

<b>Title of report</b>	2020/21 Annual Report and Accounts
<b>Public/Confidential</b>	Public
<b>Summary/purpose of report</b>	<p>In line with the terms of reference for the Audit and Assurance Committee and the Scottish Government's Audit and Assurance Committee handbook, the Audit and Assurance Committee has contributed to the preparation of the Annual Report and Accounts.</p> <p>This report summarises that process and recommendations and seeks the Council's approval of the Annual Report and Accounts.</p>
<b>Recommendations</b>	<p>The Council is asked to:</p> <ol style="list-style-type: none"> <li>1. accept the assurances from the Audit and Assurance Committee set out in section 9 of this report</li> <li>2. approve the 2020/21 Annual Report and Accounts</li> <li>3. note the positive annual report for 2020/21 to the Council and Auditor General for Scotland from the external auditors</li> <li>4. agree that it is content with the assurances provided by the Accountable Officer in the Letter of Representation to the external auditors.</li> </ol>
<b>Author</b>	Lynn Murray, Interim Director of Finance and Resources
<b>Responsible Officer</b>	Lorraine Gray, Chief Executive
<b>Link to Strategic Plan</b>	<p>The information in this report links to:</p> <p>Outcome 1: People who use services are protected by ensuring the regulated workforce is fit to practise.</p> <p>Outcome 2: The SSSC supports and enhances the development of the registered workforce to deliver high standards of practice and drive improvement.</p> <p>Outcome 3: Our workforce planning activities support employers, commissioners and policy</p>

	<p>makers to deliver a sustainable, integrated and innovative workforce.</p> <p>Outcome 4: The social work, social care and early years workforce is recognised as professional and regulated and valued for the difference it makes to people's lives.</p>
<b>Link to Risk Register</b>	<p>Risk 1: We fail to ensure that our system of regulation meets the needs of people who use services and workers.</p> <p>Risk 2: We fail to ensure that our workforce development function supports the workforce and employers to achieve the rights standards and qualifications to gain and maintain registration.</p> <p>Risk 3: We fail to meet corporate governance, external scrutiny and legal obligations.</p> <p>Risk 4: We fail to plan and resource our activities to deliver our digital strategy.</p> <p>Risk 5: We fail to provide value to stakeholders and demonstrate our impact.</p> <p>Risk 6: We fail to develop and support SSSC staff appropriately to ensure we have a motivated and skilled workforce to achieve our strategic outcomes.</p> <p>Risk 7: The SSSC fails to secure sufficient budget resources to fulfil the financial plans required to deliver the strategic plan.</p> <p>Risk 8: The current business continuity plan in place, is not up to date, for the SSSC.</p> <p>Risk 9: The SSSC is unable to operate due to effects of global pandemic COVID-19.</p>
<b>Impact assessments</b>	<ol style="list-style-type: none"> <li>1. An Equalities Impact Assessment was not required.</li> <li>2. A Data Protection Impact Assessment was not required.</li> <li>3. A Sustainability Impact Assessment was not required.</li> </ol>
<b>Documents attached</b>	<p>Appendix A: Annual Report and Accounts</p> <p>Appendix B: External Audit Report</p> <p>Appendix C: Letter of Representation</p>
<b>Background papers</b>	<p><a href="#">Link to Audit and Assurance Committee Annual Report to Council 27 May 2021</a></p>

	<a href="#">Link to Draft Annual Report and Accounts 2020-2021 Council 26 August 2021</a> <a href="#">Link to item 04 Audit and Assurance Committee Annual Report and Accounts 27 September 2021</a>
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## **EXECUTIVE SUMMARY**

1. This report brings together the suite of governance documents which are required for Council to approve the 2020/21 Annual Report and Accounts (appendix A).
2. The 2020/21 annual report from Grant Thornton, external auditors (appendix B) is prepared for the Council and the Auditor General for Scotland and includes an unmodified audit opinion on the audited elements of the Annual Report and Accounts as well as a summary of key findings and recommendations from the audit.
3. The Letter of Representation (appendix C) is provided to the external auditors and provides assurances from the Accountable Officer and Council in connection with the audit of the financial statements.
4. Following Council approval of the Annual Report and Accounts, they will be laid before Parliament by 31 December 2021.

## **AUDIT AND ASSURANCE COMMITTEE ASSURANCES TO COUNCIL**

5. This report sets out the actions and decisions taken by the Audit and Assurance Committee to recommend approval of the 2020/21 Annual Report and Accounts by Council.
6. The Audit and Assurance Committee reviewed the 2020/21 Annual Report and Accounts, including specific consideration of the governance statement, Letter of Representation and the external auditor's report on the Annual Report and Accounts.
7. All Council Members were invited to attend the Audit and Assurance Committee meeting on 26 August 2021 to provide feedback on the content of the draft 2020/21 Annual Report and Accounts. Council Members made no comments as they were content with the report.
8. The Audit and Assurance Committee reviewed its own priorities and performance and the effectiveness of audit arrangements and approved the Audit and Assurance Committee Annual Report to Council on 2 February 2021. The Council then approved the report on 27 May 2021.
9. As the Committee and Council approved the report prior to the end of the financial year, and before external audit completed their work on the 2020/21 Annual Report and Accounts, the Audit and Assurance Committee agreed additional assurances to Council at its meeting on 27 September 2021. The Committee:
  - a. reviewed the draft External Audit Annual Report (Appendix B) and noted the conclusions and recommendations (Appendix 2) from the external auditor

- b. considered and accepted the Letter of Representation (Appendix C) as appropriate for the Chief Executive and Accountable Officer to sign
- c. noted there were no incidences of fraud during the 2020/21 financial year
- d. reiterated their view that the standard of internal audit work and the reports produced during 2020/21 were good
- e. confirmed that we have continued to have a good working relationship between the Grant Thornton external audit team, SSSC staff and the Audit and Assurance Committee during the 2020/21 audit
- f. agreed that no concerns have been raised about management's interactions with audit or the internal control environment. This was confirmed by the external auditors to the Committee at the private meeting on 27 September 2021.
- g. concluded it is still of the opinion that the assurances supplied throughout the year are reliable, have integrity and are sufficiently comprehensive to support the Council and the Accountable Officer in their decision making and their accountability obligations
- h. is satisfied that there are sufficient mechanisms in place to allow the Committee to discharge its functions
- i. carried out a final review of the draft Annual Report and Accounts (Appendix A) and suggested some changes for officers to consider. We did not include these changes as they were not fundamental to the performance section of the report and there were limited resources available to amend the designed version at this late stage. The Committee endorsed the Annual Report and Accounts for submission to Council for approval.

## **CONSULTATION**

- 10. We consulted Members on the draft Annual Report and Accounts at the Council meeting on 26 August 2021 and again at the Audit and Assurance Committee meeting on 27 September 2021. Grant Thornton have completed their audit work and their report is included at Appendix B.

## **RISKS**

- 11. Grant Thornton have set out the risks in pages 6 to 9 of the External Audit report (Appendix B). Page 10 of that report covers significant estimates and judgements.

## **IMPLICATIONS**

### **Resourcing**

- 12. There are no financial, staffing, sustainability or legal implications arising from this report.

### **Compliance**

13. This report complies with legal, governance and financial governance requirements.

### **CONCLUSION**

14. There is an unmodified audit opinion on the financial statements and the external auditors were positive in their feedback on the Annual Report and Accounts and the accompanying working papers. By accepting the recommendations in this report, the Council is satisfied that the Annual Report and Accounts is fair, balanced, understandable and provides the information necessary for stakeholders to assess the SSSC's performance in a number of areas.
15. The Council is asked to approve the 2020/21 Annual Report and Accounts for submission to Scottish Government for laying before Parliament by 31 December 2021.
16. We acknowledge the work of staff within the Finance, Performance and Improvement and Communications departments particularly, in preparing the Annual Report and Accounts.