



REPORT TO: AUDIT AND SCRUTINY COMMITTEE ON 1 SEPTEMBER 2021

SUBJECT: AUDIT SCOTLAND MANAGEMENT REPORT 2020/21

BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)

1. REASON FOR REPORT

1.1 To provide the Committee with a copy of the external auditor's management report for 2020/21.

1.2 This report is submitted to Committee in terms of Section III (I) (8) of the Council's Scheme of Administration relating to consideration of reports produced by the Council's external auditor.

2. RECOMMENDATION

2.1 It is recommended that the Committee considers and notes the management report for 2020/21 written by the Council's external auditor.

3. BACKGROUND

3.1 The Council's external auditor, Audit Scotland, has written a management report which is attached as an **APPENDIX 1** to this report. The report contains a summary of the key issues identified during the interim audit work for the 2020/21 accounts, which is undertaken to gain assurance over the processes and systems used in the preparation of the annual accounts.

3.2 The audit findings, management response and auditor's additional work planned in respect of the four control weaknesses identified are detailed in the report. These control weaknesses have been identified in previous years.

3.3 The report also considers the wider dimension audit work carried out in the interim audit and sets out the findings and action plan. One issue, which is Risk Management, has been identified for consideration.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

The work of the external auditor provides assurance on key elements of the Council's governance arrangements, which are central to delivery of Council and community priorities.

(b) Policy and Legal

The audit is conducted in terms of statutory powers afforded to the external auditor and in compliance with Audit Scotland's Code of Audit Practice.

(c) Financial implications

There are no financial implications arising directly from this report.

(d) Risk Implications

Additional audit work is planned to give assurance in areas of risk highlighted in the report.

(e) Staffing Implications

The report recommends additional resource for risk management, which may have staffing implications. This will be addressed as part of the Council's response to the management report.

(f) Property

There are no property implications arising from this report.

(g) Equalities/Socio Economic Impact

There are no implications for equalities or the socio-economic duty arising from this report.

(h) Consultations

The Corporate Management Team were consulted regarding the response to the recommendation in the management report.

5. CONCLUSION

5.1 The management report is part of the external audit reporting for 2020/21 and is submitted to the Audit and Scrutiny Committee for its consideration.

Author of Report: Lorraine Paisey. Chief Financial Officer

Background Papers:

Ref: SPMAN-1293228629-586 / SPMAN-1293228629-585