Capacity in 2024/2025 has been adjusted to remove the time required to deliver audit plans for the function's 4 external clients¹ and for estimated planned and unplanned leave during the year. This process determined that 1,145 days are available to deliver the Council's audit plan in 2024/2025.

Planning Themes

4.5. The work of the function contributes towards the priorities and values set out within the Council Plan by committing resources to support corporate activity and delivering a core, rolling programme of work that assesses the extent to which financial, operational and reputational risks are mitigated by a series of effective internal controls. This is presented as a balanced plan that complies with PSIAS in terms of its methodology and approach, maximises the resources and skills available within the Council and delivers a programme of work that informs the annual audit opinion. Key themes of the Plan are set out in the diagram below:-



¹ South Lanarkshire Leisure and Culture, Lanarkshire Valuation Joint Board, SEEMIS and South Lanarkshire Health and Social Care

Content of the Plan

- 4.6. In 2024/2025, the audit plan recognises the need to commit time to Fusion, a significant new human resources and financial accounting system that will be implemented by South Lanarkshire Council in this year. This new IT system will bring fundamental changes to the Council's business processes and, with this will come, a suite of new, embedded system controls. At the start of the financial year there will still be a requirement to input to the testing of costing and reconciliation solutions as well as to provide advice and guidance around changes in internal controls relating to new automated processes and workflows. Once complete, this will allow a programme of audit work to be developed that will span a 3-year period. At the point of drafting the Plan, estimates have been made of the commitments required across all aspects of implementation and testing, but this requires further refinement as the Council move towards go live and into the early post go live period. In the medium term, the Council will also implement new social care and housing IT systems and audit work across all of these core systems will form an element of the Audit Plan in the next 3 to 5 years.
- 4.7. These commitments must be balanced with the delivery of routine corporate activities and a programme of audits that deliver the function's core objectives as set out in the Internal Audit Charter.
- 4.8. Over-arching all of this are fundamental changes as to how internal audits are being delivered and there is a growing need to develop skill sets within the Council's own internal audit function to make best use of opportunities around the emerging use of data analytics to interrogate systems and controls. This 'data analytic' approach uses data extracted from operational and financial systems and analyses to identify trends and patterns, be it historical, real-time, or predictive. The real benefit to Resources is that this provides management information that can be filtered through a series of risk indicators highlighting areas where internal controls are not working as intended or, potentially, where fraud is occurring. From an audit perspective, this tool provides assurance across a wider data set and limits testing to targeted areas. Time has been included in the 2024/2025 Plan to prepare a strategy, develop skills within the team and to establish how outputs from major, new Council systems can be used to refine the data analytical approach of Internal Audit in the future.
- 4.9. Reflecting all these considerations, a Plan has been drafted and is attached at Appendix 3. As required by PSIAS, each of these audits will be conducted in accordance with the revised PSIAS and within the context of the Internal Audit Charter.
- 4.10. The Plan sets out the name of the proposed assignment, the lead Resource and a brief outline scope for each proposed assignment. Objectives and scopes will be refined by auditors prior to the commencement of work and once a full risk analysis has been completed and key controls identified. Clients will be involved in this initial risk and control assessment and will be consulted prior to the preparation of the audit remit for each assignment.
- 4.11. To provide further context for this work, assignments have been linked to the Council Plan's priorities and, where relevant, the top risks as set out in the Corporate Risk Register. Assignments related to corporate tasks do not have a link to the Council's top risk register.
- 4.12. Progress against the audit strategy will be monitored and reported to the Committee as part of regular monitoring reports that are presented at each meeting. Delivery of the strategy will be evidenced by the completion of the 2024/2025 Internal Audit Plan. The risk of significant subsequent changes to the Plan, arising from a change in the

Council's priorities or risks, are managed through a level of contingency time that continues to be built in to provide flexibility throughout the year. Key performance indicators will be reported to the Committee within routine activity reports and the annual assurance report.

- 4.13. The Committee is asked to approve the 2024/2025 Internal Audit Plan attached at Appendix 3.

5. Employee Implications

- 5.1. There are 1,287 audit days calculated as being available in 2024/2025 (inclusive of days to deliver an internal audit service to external clients). Year on year comparisons of the number of days available are difficult due to in year variations linked to periods of planned leave, secondments and personnel changes. All known factors have been reflected in capacity planning. The underlying assumptions will be reviewed throughout the year and any significant changes to the Plan will be re-presented to the Committee.

6. Financial Implications

- 6.1. Capacity planning has been based on available budget. This is considered to provide sufficient resources to deliver the Audit Plan.

7. Other Implications

- 7.1. To mitigate against the risk of non-delivery of the Plan, the progress of every assignment is monitored using the Council's risk management software, Figtree. Audit performance requires co-operation from Services and delivery of the Plan is dependent on assignments being completed within reasonable timeframes.

8. Climate Change, Sustainability and Environmental Implications

- 8.1 There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

9. Equality Impact Assessment and Consultation Arrangements

- 9.1. There is no requirement to conduct an equality impact assessment on the proposed Audit Plan. As part of the process, there has been extensive consultation during preparation of the Plan and all returned suggestions were included within the initial "audit universe" for risk evaluation using the matrix set out at Appendix 4.
- 9.2. The Plan includes time to provide data to the Council's External Auditors to assist with their audit and to respond to queries. A copy of the Plan will be shared with Audit Scotland to ascertain areas where they wish to place reliance on output from the 2024/2025 Internal Audit Plan.

Jackie Taylor

Executive Director (Finance and Corporate Resources)

8 March 2024

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, effective, efficient and transparent

Previous References

- ◆ Risk and Audit Scrutiny Committee - 2023/2024 Internal Audit Plan, 7 March 2023

- ◆ Risk and Audit Scrutiny Committee - 2022/2023 External Quality Assessment of Internal Audit Service, 31 October 2023

List of Background Papers

- ◆ PSIAS
- ◆ Internal Audit planning documentation

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

Yvonne Douglas

Audit and Compliance Manager

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E-mail: yvonne.douglas@southlanarkshire.gov.uk

Substantial

- There is a sound system of internal control designed to achieve the Service objectives. Advisory risk assessment may be given. No action required or Advisory action recommended by Internal Audit.

Reasonable

- Whilst there is a basically sound system of internal control, there are weaknesses which do not have a risk impact but have been raised to highlight areas of inefficiencies. Advisory or Low risk assessment given. Actions recommended by Internal Audit.

Limited

- Weaknesses in the internal controls are such as to put the Service objectives at risk. Medium or High risk assessment given.

None

- Control is generally weak leaving the Service open to significant error or abuse.

South Lanarkshire Council Internal Audit Charter

Purpose

Internal Audit is an in-house, independent assurance function that provides an objective opinion and consultative guidance to South Lanarkshire Council and external clients on how well risks are controlled within their operations.

Internal Audit provides managers and elected members with assurance on how well processes and procedures in place are controlling the associated risks and recommends actions for improvements to ensure controls are effectively managed.

This complies with the definition of Internal Audit included within the Public Sector Internal Audit Standards (PSIAS):

“Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”

Compliance with PSIAS is mandatory from 1 April 2013.

The Standards were revised from 1 April 2017 to incorporate new and revised international standards resulting in additional public sector requirements and interpretations.

The Internal Audit service reports to the Risk and Audit Scrutiny Committee (RASC) who for the purposes of PSIAS are defined as the Board. This Committee serves as the Audit Committee for SLC and independently provides assurance on the soundness of the Council’s control environment and the adequacy of the risk management framework. It also delivers scrutiny and oversees external financial reporting processes. The Committee is made up of ten members of the Council and is chaired by a member of the opposition party. Membership changes with each new Council to ensure political balance.

An Annual Statement of Assurance is provided to this Committee and elected members by the Audit and Compliance Manager, to report on the adequacy and effectiveness of the governance, risk management and control arrangements in place. Assurance is based on the professional practices outlined within Internal Audit’s Audit Manual.

The authority to deliver an internal audit service is contained within SLC’s Financial Regulations, Standing Orders and Scheme of Delegation (all of which are available on the intranet) as well as in the Council’s Counter Fraud, Bribery and Corruption Policy Statement and Strategy.

For internal audit work delivered to external bodies, authority is provided by the Accounts Commission’s ‘Code of Guidance on Following the Public Pound’ as well as Service Level Statements agreed with clients.

As well as professional standards Internal Audit will be bound by SLC local standards including the Employee Code of Conduct and the Code of Corporate Governance.

Relationship with the Risk and Audit Scrutiny Committee

The Executive Director Finance and Corporate Resources and the Audit and Compliance Manager should seek to maintain sound working relationships with appropriate elected members and ensure that good channels of communication are maintained. Within South Lanarkshire Council, the Audit and Compliance Manager is considered to be the Chief Internal Auditor. The Chair of the RASC and the Audit and Compliance Manager may meet privately from time to time to discuss audit findings, the performance of the Committee and other related matters. Internal Audit report all findings from concluded assignments via progress reports to the RASC. Lines of communication between the Chairs of all Committees and the Audit and Compliance Manager will be open at all times.

All elected members are free to raise concerns directly with the Audit and Compliance Manager and input to the audit plan but these will be assessed in terms of risk prior to any audit work being undertaken.

Enquiries from elected members will follow the Council's protocols and guidance.

Objective

Internal Audit's objectives are to:

- improve internal control through provision of advice and guidance on preventative measures and good governance
- safeguard public expenditure and ensure control over Council capital, revenue and project expenditure and minimise loss through a programme of routine and contract audits
- promote compliance with all corporate standards and frameworks, ensure that management information is produced accurately and safeguard the Council's computer and on-line transactions with particular emphasis on security, efficiency and sustainable service delivery
- deliver objective assurance over controls within operational and financial systems and governance arrangements
- contribute to efficiency by identifying opportunities and leading the management of the fraud risk
- promote risk awareness and plan risk-based audit work within available resources
- meet agreed targets directing all efforts towards sound performance in all areas

In delivering the above objectives, Council values and Performance and Development requirements will be adhered to.

Role and Scope of Work

To provide the assurance of controls in place within processes and procedures across the entire control environment of the organisation, Internal Audit will:

- independently review and appraise all systems of financial and operational control in terms of their adequacy and application;
- ascertain the extent of compliance with financial and operational procedures, policies, regulations and legislation and their impact on operations;
- advise on control implications for new and modified IT systems;
- provide advice and guidance and contribute to working groups and ad-hoc strategic exercises;
- provide consultancy services (which is defined for the purposes on PSIAS as pertaining to the provision of advice and guidance to Council Resources) on a secondment or

group representation basis, provided this does not compromise independence and that a sufficient period elapses before auditors formally review those services where consultancy has been provided (usually one year);

- perform periodic governance checks;
- provide written assurance in selected areas as well as an overall opinion at least once per annum;
- recommend improvements in control, performance and productivity in achieving corporate objectives;
- follow-up the extent to which earlier recommendations have been implemented;
- work in partnership with external auditors;
- detect, prevent and investigate fraud and crime in accordance with approved anti-fraud strategies and policies.
- undertake investigative audits in respect of potential fraud, irregularity and serious breaches of governance and, as such, is required to be notified of all suspected or detected fraud, corruption or impropriety. It also monitors devolved responsibility for investigation by Resources.

Internal audit testing may go beyond the records and adopt a more direct approach, including interviews, fact finding and on site surveys.

The existence of Internal Audit does not diminish the responsibility of management to exercise sound systems of internal control. It is clearly and solely a management responsibility to ensure that activities are conducted in a secure, efficient and well-ordered manner and that finances are safeguarded and used to maximum effect. This includes identifying and managing risks including fraud.

Managers are expected to provide requested information within a reasonable timescale and earlier than the equivalent timescale for Freedom of Information (FOI) Requests. Managers are expected to respond to assignment feedback requests, usually within seven days and to draft reports within fourteen days.

Internal Audit charges a fee for work performed for external clients, subject to agreed Service Level Statements. In addition, Internal Audit may undertake work relating to external bodies funded by the Council or partners, as authorised by the Following the Public Pound guidance.

Internal Audit may work jointly with neighbouring authorities, local health boards, Scottish Government departments and external auditors on a variety of projects, aimed at improving the control and/or efficiency environment of public sector bodies.

Independence

Internal Audit is located within Audit and Compliance Services, under the direction of the Proper Officer, the Executive Director Finance and Corporate Resources.

In addition, general management duties will be delegated from the Executive Director Finance and Corporate Resources to the Audit and Compliance Manager and will cover audit matters as well as general management duties, including representation on the Resources Senior Management Team.

The Audit and Compliance Manager has management responsibilities outwith Internal Audit for Funding and Compliance Services. It is recognised that arrangements are required to be in place for any audit work in this area to allow this to be managed independently of the Audit and Compliance Manager. The specific nature of these arrangements will be reported to the RASC when audit activity in this area is planned.

The establishment structure will comprise qualified and technician posts with a mix of professional specialisms. Structural reviews may take place from time to time and regular resource monitoring is reported to the RASC. Any reduction in resources which might jeopardise the delivery of assurance will be immediately reported to the Executive Director Finance and Corporate Resources in the first instance.

As far as is practicable, Internal Audit should not participate in the day-to-day operation of any internal systems of financial or operational control.

Plans will be formed to reflect organisational audit needs but within available resources.

Upon request from the Executive Director Finance and Corporate Resources, appropriate specialists from other departments should be made available to take part in any audit requiring specialist knowledge.

Within SLC, the Employee Code of Conduct provides guidance on the type and nature of interests that should be declared (including paid employment outside the Council and personal interests in contracts). Auditors must declare their interests in accordance with the Code of Conduct and with regard to the audit principle of independence, and notify the Audit and Compliance Manager of any conflicts of interest which may arise. This formal declaration is renewed on an annual basis but can be revisited should any conflicts arise.

Auditors will not be assigned to review or be involved in any activity where they have previously had operational or other involvement, usually within a period of one year. This includes instances where Internal Audit employees have been consulted during system, policy or procedural developments.

Access

Internal Auditors have authorisation from the Council to examine all council records, IT systems, cash, stores and other property, to obtain explanations and to enter Council property or land.

Access is unrestricted and shall be granted on demand and not necessarily be subject to prior notice.

Reporting

All planned audit assignments will formally be reported and every assignment will be closed after review by audit management. All Internal Audit reports will be submitted to the Executive Director Finance and Corporate Resources, and to recipients within the Resource being audited, including the Executive Director, Head of Service and the auditee. Circulation to the Chair of the Resource Committee is the responsibility of the Executive Director. Copies of reports relating to routine planned assignments will also be forwarded to external auditors.

The Audit Manager will plan for regular formal consultations with Heads of Service and Executive Directors, especially when preparing the formal audit plan. Feedback on performance and value of work undertaken will be sought. Heads of Service will be copied on every report affecting their area of responsibility. Effective relationships will be maintained by both parties and confidentiality of information will be protected, unless this would prevent the delivery of audit assurance. Timing of work is subject to consultation but this will not preclude unannounced visits when necessary or requested by Executive Officers or Members.

Best practice dictates that the Head of Internal Audit must report to those charged with governance. In SLC this means that the Audit and Compliance Manager reports to the Corporate Management Team (CMT) and the RASC.

The CMT is made up of Executive Directors covering all Council Resources, who for the purposes of PSIAS, are defined as Senior Management. The CMT endorses, as a minimum the Internal Audit Plan and the Internal Audit Annual Report, which provides the opinion on the adequacy and effectiveness of the Council's governance, risk management and control arrangements.

Internal Audit also reports plans, annual assurance and all audit findings to the RASC. For external clients, reports and opinions will also be offered to audit committees, where these exist, or to client Boards and senior management teams.

Escalation

The Audit and Compliance Manager has direct access, reports and is accountable to the Executive Director Finance and Corporate Resources, the Proper Officer, as defined in Section 95, Local Government Act 1973 and meets with this officer on a regular one to one basis.

This relationship will be the escalation route for issues arising within Internal Audit and for those matters where it is appropriate for the Chair of the RASC to be briefed. The Audit and Compliance Manager's relationship with the Chair of the RASC and elected members is detailed above within the section 'Relationship with the Risk and Audit Scrutiny Committee'.

Auditors will use escalation processes so that slippage in relation to the delivery of audit assignments can be dealt with swiftly.

The Audit and Compliance Manager also has direct access to the Council's Monitoring Officer and will use this route to report as appropriate.

Responsibilities

In delivering assurance, Internal Audit adopts a predominantly systems-based approach to audit. In discharge of this duty, the Audit and Compliance Manager will:

- prepare an annual plan for formal agreement
- deliver a range of audit assignments, resulting in reports for management. Occasionally, letters or memos, rather than full reports will be issued. This usually occurs where few concerns are raised during the audit or where work is of a rolling nature, for example spot cash counts
- make recommendations for improvements
- provide Committee reports and other briefings to provide advice or raise awareness of performance or risk issues
- ensure a system of close supervision of audit work, and maintain a review of audit files through the supervisory structure
- maintain a skill level within the section specifically for the investigation of fraud
- provide an annual opinion within a full annual audit assurance statement, for agreement with the Chief Executive and Executive Director Finance and Corporate Resources and onward presentation to the RASC.

Proposed 2024/2025 Internal Audit Plan

Appendix 3

Lead Resource	Audit assignment	Outline Scope	Days	Council Priority	Top Risk ranking	Priority
Governance and Corporate Tasks						
FCR	Governance Statement	Undertake review of evidence that supports SLC's Annual Governance Statement and provide 2023/2024 annual assurance statement for Glasgow City Region – City Deal.	5	Work to recover, progress and improve.		High
All	Informal Follow Up	Prompt Resources on a quarterly and monthly basis of actions due within that period. Collate responses for reporting.	6	Work to recover, progress and improve.		High
FCR	External Audit	Provide 2023/2024 general ledger data to External Audit for the audit of the financial accounts for the year ended 31 March 2024.	25	Work to recover, progress and improve.		Medium
FCR	2023/2024 Annual Report	Finalise 2023/2024 audit reports. Prepare annual statement of assurance for 2023/2024. Present to RASC.	65	Work to recover, progress and improve.		High
All	Attend internal and external working groups	Attend, respond to requests, participate in consultations and provide updates.	15	Work to recover, progress and improve.		Medium
All	Committee reporting	Prepare reports to present to RASC.	10	Work to recover, progress and improve.		High
All	2025/2026 Audit Plan	Undertake consultation, risk assessment, Resource and Section planning, set scopes and objectives and seek approval through preparation of reports.	10	Work to recover, progress and improve.		High
All	National Fraud Initiative	Conclude coordination of investigation of matches from 2022 National Fraud Initiative Exercise (including time to	65	Work to recover, progress and improve.	High	High

Lead Resource	Audit assignment	Outline Scope	Days	Council Priority	Top Risk ranking	Priority
		investigate some categories of matches). Report outcomes to RASC. Upload data for 2024 National Fraud Initiative Exercise.				
All	Advice and guidance	Provision of advice and guidance.	60	Work to recover, progress and improve.		High
All	Data Analytics	Develop strategy, train team and identify areas of application.	32	Work to recover, progress and improve.		High
Internal Controls						
All	General Follow Up	For all Council Resources, identify audit recommendations due in the period April 2023 to March 2024. Risk assess and follow-up to ensure implementation of all high risk actions.	15	Work to recover, progress and improve.		High
All	General contingency	Respond to requests for unplanned work.	62	Work to recover, progress and improve.		High
FCR	Fusion	Support implementation of project. Testing of system post implementation.	345	Work to recover, progress and improve.	High	High
All	Fraud	React to fraud alerts through internal and external sources and disseminate information as appropriate. Undertake investigations as required.	100	Work to recover, progress and improve.	High	High
EDR	Independent School Placements	Provide assurances that the joint process to review / agree the “placement” of a child / young person in an Independent School is working as intended.	35	Put people first and reduce inequality.	High	Medium

Lead Resource	Audit assignment	Outline Scope	Days	Council Priority	Top Risk ranking	Priority
EDR	School Funds	Provide advice and guidance on core controls (including online banking risks/controls).	25	Work to recover, progress and improve.	High	Medium
HTR	New Housing System	Work relating to the controls in the new housing system (key control areas such as systems access controls, systems permissions/rules and implications for segregation of duties and authorisation, audit trail and security of data).	25	Work to recover, progress and improve.	High	High
SWR	New Social Work system	Work relating to the controls in the system (key control areas such as systems access controls, systems permissions/rules and implications for segregation of duties and authorisation, audit trail and security of data)	25	Work to recover, progress and improve.	High	High
CER	Overtime	Review of audit actions and analysis of overtime data.	30	Work to recover, progress and improve.	High	Medium
SWR	Self Directed Support (SDS)	Assessment of how new system is addressing actions from original SDS audit (systems elements).	15	Put people first and reduce inequality.	High	Medium
EDR	Home Education	Review of the process to assess home education requests (considering points from the Child Protection Committee Learning Review).	35	Put people first and reduce inequality.	High	Medium
SWR	Prioritised Risk and Needs Assessment form	Review of the new form in place to assess and prioritise risks/needs in relation to requests for equipment and adaptations.	35	Put people first and reduce inequality.	High	Medium

Lead Resource	Audit assignment	Outline Scope	Days	Council Priority	Top Risk ranking	Priority
Risk Management						
EDR	PEF Risk Indicators	Provide data / risk indicators to facilitate analysis in line with areas falling within the risk indicator categories.	30	Put people first and reduce inequality.	High	Medium
All	SLC contingency planning / resilience response	Obtain assurances that lessons learned are being considered after incidents (covid, community alarms) or when new legislation is introduced (such as Martyn's Law) and the councils contingency plans / arrangements updated accordingly.	25	Work to recover, progress and improve.	High	Medium
All	Sustainability	Provide ongoing assurance that plans are practically deliverable in the short, medium and long term and that in-year progress against targets is monitored and reported.	45	Work towards a sustainable future in sustainable places.	Very High	Medium
All	Risk Register	Annual review of fraud risk registers.	5	Work to recover, progress and improve.	High	Medium
Delivery of an internal audit service to external clients						
N/A	Audit Plan	Deliver internal audit service to External Clients.	142	N/A	N/A	N/A
TOTAL DAYS			1,287			

Risk Assessment Criteria

Appendix 4

Materiality - value	• Systems that process significant income or expenditure.
Materiality - volume	• An estimate of the number of transactions processed by the systems / activities per annum.
Significance / profile	• The significance of the system / process to the activities of the Council.
Council's top risks	• Consideration of the Council's top risks and the controls that mitigate these risks (has IA reviewed the effectiveness of the controls recently / can IA add any value via review).
Change	• Recent changes to the system / process or the likelihood of change to the systems / process in the audit period planned.
Regulatory / contractual	• Extent to which the system / activity is subject to regulation or contractual obligation.
Other areas of assurance (assurance mapping)	• The extent to which a service / activity is monitored or audited by an external body (may mean less priority for IA work unless external reviews are highlighting risks that would benefit from IA review).
Prior audits / audit knowledge	• Highlighting areas of risk based on IA team knowledge (via output from previous audits, team knowledge/awareness).
Inherent susceptibility to fraud and corruption	• Areas where there is "opportunity" inherent within a system / activity for fraud and corruption to occur.
Staff turnover	• The turnover of staff, especially with key skills (new teams / areas with significant vacancies may bring risks via "opportunity for process not to be followed, controls to be overridden, such as appropriate authorisation or SOD).
Council priorities	• Consideration of the processes and systems that facilitate achievement of the council's priorities.

South Lanarkshire⁵ Council

Annual Audit Plan 2023/24



 AUDIT SCOTLAND

Prepared for South Lanarkshire Council
March 2024

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Introduction

Summary of planned audit work

1. John Boyd has been appointed by the Accounts Commission as external auditor of South Lanarkshire Council for the period from 2022/23 until 2026/27. The 2023/24 financial year is therefore the second of his five-year audit appointment. A brief biography of the audit team is provided at [Appendix 1](#).

2. This document summarises the work plan for the 2023/24 audit. The main elements of the audit include:

- an audit of the financial statements and an opinion on whether they give a true and fair view and are free from material misstatement
- an audit opinion on other statutory information published with the financial statements in the annual accounts, including the Management Commentary, the Annual Governance Statement, and the Remuneration Report
- consideration of arrangements in relation to wider scope areas: financial management; financial sustainability; vision, leadership and governance; and use of resources to improve outcomes
- consideration of Best Value arrangements
- providing assurance on the Housing Benefit Subsidy Claim, Non-Domestic Rates Return and the Whole of Government Accounts (WGA) return
- review of the Council's arrangements for preparing and publishing statutory performance information
- provision of an Independent Auditor's Report expressing my opinions on the different elements of the annual accounts and an Annual Audit Report setting out conclusions on the wide scope areas.

Respective responsibilities of the auditor and South Lanarkshire Council

3. The [Code of Audit Practice](#) sets out in detail the respective responsibilities of the auditor and South Lanarkshire Council. Key responsibilities are summarised below.

Auditor responsibilities

4. The auditor's responsibilities are established by the Local Government (Scotland) Act 1973 and the Code of Audit Practice (including [supplementary guidance](#)) and guided by the Financial Reporting Council's Ethical Standard.

5. Auditors in the public sector give an independent opinion on the financial statements and other information within the annual accounts. We also review and report on the wider scope arrangements in place at South Lanarkshire Council. In doing this, we aim to support improvement and accountability.

South Lanarkshire Council responsibilities

6. South Lanarkshire Council is responsible for maintaining adequate accounting records and internal controls and preparing financial statements for audit that give a true and fair view. They are also required to produce other reports in the annual accounts in accordance with statutory requirements.

7. South Lanarkshire Council has the primary responsibility for ensuring the proper financial stewardship of public funds, compliance with relevant legislation, and establishing effective arrangements for governance, propriety, and regularity that enable them to deliver their objectives.

Adding Value

8. Throughout the audit we aim to add value by: tailoring audit work to the circumstances of South Lanarkshire Council and the audit risks identified; being constructive and forward looking; providing independent conclusions; attending meetings of the Risk and Audit Scrutiny Committee; and by recommending and encouraging good practice. In so doing, we will help South Lanarkshire Council promote improved standards of governance, better management and decision making, and more effective use of resources.

Annual accounts

Introduction

9. The annual accounts are an essential part of demonstrating South Lanarkshire Council's stewardship of resources and its performance in the use of those resources.

10. The appointed auditor is required to perform an audit of the financial statements, consider other information within the annual accounts, and express a number of audit opinions in an Independent Auditor's Report in accordance with International Standards on Auditing (ISAs) in the UK, Practice Note 10 from the Public Audit Forum which interprets the ISAs for the public sector, and guidance from Audit Scotland.

11. We focus our work on the areas of highest risk. As part of our planning process, we perform a risk assessment highlighting the audit risks relating to each of the main financial systems relevant to the production of the financial statements.

Materiality

12. The concept of materiality is applied by auditors in planning and performing the audit, and in evaluating the effect of any uncorrected misstatements on the financial statements. We plan the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The assessment of what is material is a matter of professional judgement over both the amount and the nature of the misstatement.

Materiality levels for the 2023/24 audit

13. We assess materiality at different levels as described in [Exhibit 1](#). The materiality values for South Lanarkshire Council and its group are set out in [Exhibit 1](#).

Exhibit 1**2023/24 Materiality levels for South Lanarkshire Council and its group**

Materiality	Amount	Group
Planning materiality – This is the figure we calculate to assess the overall impact of audit adjustments on the financial statements. Materiality has been set based on our assessment of the needs of the users of the financial statements and the nature of the Council's operations. For the year ended 31 March 2024, we have set our materiality at 2% of gross expenditure (less Integration Joint Board contributions) based on the audited financial statements for 2022/23.	£27.0 million	£27.4 million
Performance materiality – This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality, this could indicate that further audit procedures are required. Using our professional judgement, we have assessed performance materiality at 70% of planning materiality.	£18.9 million	£19.0 million
Reporting threshold – We are required to report to those charged with governance on all unadjusted misstatements more than the 'reporting threshold' amount.	£1.35 million	£1.40 million

Source: Audit Scotland

Significant risks of material misstatement to the financial statements

14. Our risk assessment draws on our cumulative knowledge of South Lanarkshire Council, its major transaction streams, key systems of internal control, and risk management processes. It is informed by our discussions with management, meetings with internal audit, attendance at committees, and a review of supporting information.

15. Audit risk assessment is an iterative and dynamic process. Our assessment of risks set out in this plan may change as more information and evidence becomes available during the progress of the audit. Where such changes occur, we will advise management, and where relevant, report them to those charged with governance.

16. Based on our risk assessment process, we identified the following significant risks of material misstatement to the financial statements. These are risks which have the greatest impact on our planned audit procedures. [Exhibit 2](#) summarises the nature of the risks, management's sources of assurance over these risks, and the further audit procedures we plan to perform to gain assurance over the risks.

Exhibit 2**2023/24 Significant risks of material misstatement to the financial statements**

Significant risk of material misstatement	Management's sources of assurance	Planned audit response
<p>1. Risk of material misstatement due to fraud caused by management override of controls</p> <p>As stated in ISA (UK) 240, management is in a unique position to perpetrate fraud because of management's ability to override controls that otherwise appear to be operating effectively.</p>	<p>Owing to the nature of this risk, assurances from management are not applicable in this instance.</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. • Consider the need to test journal entries and other adjustments throughout the year. • Evaluate significant transactions outside the normal course of business. • Assess the adequacy of controls in place for identifying and disclosing related party relationship and transactions in the financial statements. • We will assess any changes to the methods and underlying assumptions used to prepare accounting estimates compared to the prior year.
<p>2. Estimation in the valuation of land and buildings.</p> <p>South Lanarkshire Council held land and buildings with a net book value of £3,342 million at 31 March 2023.</p> <p>There can be a significant degree of subjectivity in the valuation of land and buildings. Valuations are based on specialist and management assumptions, and changes in these can result in material changes to valuations.</p>	<ul style="list-style-type: none"> • Discussions with internal valuers and management. • Valuations carried out every five years as part of the rolling revaluation programme. • Detailed working papers to support year end reconciliation of assets to valuations, asset reviews and impairments. • Review of materiality in advance of year end. • Regular Asset Valuation Working Group meetings with representatives from 	<ul style="list-style-type: none"> • Review the information provided to the external valuer to assess for completeness. • Evaluate the competence, capabilities, and objectivity of the professional valuer. • Obtain an understanding of the management's involvement in the valuation process to assess if appropriate oversight has occurred. • Critically assess the approach South Lanarkshire Council has adopted to assess the risk that assets not subject to valuation are materially misstated and consider the robustness of that approach. • Review the appropriateness of the key assumptions used in the valuation of land and buildings as well as the underlying data used to support the estimate.

Significant risk of material misstatement	Management's sources of assurance	Planned audit response
<p>Valuations should reflect conditions at 31 March 2024 including those subject to valuation, those valued earlier in the year and those not re-valued.</p> <p>There is a risk that the carrying value of land and buildings does not reflect the current value as at 31 March 2024.</p>	<p>Finance and Property Services.</p> <ul style="list-style-type: none"> Procedures for council house year-end processes documented, user manual refreshed, and training rolled out. 	<ul style="list-style-type: none"> Critically assess the adequacy of South Lanarkshire Council's disclosures regarding the assumptions in relation to the valuation of land and buildings.

Source: Audit Scotland

17. As set out in ISA (UK) 240: *The auditor's responsibilities relating to fraud in an audit of financial statement*, there is a presumed risk of fraud over the recognition of revenue. There is a risk that revenue may be misstated resulting in a material misstatement in the financial statements.

18. We have rebutted this risk as funding received from the Scottish Government is clearly communicated and can be readily agreed to third party confirmations. In addition, we have considered South Lanarkshire Council's other income streams, and we have concluded there is limited opportunity or incentive to manipulate the recognition of income in the financial statements.

19. In line with Practice Note 10: *Audit of financial statements and regularity of public sector bodies in the United Kingdom*, as most public-sector bodies are net spending bodies, the risk of material misstatement due to fraud related to expenditure recognition may in some cases be greater than the risk relating to revenue recognition.

20. We have rebutted this risk as the main expenditure streams of South Lanarkshire Council can be readily forecast based on a predictable pattern of spend and mainly comprise a high volume of relatively low value items. We also consider there to be limited incentive and opportunity for the manipulation of expenditure recognition in the financial statements.

21. We have not, therefore, incorporated specific work into our audit plan in these areas over and above our standard audit procedures.

Other areas of audit focus

22. As part of our assessment of audit risks, we have identified other areas where we consider there are also risks of material misstatement to the financial statements. Based on our assessment of the likelihood and magnitude of the risks,

we do not consider these to represent significant risks. We will keep these areas under review as our audit progresses.

23. The area of specific audit focus is:

- The pension valuation due to the material value and significant assumptions used in the calculation of the carrying value. We will utilise the work of PwC as auditor expert in assessing the reasonableness of the methodology used and assumptions made by the Council's actuary, Hymans Robertson LLP, in arriving at the IAS 19 pension valuation as at 31 March 2024.

24. As part of our risk assessment, we have also identified the following areas where further work will be performed. These are not risk of material misstatement to the primary financial statements but areas we will keep under review:

- IFRS 16 takes effect for local government bodies from 2024/25. This will change the way in which South Lanarkshire Council accounts for operating leases, including recognising assets and liabilities for the rights and obligations arising from leases previously classified as operating leases. We will assess the Council's preparedness for this and review any disclosure made in relation to the new standard in line with guidance.
- The statutory override relating to valuation of infrastructure assets is due to end for the 2024/25 financial statements. We will review the progress made by the Council in preparing for this.

Group Consideration

25. As group auditors, we are required under ISA (UK) 600: *Audits of group financial statements (including the work of component auditors)* to obtain sufficient appropriate audit evidence on which to base our audit opinion on the group financial statements.

26. South Lanarkshire Council has a group which comprises the following component entities:

South Lanarkshire Council Group Structure

Significant Component

South Lanarkshire Council

Subsidiaries

Common Good Fund

South Lanarkshire Leisure and Culture Limited

Routes to Work South

Associates

Strathclyde Passenger Transport Authority
 Strathclyde Concessionary Travel Scheme Joint Board
 Lanarkshire Valuation Joint Board
 Clyde Valley Learning and Development Joint Committee

Joint Ventures

South Lanarkshire Integration Joint Board

27. Our planned audit approach for the components is informed by our assessment of risk at the component bodies and our consideration of the size and nature of assets, liabilities, and transaction streams.

28. The audits of the financial information of some of the components are performed by other auditors. These components have been assessed as being not significant through our audit planning process. No reliance will be placed on the work of these auditors.

29. We will obtain sufficient appropriate audit evidence in relation to the consolidation process and the financial information of the components on which to base our group audit opinion.

Audit of the trusts registered as Scottish charities

30. The Charities Accounts (Scotland) Regulations 2006 require charities to prepare annual accounts and require an accompanying auditor's report where any legislation requires an audit. The Local Government (Scotland) Act 1973 specifies the audit requirements for any trust fund where some or all members of a council are the sole trustees. Therefore, a full and separate audit and Independent Auditor's Report (opinion) is required for each registered charity where members of the council are sole trustees, irrespective of the size of the charity.

31. Members of the South Lanarkshire Council are sole trustees for 3 trusts registered as Scottish charities, with total assets of some £1.3 million. The preparation and audit of financial statements of registered charities is regulated by the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

32. Other than a significant risk of management override of controls, which has also been identified as a significant risk in respect of the council's annual accounts, no specific planning risks were identified in respect of the charity's accounts.

Materiality levels for the 2023/24 audit of trusts registered as Scottish charities

33. Materiality levels for the various trusts are set out in [Exhibit 3](#).

Exhibit 3

2023/24 Materiality levels for charitable trusts

Charitable trust	Planning Materiality	Performance Materiality	Reporting Threshold
The South Lanarkshire Charitable Trust	£2,400 (Based on 2% of audited 2022/23 net asset value)	£1,800 (Based on 75% of planning materiality)	£120
The South Lanarkshire Educational Trust	£2,200 (Based on 2% of audited 2022/23 net asset value)	£1,650 (Based on 75% of planning materiality)	£110
South Lanarkshire Council Charitable Trusts	£21,700 (Based on 2% of audited 2022/23 net asset value)	£16,300 (Based on 75% of planning materiality)	£1,100

Source: Audit Scotland

Wider Scope and Best Value

Introduction

34. Reflecting the fact that public money is involved, public audit is planned and undertaken from a wider perspective than in the private sector. The Code of Audit Practice sets out the four areas that frame the wider scope of public sector audit, and requires auditors to consider and conclude on the effectiveness and appropriateness of the arrangements in place for each wider scope area in audited bodies.

35. In summary, the four wider scope areas are:

- **Financial management** – this means having sound budgetary processes. We will consider the arrangements to secure sound financial management, including the strength of the financial management culture, accountability, and arrangements to prevent and detect fraud, error, and other irregularities.
- **Financial sustainability** – we will look ahead to consider whether the body is planning effectively to continue to deliver services, also comment on financial sustainability in the medium (two to five years) to longer term (longer than five years).
- **Vision, leadership, and governance** – we conclude on the clarity of plans in place to deliver the vision, strategy, and priorities adopted by South Lanarkshire Council. We also consider the effectiveness of the governance arrangements to support delivery.
- **Use of resources to improve outcomes** – we will consider how the Council demonstrates economy, efficiency, and effectiveness through the use of financial and other resources.

Wider scope risks

36. We have identified a significant risk in the wider scope area set out in [Exhibit 4](#). This exhibit sets out the risk, management's sources of assurance for the risk, and the further audit procedures we plan to perform to gain assurances over the risk.

Exhibit 4**2023/24 wider scope risks**

Description of risk	Management's sources of assurance	Planned audit response
<p>1. Financial Sustainability</p> <p>South Lanarkshire Council continues to operate in an increasingly complex and challenging environment, aiming to provide the best possible service within the resources available.</p> <p>Although a surplus position of £9.0 million is projected for 2023/24, the Council has identified a savings requirement of £95.8 million for the next four years to 2027/28.</p> <p>Management have implemented a programme of reviews to contribute towards addressing the financial pressures. However, there is a risk that the Council plans do not deliver the required savings to address the projected shortfall.</p>	<ul style="list-style-type: none"> • Regular budget monitoring and reporting • Setting financial strategy and financial plans, including savings proposals • Regular scrutiny of financial plans at governance committees • Ongoing programme of transformational reviews. • Members' Budget Working Group to provide political oversight on the Budget process. 	<ul style="list-style-type: none"> • Review of the Council's annual budget setting arrangements • Review and assessment of budget monitoring arrangements • Review of the Council's medium to longer term financial planning including how the Council aligns savings plans and transformation activity with strategic priorities. • On-going review of the council's financial position and delivery of planned savings.

Source: Audit Scotland

37. Our planned work on the wider scope areas is risk based and proportionate, and in addition to local risks, we may be asked by the Accounts Commission to consider specific risk areas which are impacting the public sector as a whole. We have not been asked to consider specific risks for 2023/24 audits, but we will remain cognisant of challenges identified in prior years such as climate change.

Best Value

38. Under the Code of Audit Practice, the audit of Best Value in councils is fully integrated within our annual audit work. Auditors are required to evaluate and report on the performance of councils in meeting their Best Value duties.

39. The arrangements to secure Best Value at South Lanarkshire Council will be assessed over the period of the audit appointment and will include an annual evaluation of risks and improvement areas and public performance reporting. We will also follow up findings reported previously on Best Value to

assess the pace and depth of improvement. This work will be integrated with the wider scope audit areas discussed above.

40. As part of our annual work on Best Value, we conduct thematic reviews as directed by the Accounts Commission. In 2023/24, the thematic review across the sector will be on workforce innovation and will consider how councils are responding to the current workforce challenge through building capacity, increasing productivity, and innovation. Our conclusions and judgements will be reported in a separate report to management and summarised in our Annual Audit Report.

41. At least once every five years, the Controller of Audit will report to the Accounts Commission on South Lanarkshire Council's performance in meeting its Best Value duties. The first year of the programme is from October 2023 to August 2024. South Lanarkshire Council is not included in that programme.

Reporting arrangements, timetable, and audit fee

Reporting arrangements

42. Matters arising from our audit will be reported on a timely basis and will include agreed action plans. Draft reports will be shared with the relevant officers to confirm factual accuracy.

43. We will provide:

- an Independent Auditor’s Report to South Lanarkshire Council and the Accounts Commission setting out our opinions on the annual accounts
- South Lanarkshire Council and the Accounts Commission with an Annual Audit Report containing observations and recommendations on significant matters which have arisen during the audit and conclusions on wider scope areas.

44. [Exhibit 5](#) outlines the target dates for our audit outputs set by the Accounts Commission. In determining the target reporting date, due regard is paid to the dates for approving the annual accounts set out in regulations of 30 September 2024.

45. We plan to issue our Independent Auditor’s Report and Annual Audit Report by the target date.

Exhibit 5 2023/24 Audit outputs

Audit Output	Target date	Audit and Risk Committee Date
Annual Audit Plan	31/03/2024	26/03/2024
Best Value Management Report	30/09/2024	25/06/2024
Independent Auditor's Report	30/09/2024	24/09/2024
Annual Audit Report	30/09/2024	24/09/2024

Source: Audit Scotland

46. All Annual Audit Plans and the outputs detailed in [Exhibit 5](#), and any other outputs on matters of public interest, will be published on our website: www.audit-scotland.gov.uk.



Timetable

47. To support an efficient audit, it is critical that the timetable for producing the annual accounts for audit is achieved. We have included a proposed timetable for the audit at [Exhibit 6](#) that has been discussed with management.

48. We will continue to work closely with management to identify the most efficient approach as appropriate and will keep timeframes and logistics for the completion of the audit under review. Progress will be discussed with management and finance officers over the course of the audit.

Exhibit 6

Proposed annual accounts timetable

 Key stage	 Provisional Date
Consideration of the unaudited annual accounts by those charged with governance	25 June 2024
Latest submission date for the receipt of the unaudited annual accounts with complete working papers package.	30 June 2024
Latest date for final clearance meeting with the Executive Director Finance and Corporate Resources	2 September 2024
Issue of draft Letter of Representation and proposed Independent Auditor's Report	9 September 2024
Agreement of audited and unsigned annual accounts	24 September 2024
Issue of Annual Audit Report to those charged with governance.	24 September 2024
Signed Independent Auditor's Report	24 September 2024
Certified Non-Domestic Rates Return	To be confirmed
Certified Housing Benefit subsidy claim	To be confirmed
Latest date for WGA assurance	To be confirmed

Source: Audit Scotland

Audit fee

49. In determining the audit fee, we have taken account of the risk exposure of the Council and the planned management assurances in place. Fee levels are also impacted by inflation which increases the cost of audit delivery. The agreed audit fee for 2023/24 is £625,070 as set out in [Exhibit 7](#).

Exhibit 7

Audit fees (including VAT)

Fee component	Fees (£)
External Auditor Remuneration	372,060
Pooled costs	13,560
Contribution to Performance and Best Value	117,440
Sectoral Cap Adjustment	118,510
2023/24 Audit fee	621,570
Audit of Charitable Trusts	3,500
Total 2023/24 fee	625,070

Source: Audit Scotland

50. In setting the fee for 2023/24, we have assumed that the South Lanarkshire Council has effective governance arrangements and will prepare a comprehensive and accurate set of annual accounts for audit in line with the agreed timetable for the audit. The audit fee assumes there will be no major change in respect of the scope of the audit during the year and where our audit cannot proceed as planned, a supplementary fee may be levied.

Other matters

Internal audit

51. It is the responsibility of South Lanarkshire Council to establish adequate internal audit arrangements. We will review the internal audit plan and the results of internal audit's work.

52. While we are not planning to place formal reliance on the work of internal audit in 2023/24, we will review internal audit reports and assess the impact of the findings on our financial statements and wider scope audit responsibilities.

Independence and objectivity

53. The audit team is independent of South Lanarkshire Council in accordance with relevant ethical requirements, including the Financial Reporting Council's Ethical Standard. This standard imposes stringent rules to ensure the independence and objectivity of auditors.

54. Audit Scotland has robust arrangements in place to ensure compliance with Ethical Standard including an annual '*fit and proper*' declaration for all members of staff. The arrangements are overseen by the Executive Director of Innovation and Quality, who serves as Audit Scotland's Ethics Partner.

55. The Ethical Standard requires auditors to communicate any relationships that may affect the independence and objectivity of the audit team. We are not aware of any such relationships pertaining to the audit of South Lanarkshire Council.

Audit Quality

56. Audit Scotland is committed to the consistent delivery of high-quality public audit. Audit quality requires ongoing attention and improvement to keep pace with external and internal changes. A document explaining the arrangements for providing assurance on the delivery of high-quality audits is available from the [Audit Scotland website](#).

57. The International Standards on Quality Management (ISQM) applicable to Audit Scotland for 2023/24 audits are:

- ISQM (UK) 1 which deals with an audit organisation's responsibilities to design, implement and operate a system of quality management (SoQM) for audits. Our SoQM consists of a variety of components, such as: our governance arrangements and culture to support audit quality, compliance with ethical requirements, ensuring we are dedicated to high-quality audit through our engagement performance and resourcing arrangements, and ensuring we have robust quality monitoring

arrangements in place. Audit Scotland carries out an annual evaluation of our SoQM and has concluded that we comply with this standard.

- ISQM (UK) 2 which sets out arrangements for conducting engagement quality reviews, which are performed by senior management not involved in the audit to review significant judgements and conclusions reached by the audit team, and the appropriateness of proposed audit opinions of high-risk audit engagements.

58. To monitor quality at an individual audit level, Audit Scotland also carries out internal quality reviews of a sample of audits. Additionally, the Institute of Chartered Accountants of England and Wales (ICAEW) carries out independent quality reviews.

59. Actions to address deficiencies identified by internal and external quality reviews are included in a rolling Quality Improvement Action Plan which is used to support continuous improvement. Progress with implementing planned actions is regularly monitored by Audit Scotland's Quality and Ethics Committee.

60. Audit Scotland may periodically seek your views on the quality of our service provision. The team would also welcome feedback more informally at any time.

Appendix 1: Your audit team

The audit team involved in the audit of the South Lanarkshire Council have significant experience in public sector audit.

John Boyd

Audit Director

jboyd@audit-scotland.gov.uk

John has overall responsibility for the Audit Engagement. He has considerable audit experience across public sector audits including local government, IJB, pension, health and central government sectors. John is the Audit Scotland Audit Services Group Lead for local authority audit and is a member of the Local Authority (Scotland) Accounting Advisory Committee (LASAAC).

Mark Ferris

Senior Audit Manager

mferris@audit-scotland.gov.uk

Mark has over 30 years of public sector audit experience and has delivered external audit services to a range of bodies including local authorities, health boards and central government bodies.

Amanda Barclay

Senior Auditor

abarclay@audit-scotland.gov.uk

Amanda has experience in planning and delivering audits. Amanda will work alongside the Senior Audit Manager to deliver the audit.

Corrinne Forsyth

Best Value Audit Manager

cforsyth@audit-scotland.gov.uk

Corrinne has worked for Audit Scotland for over 20 years. This year she is heading up Audit Scotland's BV Local Reporting Team and is leading on Best Value thematic work on workforce innovation in six councils. She worked on four Best Value thematic reports last year and has previously been involved in five Best Value Assurance Reports.

61. The local audit team is supported by a specialist technical accounting team, all of whom have significant experience of public bodies and work with accounting regulatory bodies.

62. Where possible and appropriate, we use our data analytics team to enable us to capture whole populations of your financial data. This analysis allows us to identify specific exceptions and anomalies within populations to enhance the focus of audit testing and support efficiency.

South Lanarkshire Council

Annual Audit Plan 2023/24

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

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Report

6

Report to: **Risk and Audit Scrutiny Committee**
 Date of Meeting: **26 March 2024**
 Report by: **Executive Director (Finance and Corporate Resources)**

Subject: **Internal Audit Activity as at 8 March 2024**

1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ update the Risk and Audit Scrutiny Committee (RASC) on progress of the Internal Audit service in the period 13 January to 8 March 2024

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that progress be noted.

3. Background

3.1. Findings from internal audit assignments are reported to the Committee throughout the year. The last progress report to the Committee was in January 2024 and reported on work completed in the period 14 October 2023 to 12 January 2024. This report covers all work completed in the period 13 January to 8 March 2024. Performance information is also included.

4. Delivery of the Internal Audit Plan: Progress

- 4.1. As at 29 February 2024, 33% of the 2023/2024 Audit Plan was complete to draft report stage with a further 22 assignments in progress.
- 4.2. In the reporting period, all elements of the Audit Plan have been progressed with a continuing focus on the National Fraud Initiative, investigative activities and external client audit plans. Alongside this, there has been a significant time commitment to the implementation of Oracle Fusion, a cloud based human resources and financial management system, within South Lanarkshire Council.
- 4.3. Internal Audit resources in the period have been deployed to assist with more technical and complex issues and time, across the team, to attend programme implementation working groups and meetings. Given limited resources and time constraints, priority areas are being selected for audit input. Internal Audit will provide resources to assist with the implementation of Fusion through to 31 March 2024 and activity reports to Committee will continue to include updates.
- 4.4. Key performance indicators reflecting quality, on time and within budget for the 2023/2024 Internal Audit Plan (at 29 February 2024) are summarised in Appendix 1 together with explanations. Performance across all indicators is satisfactory.

4.5. Appendix 2 lists all assignments completed in the period 13 January to 8 March 2024.

5. Progress against Strategy

5.1. The Public Sector Internal Audit Standards (PSIAS) require progress against the audit strategy to be monitored and reported to the Committee as part of regular monitoring reports that are presented at each meeting.

5.2. Delivery of the strategy in 2023/2024 will be evidenced by the completion of the Internal Audit Plan in-year and will be monitored through the performance indicators regularly reported to the Committee.

6. Employee Implications

6.1. There are no employee issues.

7. Financial Implications

7.1. A breakeven position for 2023/2024 is forecast at the end of the financial year for the Internal Audit section.

8. Climate Change, Sustainability and Environmental Implications

8.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

9. Other Implications

9.1. The main risks to the delivery of the Audit Plan are, generally, vacancies and team up-skilling requirements, unforeseen service demands and delays with client sign-off. These are mitigated by coaching and training, regular meetings and escalation processes as well as inclusion of contingency time within the annual plan. The risk of significant, subsequent amendments to the Plan, arising from a change in the Council's priorities or risks, are mitigated by regular re-assessment of capacity and Audit Plan content to allow incremental adjustments as the year progresses.

9.2. There are no implications for sustainability in terms of the information contained in this report.

10. Equality Impact Assessment and Consultation Arrangements

10.1. There is no requirement to equality assess the contents of this report.

10.2. Heads of Service are consulted on each and every audit assignment.

Jackie Taylor

Executive Director (Finance and Corporate Resources)

8 March 2024

Link(s) to Council Values/Priorities/Outcomes

♦ Accountable, effective, efficient and transparent

Previous References

♦ Risk and Audit Scrutiny Committee - 2023/2024 Internal Audit Plan, 7 March 2023

♦ Risk and Audit Scrutiny Committee - Internal Audit Activity as at 12 January 2024, 30 January 2024

List of Background Papers

- ◆ Figtree extracts of Action Plans

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

Yvonne Douglas, Audit and Compliance Manager

Tel: 01698 452618

E-mail: yvonne.douglas@southlanarkshire.gov.uk

Key audit performance indicators as at 29 February 2024

Appendix 1

Indicator	Numbers	Percentage	Target	Comment
Assignments delivered within budget	13/13	100%	80%	
Draft reports delivered within 6 weeks of file review	15/15	100%	80%	
2023/2024 Audit Plan completed to draft by 30 April 2024	11/33	33%	100%	100% of 2023/2024 Audit Plan to draft stage or in progress at 29 February 2024.
Internal Audit recommendations delivered on time	n/a	n/a	90%	No audit actions have fallen due in the period to 29 February 2024.
Client to agree findings and actions within 4 weeks of draft issue	12/12	100%	80%	

Job Number	Assignment name	Draft Issue	Final Issue	Assurance Info
I730080	Attend Procurement Working Group 2023/2024	08/03/2024	08/03/2024	Attendance at and participation in internal working groups.
I731082	Attend Information Governance Board 2023/2024	08/03/2024	08/03/2024	Attendance at and participation in internal working groups.
I732083	Attend SLACIAG 2023/2024	08/03/2024	08/03/2024	Attendance at and participation in external working groups.
I732084	Attend SLAIG 2023/2024	08/03/2024	08/03/2024	Attendance at and participation in external working groups.
I732085	Attend CASG 2023/2024	08/03/2024	08/03/2024	Attendance at and participation in external working groups.
I823042	Committee reporting 2023/2024	08/03/2024	08/03/2024	Provision of reports to Committee.
I810043	2024/2025 Audit Plan	08/03/2024	08/03/2024	Preparation and presentation of 2024/2025 Audit Plan to RASC for approval.
I737081	Attend Risk Sponsors Group 2023/2024	08/03/2024	08/03/2024	Attendance at and participation in internal working groups.

Report

7

Report to:	Risk and Audit Scrutiny Committee
Date of Meeting:	26 March 2024
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Forward Programme for Future Meetings
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ advise members of the forward programme for the meetings of the Risk and Audit Scrutiny Committee to 6 May 2025
- ◆ invite members to suggest topics for inclusion in the Committee's forward programme

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the report and the outline forward programme for the meetings of the Risk and Audit Scrutiny Committee to 6 May 2025, attached as an Appendix to the report, be noted.

3. Background

3.1. As part of a range of improvement measures introduced as a result of Audit Scotland's report on the Audit of Best Value and Community Planning (2009), an Action Plan was prepared. One of the actions was to include, as a standard agenda item, a list of items proposed for consideration at subsequent meetings of this Committee to provide an opportunity for members to inform future agendas. The outline forward programme to 6 May 2025 is attached, for members' information, as an Appendix to the report.

4. Employee Implications

4.1. There are no employee implications.

5. Financial Implications

5.1. There are no financial implications.

6. Climate Change, Sustainability and Environmental Implications

6.1. There are no Climate Change, Sustainability or Environmental implications in terms of the information contained within this report.

7. Other Implications

7.1. There are no risk implications in terms of the information contained within this report.

8. Equality Impact Assessment and Consultation Arrangements

- 8.1. The report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.
- 8.2. There was no requirement to undertake any consultation in terms of the information contained in this report.

Jackie Taylor

Executive Director (Finance and Corporate Resources)

28 February 2024

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Executive Committee 8 July 2009

List of Background Papers

- ◆ Audit Scotland Audit of Best Value and Community Planning

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

Elizabeth-Anne McGonigle, Administration Officer

Tel: 0738 5403101

E-mail:- elizabeth-anne.mcgonigle@southlanarkshire.gov.uk

APPENDIX – RASC OUTLINE FORWARD PROGRAMME

Meeting Date	Item	Responsibility
25 June 2024	Internal Audit Assurance Report 2023/2024	Audit and Compliance Manager
	Annual Governance Statement for 2023/2024 and Significant Governance Areas Quarter 4 Progress Report	Head of Administration and Legal Services
	Audit Scotland: Best Value Thematic Report	External Audit
	Unaudited Annual Accounts 2023/2024	Head of Finance (Strategy)
	Interim Management Report	External Audit
	Internal Audit Activity Report	Audit and Compliance Manager
	Audit Scotland – Financial Bulletin 2022/2023	Head of Finance (Strategy)
	Financial Resources Scrutiny Forum Activity	Head of Finance (Strategy)
24 September 2024	External Auditor's Annual Report to South Lanarkshire Council 2023/2024	External Audit
	Audited Annual Accounts 2023/2024	Head of Finance (Strategy)
	Internal Audit Activity Report	Audit and Compliance Manager
	2022 NFI Exercise	Audit and Compliance Manager
	Year End Insured Risks Report 2023/2024	Head of Finance (Transactions)
	Fraud Statistics Annual Report 2023/2024	Audit and Compliance Manager
19 November 2024	Internal Audit Activity Report	Audit and Compliance Manager
	Audit Scotland: The National Fraud Initiative in Scotland 2022	Audit and Compliance Manager

	Year End Risk Management Report 2023/2024 and Review of Council's Top Risks 2024/2025	Head of Finance (Transactions)
	Audit Scotland Report – Local Government in Scotland 2023	Head of Communications and Strategy
18 February 2025	Internal Audit Activity Report	Audit and Compliance Manager
	Performance and Review Scrutiny Forum Annual Update	Head of Communications and Strategy
	2025/2026 Internal Audit Plan	Audit and Compliance Manager
	Fraud Statistics Six Monthly Update 2024/2025	Audit and Compliance Manager
	Good Governance Update	Head of Administration and Legal Services
6 May 2025	Internal Audit Assurance Report 2024/2025	Audit and Compliance Manager
	Annual Governance Statement for 2024/2025 and Significant Governance Areas Quarter 4 Progress Report	Head of Administration and Legal Services
	Internal Audit Activity Report	Audit and Compliance Manager
	Audit Scotland – Financial Bulletin 2023/2024	Head of Finance (Strategy)
	Financial Resources Scrutiny Forum Activity	Head of Finance (Strategy)

N.B:- Audit Scotland national studies and reviews will appear as a recurring item but the frequency and subject matter will vary according to their programme.