

<b>Title of report</b>	Audit and Assurance Committee Annual Report to the Council 2019/20 – Covering Report
<b>Public/confidential</b>	Public
<b>Action</b>	For review and comment
<b>Summary/purpose of report</b>	<p>The first draft of the Audit and Assurance Committee’s Annual Report to the Council is attached at Appendix 1. There are other opportunities to consider and revise this report prior to it being submitted for consideration at the Council meeting of 29 October 2020.</p> <p>This covering report highlights areas that the Committee may wish to consider. It also details the timetable for the agreement of the report prior to its submission to the Council, along with the 2019/20 Annual Report and Accounts on 29 October 2020.</p>
<b>Recommendations</b>	<p>The Audit and Assurance Committee is asked to:</p> <ol style="list-style-type: none"> <li>1. review and comment on the draft Audit and Assurance Committee Report to the Council (Appendix 1)</li> <li>2. note the timetable for submitting this report to the Council (Section 3)</li> <li>3. note there have been no incidences of fraud detected during the 2019/20 financial year.</li> </ol>
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<b>Link to Strategic Plan</b>	The information in this report is about our internal governance arrangements and therefore links to all our strategic objectives.
<b>Link to the Risk Register</b>	Risk 3: We fail to meet corporate governance, external scrutiny and legal obligations.

<b>Equality Impact Assessment (EIA)</b>	An EIA was not developed as the information in the report relates to matters of internal governance and does not impact on people with protected characteristics.
<b>Documents attached</b>	Appendix 1 – Draft Audit and Assurance Committee Report to Council Appendix 2 – Draft Governance Statement
<b>Background papers</b>	n/a

## **1.0 INTRODUCTION**

- 1.1 The Scottish Government Audit Committee Handbook recommends that the Audit and Assurance Committee should prepare an annual report for the Council.
- 1.2 There needs to be effective communication between the Audit and Assurance Committee and the Council. The SSSC already recognises this through consideration of Audit and Assurance Committee Minutes at Council meetings.
- 1.3 The Annual Report enhances this communication by providing the Audit and Assurance Committee's conclusions from the work it has done during the year, an overall assessment of the SSSC's governance and risk management framework and identifying priorities for the year ahead.

## **2.0 SPECIFIC ISSUES**

This section draws Members' attention to specific areas of the draft Audit and Assurance Committee Annual Report to the Council. This is a draft report and some sections (*in italics*) have yet to be finalised.

### **2.1 Section 3.5 - Other Work**

The Committee should be satisfied that the section has appropriately captured and described the work of the Committee during 2019/20.

### **2.2 Section 3.6 – Priorities for the Coming Year**

The Committee should be satisfied that this does reflect the key priorities for this Committee. Please note this section of the draft report is normally initially populated through drawing on the annual Committee effectiveness review. As this is the first year of the newly constituted Audit and Assurance Committee and no effectiveness review has yet been undertaken it is important that the Committee is content with this section.

### **2.4 Section 6 – Quality of Internal Audit**

The Internal Auditors provided the Internal Audit Annual Report to the Audit and Assurance Committee on 28 July 2020 (elsewhere on this agenda) and this will assist Committee to form the opinion provided in this section. This section currently contains similar wording to the previous year's report. The Committee is requested to provide an updated opinion.

### **2.5 Section 7 – Quality of External Audit**

The Committee should be satisfied that this section reflects their opinion of the quality of external audit for the year. A draft opinion is currently included in Section 7. The Committee is asked to restate this opinion as appropriate.

### **2.6 Section 8 – Governance Statement**

The Annual Governance Statement is an integral part of the Annual Report and Accounts and is a statement that merits specific attention by the Audit and Assurance Committee. The draft Governance Statement for 2019/20 is included at Appendix 2 of this report.

Section 78 of the draft Audit and Assurance Committee Annual Report has been drafted to show the Audit and Assurance Committee giving positive assurance on the Governance Statement.

### 2.7 **Section 9 – Assurance Opinion**

Section 9 of the draft Audit and Assurance Committee Annual Report has been prepared to show the Audit and Assurance Committee providing a positive unqualified opinion on the reliability, integrity and completeness on assurances supplied.

The Audit and Assurance Committee should amend this opinion as appropriate based on the 2019/20 experience.

This section can be completed/amended once any private meetings with Internal and External Audit have been held.

### 2.8 **Section 10 - Annual Report and Accounts**

Section 10 of the draft Audit and Assurance Committee Annual Report has been prepared to show the Audit and Assurance Committee being content to recommend approval of the Annual Report and Accounts to the Council.

The final decision cannot be made until the Audit and Assurance Committee meeting on 6 October 2020 when the Annual Report and Accounts are presented along with the external auditors' report.

## 3.0 **TIMETABLE**

First draft of Audit and Assurance Committee Annual Report	28 July 2020  Audit and Assurance Committee to take an initial overview of the report, update opinions as appropriate and suggest areas where the report can be improved.  Comments and feedback from the Audit and Assurance Committee on the governance statement will be incorporated in the report.
Committee members invited to make any additional comments on the report and governance statement via electronic communications.	29 July to 14 August 2020
Audit and Assurance Committee special meeting.	6 October 2020  All Council members invited to attend. External Audit are invited to attend. Purpose is:

	<ul style="list-style-type: none"> <li>to review 2nd draft of the Audit and Assurance Committees Annual report</li> <li>to review the draft Annual Report and Accounts and make comment, instruct any changes or agree as presented</li> <li>to review External Auditors report</li> <li>Audit and Assurance Committee ordinary members to approve the recommendations to Council.</li> </ul>
Further comments to be provided by members electronically.	6 October 2020 to 13 October 2020
Further comments considered and, where necessary, incorporated into the annual report.	14 October to 19 October 2020
Annual report finalised for inclusion in Council's papers	20 October 2020 to 22 October 2020
Audit and Assurance Committee Report to go to Council for approval.	<p>Council 29 October 2020</p> <p>Consideration of Audit and Assurance Committee Annual Report to Council.</p> <p>Council will be asked to approve the 2019/20 Annual Report and Accounts.</p>
Chief Executive signs the report and we arrange for it to be laid before Parliament.	October 2020

#### **4.0 FRAUD**

4.1 No incidences of fraud were detected during the 2019/20 financial year.

#### **5.0 RESOURCE IMPLICATIONS**

5.1 There are no financial or human resources implications to consider.

#### **6.0 LEGAL IMPLICATIONS**

6.1 Auditors ensure that systems, processes and governance of the SSSC are in accordance with guidance issued by Scottish Government and comply with relevant law.

## **7.0 STAKEHOLDER ENGAGEMENT**

- 7.1 There are no immediate implications for stakeholder engagement, but the application of good governance helps to ensure that the service we provide to our stakeholders is as good as it can be.

## **8.0 IMPACT ON PEOPLE USING SOCIAL SERVICES AND CARERS**

- 8.1 An annual report from the Audit and Assurance Committee to Council is recommended good governance practice. Delivering good governance ensures the SSSC's resources and capacity are directed towards contributing to improving the lives of people who use care services and their carers'.