
Report to Audit & Scrutiny Committee

Date of Meeting: 30 October 2025

Subject: Audit & Scrutiny Committee Annual Report

Report by: Strategic Director, Partnership & Performance

1.0 Purpose

- 1.1. The purpose of this report is to present to Committee the 2024/2025 Audit and Scrutiny Committee Annual Report.

2.0 Recommendations

It is recommended that:

- 2.1. Committee note, challenge and comment on the report.
- 2.2. Agrees to submit its Annual Report 2024/2025 (Appendix A) to the next available Council meeting for comment, challenge and approval.

3.0 Considerations

- 3.1. Guidance published by the Chartered Institute of Professional Finance and Accountancy (CIPFA) in 2022 is accepted as best practice for local authority Audit Committees.
- 3.2. The CIPFA guidance recommends that all Audit Committees should “prepare an annual report that provides assurance to all those charged with governance that it fulfils its purpose and can demonstrate its impact” (Audit Committees Practical Guidance for Local Authorities and Police, published by CIPA in 2022)
- 3.3. The annual report (Appendix A) has been prepared to inform Clackmannanshire Council of the work undertaken by the Audit and Scrutiny Committee during 2024/2025.
- 3.4. The report was, as in previous years, informed, in part, by Committee members undertaking a self-assessment, based on the CIPDA Audit Committee Position Statement.

- 3.5. The self-assessment took place on the 16 September 2025 during an informal hybrid meeting of the Committee
- 3.6. Chair and Vice Chair of the Committee have also been asked for their thoughts in relation to the operation/impact of the Committee. They indicate that the work completed by the Committee in 2024/25 fulfills the agreed remit of the Committee and offers reasonable assurance that the Council's control environment, corporate risk management systems, and overall governance framework operated effectively over this period.
- 3.7. The Chair and Vice Chair however note that internal audit assurance remains at limited however they remain assured that Senior Officers are taking steps to ensure weaknesses are addressed and it is hoped that the level of assurance improve.

4.0 Sustainability Implications

- 4.1. There are no sustainability implications arising from this report.

5.0 Resource Implications

5.1. Financial Details

- 5.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate.
Yes

- 5.3. Finance have been consulted and have agreed the financial implications as set out in the report. Yes ☒

- 5.4. *Staffing – there are no staff implications arising from this report.*

6.0 Exempt Reports

- 6.1. Is this report exempt? No ☒

7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) **Our Priorities** (Please double click on the check box ☒)

- Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all ☐
- Our families; children and young people will have the best possible start in life ☐
- Women and girls will be confident and aspirational, and achieve their full potential ☐
- Our communities will be resilient and empowered so that they can thrive and flourish ☐

(2) **Council Policies**

- Complies with relevant Council Policies ☒

8.0 Equalities Impact

8.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

An Equality Impact Assessment (EQIA) and Fairer Scotland Duty Assessment have not been prepared as this is a review report and does not relate to a new policy or strategy.

9.0 Legality

9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes ☒

10.0 Appendices

10.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

Audit and Scrutiny Committee – Annual Report 2024/2025

11.0 Background Papers

11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes ☒ (please list the documents below)

- Chartered Institute of Professional Finance and Accountancy (CIPFA)
Position Statement: Audit Committees in Local Authorities and Police

Author(s)

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Chris Alliston	Strategic Director	2184

Approved by

NAME	DESIGNATION	SIGNATURE
Chris Alliston	Strategic Director	



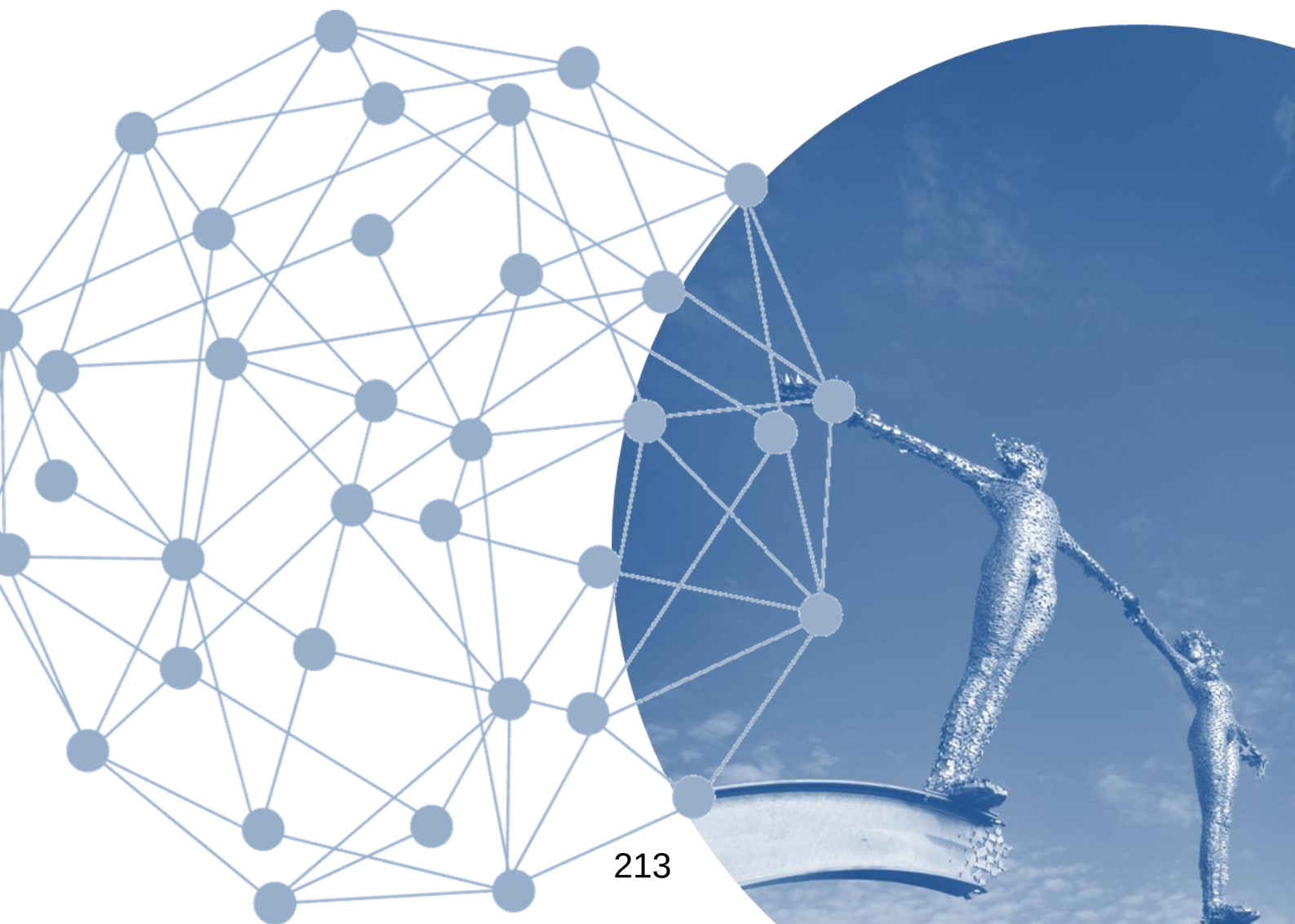
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Comhairle Siorrachd
Chlach Mhanann

Audit and Scrutiny Committee

Annual Report 2024/2025



1.0 INTRODUCTION

- 1.1. CIPFA guidance recommends that all Audit Committees should “prepare an annual report that provides assurance to all those charged with governance that it fulfils its purpose and can demonstrate its impact”.
- 1.2. This report has been prepared to inform Clackmannanshire Council of the work carried out and the impact of the Audit and Scrutiny Committee during the period 2024/2025.
- 1.3. The report also provides details of the Committee’s membership and training/briefing programme.

2.0 AUDIT AND SCRUTINY COMMITTEE REMIT

- 2.1. The Audit and Scrutiny Committee is an integral component of the Council’s corporate governance framework and provides an independent and high level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
- 2.2. The Audit and Scrutiny Committee provides independent assurance to the full Council of the adequacy of the risk management framework and the internal control environment.
- 2.3. The Committee provides independent review of the Council’s governance, risk management and control frameworks and oversees the financial reporting and annual governance processes.
- 2.4. The Committee oversees internal audit and external audit, helping to ensure effective assurance arrangements are in place.
- 2.5. The remit of the Audit and Scrutiny Committee as agreed by Council is

Audit & Finance

- Receive, review and consider reports on the Council’s finance
- Receive, review and consider reports on value for money and best value
- Consideration and monitoring of the Council’s Annual Governance Statement
- Consider internal audit reports and results of internal audit investigations
- Consider external audit and resultant action plans
- Monitor and review actions taken on internal and external audit recommendations
- Consider the effectiveness of the Council’s risk management procedures and the control environment
- Receive and consider reports on countering fraud and corruption.

Scrutiny

- Monitor council services, including the Health and Social Care Partnership (HSCP) against agreed outcomes, standards and targets
 - Monitor the achievement of organisation-wide agreed outcomes, standards and targets
 - Monitor the achievement of agreed outcomes, standards and targets by the community planning partnership
 - Monitor Police and Fire performance against Plans approved by the Council
 - Scrutiny of Council decision-making, with the ability to call in decisions
 - Initiate or undertake scrutiny reviews
 - Deal with matters referred by the Council for scrutiny purposes.
- 2.6. Committee meetings are hybrid with some members and presenters physically present and other attending using virtual meeting technology.
- 2.7. Recommendations from the Committee are presented to Council for approval.

3.0 MEMBERSHIP, ATTENDANCE AND INDEPENDENCE

- 3.1. Committee is comprised of 8 elected members with the leader of the opposition, Councillor Janine Rennie, appointed as Chair, and Councillor Denis Coyne, Conservative Group, Vice Chair.
- 3.2. Members of the Committee are as outlined in Appendix 1.
- 3.3. Committee met 6 times during session 2024/2025 with all meetings quorate.
- 3.4. The Strategic Director – Partnership and Performance supports the Committee and Committee is clerked by a member of the Councils legal team.
- 3.5. Strategic Directors, Senior Managers and Internal Audit routinely attend Committee. Representatives from external bodies including External Audit, Police Scotland and Scottish Fire and Rescue attend meetings as required.
- 3.6. To assist in preserving Committee's independence, measures are in place including:
- The appointment of an independent Chair and Vice chair from opposition parties
 - Non-political approach of the Committee
 - The involvement of internal and external audit
 - Clear terms of reference
 - Annual review

4.0 FORWARD PLAN AND MEETINGS

- 4.1. Committee agreed its forward plan for 2024/2025 in August 2024.
- 4.2. During the Council cycle Committee considered 58 reports, split 22 Audit and 36 Scrutiny (See Chart 1).

Chart 1 – Audit and Scrutiny Reports 2024/25



5.0 TRAINING

- 5.1. A range of briefings and other training opportunities were offered to all elected members during the 2024/2025 cycle (Table 1).
- 5.2. Member services maintain and update member training records.
- 5.3. At its meeting of 22 August 2024 Committee agreed the training plan as outlined at Table 2.
- 5.4. A number of training sessions are still outstanding although planning is either underway or an external provider is being sourced to ensure delivery.
- 5.5. In addition to the agreed training programme, the HR & Workforce Development team has continued to offer all elected members the opportunity to participate in a Council-wide training needs analysis, delivered through the Improvement Service's *Political Skills Assessment*.
- 5.6. To date four Elected Members have engaged with the process, designed to offer both personal, and member wide skills development opportunities. The offer to engage with political skills process will be available until recess, after which Officers will prepare outputs of the interviews undertaken to date.

Table 1 – Elected Members Training and Briefings 2024/2025

Subject Matter
All Members' Briefing - Council Papers
Briefing for Members of Planning Committee - Carsebridge House
Institute of Licensing - Taxi Conference
Scrutinising Performance & Risk
Integration Scheme
Scrutinising Performance & Risk
All Members' Briefing - St. Mungo's Consultation
All Members' Briefing Session on Planning Matters
All Members' Briefing - Social Work I.T System
All Members' Briefing - Communications & Engagement
All Members' Briefing - RAAC

Table 2: Audit and Scrutiny Committee Training Plan 2024/25

Training Subject	Progress	Update
Annual Governance Statement / Control Environment	Outstanding	Training date being sought from Council Officers
Cyber Security	Complete	
Performance and Risk (Phase 2)	Complete	
Principles of Best Value & VFM	Outstanding	Planning underway for joint session with Elected Members and Senior Leadership Forum
Fraud and Corruption	Outstanding	Planning underway for joint session with Elected Members and Senior Leadership Forum
Financial Monitoring / Scrutiny	Outstanding	External provider being sought for training delivery
"Mock Committee"	Outstanding	Officers to Progress

6.0 INTERNAL AUDIT

- 6.1. Internal Audit services are provided on the basis of a Joint Working Agreement with Falkirk Council. Work is underway to agree the new Joint Working Agreement for 2025/26, with the Council currently undertaking a recruitment exercise to increase our own resources.
- 6.2. The budget for internal audit provision is agreed each year but the total cost chargeable by Falkirk Council over the duration of the agreement is capped at £120,000 per annum.
- 6.3. Falkirk Council's Internal Audit, Risk, and Corporate Fraud Manager is responsible for the allocation of Clackmannanshire Council Internal Audit work to the most appropriate member of staff.
- 6.4. Clackmannanshire Council's Internal Audit Officer is solely employed on Clackmannanshire Council, Central Scotland Valuation Joint Board, and Clackmannanshire and Stirling Integration Joint Board Internal Audit work.
- 6.5. The Audit and Scrutiny Committee takes assurance from Internal Audit on a wide range of issues and an update report from the Internal Audit, Risk, and Corporate Fraud Manager is considered at each Committee meeting.
- 6.6. Internal Audit's Plan for 2024/25 was agreed by Audit Committee on 13/06/2024. It set out 15 assignment areas to be completed by the team during the year. Of the 15 assignments, 9 required an audit report to be issued to Clackmannanshire Council.
- 6.7. Five audit reports (completed to final report stage and issued to Clackmannanshire Council's senior management) have been reported to Committee this year. These included:
 - School Admissions;
 - IT and Information Security
 - Climate Change Act Public Bodies Duties Audit;
 - Asbestos Management Arrangements;
 - Follow Up of the Review of Leisure Banking
- 6.8. At the June 2024 meeting, Committee noted that 3 audit reviews are currently in progress and one (Follow Up of the Review of Purchase Order Arrangements for Adult Social Care) had not been started.
- 6.9. Based on the assignments undertaken by Internal Audit into the areas of operational delivery, as outlined in 6.7, an overall **limited assurance** was given in relation to the Council's arrangements for risk management, governance, and control for the year to 31 March 2025.

- 6.10. The full Internal Audit Annual Assurance Report for 2024/25 was presented to Committee in June 2025.
- 6.11. In providing its opinion, Internal Audit operated in compliance with the Public Sector Internal Audit Standards with no impairments or restrictions to scope or independence.

7.0 EXTERNAL AUDIT

- 7.1. External Audit is another key provider of assurance to the Committee. External Auditors are appointed by the Accounts Commission, who also monitor audit quality.
- 7.2. Deloitte were appointed as the Councils external auditors in 2022/2023.
- 7.3. The External Audit Plan for 2023/24 was submitted and approved by Council in October 2024.
- 7.4. The plan set out the planned audit activity in respect of the audit of the 2023/24 draft annual accounts and wider audit activity including Best Value.
- 7.5. No reports were submitted to Committee, by External Audit, for consideration during the 2024/2025 cycle.

8.0 CORPORATE RISK AND PERFORMANCE

- 8.1. The Councils Corporate Risk Register is scrutinised quarterly by Committee.
- 8.2. The 2024/2025 year end update on the Council's Corporate Risk Register was considered by Committee on 17th April 2025. The report outlined the purpose of risk management, the Corporate Risk management process and the current risk profile and development activity; relating to the Councils Risk Strategy approved by Council in October 2023.
- 8.3. The Corporate Performance report was presented to Committee in April 2025. This report presented a summary of key local demographics and Council performance data, up to and including the 2023/24 financial year, aligned to the current Statement of Corporate Priorities (2024/25). Appendix A of the report which forms part of the Council's statutory Public Performance Reporting (PPR) duties summarised relevant statistics and performance levels, including analysis, charts and detailed data tables. Scrutiny and reporting on key performance measures is also completed through regular Directorate Business Plan reports.

9.0 EXCEPTIONS FROM CONTRACT STANDING ORDERS

- 9.1. It is a requirement of Contract Standing Orders that exceptions should be reported to the next available Audit & Scrutiny Committee.
- 9.2. During the reporting period 15 exceptions were noted by Committee. Of the exceptions agreed the total contractual value amounted to £2,464,142.

10.0 POLICE SCOTLAND/SCOTTISH FIRE AND RESCUE SERVICE

- 10.1. The Police and Fire Reform (Scotland) Act 2012 outlines the duties of Police Scotland and the Scottish Fire and Rescue Service to work in partnership with local authorities.
- 10.2. Part of this duty is to ensure they regularly report on their activities and outcomes in each local area, relating to statutory local Police and Fire plans prepared by both agencies and approved through Council.
- 10.3. Six monthly reports are produced and presented to allow scrutiny by Clackmannanshire Council Audit and Scrutiny Committee, in line with requirements set out in the Reform act of 2012.

11.0 OTHER REPORTS

- 11.1. Committee also consider a number of other reports through the year including, Procurement Annual Report, Health and Safety Annual Report, Chief Social Work Officer Annual Report, Regulation of Investigatory Powers (Scotland) Act 2000, Financial Performance, Treasury Management, Risk Strategy Annual Report, HSCP Locality Performance, progress updates on outstanding Internal Audit Actions, Community Empower Act Annual Report, Portfolio Business Plan updates as well as a number of progress reports on key Council and Partner strategies.

12.0 SELF ASSESSMENT

- 12.1. The Self-Assessment for 2024/2025 was undertaken on the 16/09/2025 during an informal hybrid meeting of the Committee. The session was attended by the Chair, Vice Chair and Council Leader. Four Committee members completed the self-evaluation questionnaire.
- 12.2. Overall members present agreed with the statements as presented within the self-assessment (Appendix 2), noting the following actions:

- 12.2.1. The Chair expressed disappointment that not all members had undertaken the agreed action to complete the self-evaluation questionnaire.
- 12.2.2. To support reflection, review, and self-development, members agreed that, on a voluntary basis, Committee members would be invited to remain briefly after each meeting to reflect on what went well and identify areas for improvement.
- 12.2.3. Members requested that quarterly financial information from the Health and Social Care Partnership (HSCP) be presented to the Committee to enable robust scrutiny. The Strategic Director for Partnership and Performance will liaise with the Chief Officer and Chief Finance Officer of the HSCP to ensure regular reporting is provided.
- 12.2.4. Members expressed a preference for year-end accounts to be presented to the Audit and Scrutiny Committee prior to submission to Council, where possible. It was acknowledged that this may not always be feasible; however, where accounts are first presented to Council, they should subsequently be brought to Committee for further scrutiny and review.
- 12.2.5. Members noted that the Committee operated effectively during the 2024/2025 period, maintaining a non-political approach. Both opposition and administration members contributed constructively to ensure robust scrutiny of all papers presented.

13.0 CHAIR AND VICE CHAIR ASSURANCE STATEMENT

- 13.1. Over the past year, the Audit and Scrutiny Committee has continued to fulfil its remit with diligence and integrity, ensuring robust oversight of Clackmannanshire Council's financial management, governance, and service performance. The Committee met regularly to review amongst other business a number of significant reports (as outlined in the main report), monitor progress on audit recommendations, and scrutinise key areas such as financial performance and risk management.
- 13.2. As Chair and Vice Chair we are satisfied that the Council's internal control environment remains sound however we do note, based on the assignments as directed by Committee and undertaken by internal audit, assurance remains as limited. Whilst we are assured Senior Officers are taking steps to address these weaknesses the Audit and Scrutiny Committee will again have a significant role to play to ensure appropriate actions continue to be taken in the 2025/2026 financial year.

- 13.3. The Committee recognises ongoing challenges in financial sustainability and service delivery pressures, particularly in light of external economic conditions. We encourage continued vigilance and proactive risk management to maintain resilience. The Committee remains committed to supporting continuous improvement and transparency in governance for the benefit of Clackmannanshire's communities.

APPENDIX 1 – COMMITTEE MEMEMBERS



Councillor Janine Rennie
Chair



Councillor Denis Coyne
Vice Chair



Councillor Forson
Committee Member



Councillor Fairlie
Committee Member



Councillor Earle
Committee Member



Councillor Keogh
Committee Member



Councillor Benny
Committee Member



Councillor Quinn
Committee Member

APPENDIX 2 - Audit and Scrutiny Committee Development Planning Survey Results

The following survey questions were undertaken with members of the Audit and Scrutiny Committee to assist in development planning for them. The survey was split into two parts which focused on the CIPFA Self Evaluation draft answers and identifying training needs for members.

CIPFA Self Evaluation

Independent and Effective Model

The audit committee should be established so that it is independent of executive decision making and able to provide objective oversight. It is an advisory committee that has sufficient importance in the authority so that its recommendations and opinions carry weight and have influence with the leadership team and those charged with governance.

Do you feel that the Audit and Scrutiny Committee is:

Directly accountable to the authority's governing body
Independent from political influence
Empowered to have rights of access to and constructive engagement with other committees/functions/ strategic groups
Empowered to have rights to request reports and seek assurances from relevant officers
Of an appropriate size to operate as a cadre of experienced, trained committee members (large committees should be avoided)

There was overall consensus that these statements were met.

Co-opted Members

Does the Committee include co-opted independent members in accordance with the appropriate legislation (Where there is no legislative direction to include co-opted independent members, CIPFA recommends that each authority audit committee should include at least two co-opted independent members to provide appropriate technical expertise.

Do you feel that the Audit and Scrutiny Committee utilised Co-opted Members

Work undertaken by the previous Strategic Director – Partnership and Performance indicated that the size and arrangements of Clackmannanshire Council's Audit and Scrutiny Committee were broadly similar to other Councils with no requirement to co-opt external members, During review Committee reaffirmed that should there be a future requirement this would be taken forward.

Core Functions

The core functions of the audit committee are to provide oversight of a range of core governance and accountability arrangements, responses to the recommendations of assurance providers and helping to ensure robust arrangements are maintained. In relation to the maintenance of Governance, Risk and Control arrangements, does the Audit and Scrutiny Committee:

Support a comprehensive understanding of governance across the organisation and among all those charged with governance, fulfilling the principles of good governance

Consider the effectiveness of the authority's risk management arrangements. It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements

Monitor the effectiveness of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics and managing the authority's exposure to the risks of fraud and corruption

There was overall consensus that these statements were met

The core functions of the audit committee are to provide oversight of a range of core governance and accountability arrangements, responses to the recommendations of assurance providers and helping to ensure robust arrangements are maintained. In relation to Financial and Governance reporting does/Is the Audit and Scrutiny Committee:

Satisfied that the authority's accountability statements, including the annual governance statement, properly reflect the risk environment and any actions required to improve it, and demonstrate how governance supports the achievement of the authority's objectives

Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them

There was overall consensus that these statements were met

The core functions of the audit committee are to provide oversight of a range of core governance and accountability arrangements, responses to the recommendations of assurance providers and helping to ensure robust arrangements are maintained.

In relation to establishing appropriate and effective arrangements for Audit and Assurance, does the Audit and Scrutiny Committee:

Consider the arrangements in place to secure adequate assurance across the body's full range of operations and collaborations with other entities.

Consider the opinion, reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control, and monitor management action in response to the issues raised by external audit.

Contribute to the operation of efficient and effective external audit arrangements, supporting the independence of auditors and promoting audit quality.

Support effective relationships between all providers of assurance, audits and inspections, and the organisation, encouraging openness to challenge, review and accountability.

There was overall consensus that these statements were met

The core functions of the audit committee are to provide oversight of a range of core governance and accountability arrangements, responses to the recommendations of assurance providers and helping to ensure robust arrangements are maintained.

Does the Audit and Scrutiny Committee consider in relation to the authority's internal audit functions:

Oversee its independence, objectivity, performance and conformance to professional standards
Support effective arrangements for internal audit
Promote the effective use of internal audit within the assurance framework

There was overall consensus that these statements were met

Audit and Scrutiny Committee Membership

To provide the level of expertise and understanding required of the committee, and to have an appropriate level of influence within the authority, the members of the committee will need to be of high calibre. When selecting elected representatives to be on the committee or when co-opting independent members, aptitude should be considered alongside relevant knowledge, skills and experience.

Are the following characteristics of the Audit and Scrutiny Committee membership evident:

A membership that is trained to fulfil their role so that members are objective, have an inquiring and independent approach, and are knowledgeable
A membership that promotes good governance principles, identifying ways that better governance arrangement can help achieve the organisations objectives
A strong, independently minded chair, displaying a depth of knowledge, skills and interest

Members reaffirmed the view that there are highly skilled and experienced long-term Councillors on the Committee but welcome ongoing training and expressed the wish to see the outstanding elements of the previously agreed training plan delivered.

Does the Committee:

Show willingness to operate in an apolitical manner
Exhibit unbiased attitudes – treating auditors, the executive and management fairly
Exhibit ability to challenge the executive and senior managers when required
Exhibit knowledge, expertise and interest in the work of the committee

There was overall consensus that these statements were met.

Engagement and Outputs

The audit committee should be established and supported to enable it to address the full range of responsibilities within its terms of reference and to generate planned outputs.

To discharge its responsibilities effectively, does the Committee:

Meet regularly, at least for times a year, and have a clear policy on those items to be considered in private and those to be considered in public
Have the ability to meet privately and separately with the external auditor and internal audit manager
Include, as regular attendees, the Chief Finance Officer(s), the Chief Executive, the head of internal audit and the appointed external auditors; other attendees may include the monitoring officer and the Strategic Director of Partnership & Performance
Have the right to call on any other officers or agencies of the authority as required; recognise the independence of the chief constable in relation to operational policing matters
Support transparency, reporting regularly on its work to those charged with governance
Report annually on how the Committee has complied with the position statement, discharged its responsibilities and include an assessment on its performance. The report should be available to the public

There was overall consensus that these statements were met

