

South Ayrshire Council

**Report by Head of Finance, ICT and Procurement
to Audit and Governance Panel
of 25 January 2023**

Subject: External Audit Reports – Progress to 31 December 2022

1. Purpose

1.1 The purpose of this report is to provide Members with an update on the progress that the Council is making in relation to external audit improvement actions.

2. Recommendation

2.1 It is recommended that the Panel scrutinises the progress against the Council’s external audit improvement actions as presented in this report

3. Background

3.1 The Final Report on the 2021/22 Audit was presented to the Audit and Governance Panel (AGP) of 23 November 2022 (Special). This report covers progress against the two recommended improvement actions from that report.

3.2 The 2021/22 Audit Dimensions and Best Value Audit report to Members was presented to the AGP of 28 June 2022 (Special). There were no new recommended improvement actions arising from that report. Progress against the External Audit actions resulting from the October 2021 Best Value Assurance report were presented to the Audit and Governance Panel on 9 November 2022.

3.3 All External Audit actions from previous External Audit reports on the financial statement of the Council up to and including the 2020/21 financial statements are now complete.

4. Proposals

4.1 Progress to 31 December is summarised below:

Status of External Audit Actions as at 31 December 2021	On Target	Not on Target	Total
Annual Report on 2021/22 Audit – Nov 22	2	-	2
Overall	2	-	2

4.2 The latest update against each of the two actions is provided in [Appendix 1](#).

5. Legal and Procurement Implications

5.1 There are no legal implications arising from this report.

5.2 There are no procurement implications arising from this report.

6. Financial Implications

6.1 None.

7. Human Resources Implications

7.1 None.

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

8.1.1 There are no risks associated with adopting the recommendations.

8.2 *Risk Implications of Rejecting the Recommendations*

8.2.1 Rejecting the recommendations may impact on the reputation of the Council.

9. Equalities

9.1 The proposals in this report allow scrutiny of performance. The report does not involve proposals for policies, strategies, procedures, processes, financial decisions and activities (including service delivery), both new and at review, that affect the Council's communities and employees, therefore an equality impact assessment is not required.

10. Sustainable Development Implications

10.1 ***Considering Strategic Environmental Assessment (SEA)*** This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

11. Options Appraisal

11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. Link to Council Plan

12.1 The matters referred to in this report contribute to Commitment 1 of the Council Plan: Fair and Effective Leadership/ Leadership that promotes fairness.

13. Results of Consultation

13.1 There has been no public consultation on the contents of this report.

13.2 Consultation has taken place with Councillor Martin Dowey, Portfolio Holder for Corporate and Strategic, and the contents of this report reflect any feedback provided.

Background Papers **Report to Audit and Governance Panel of 22 June 2022 - [External Audit Reports – Progress to 31 March 2022](#)**

Report to Audit and Governance Panel of 7 September 2022 – [Best Value Action Plan 2021/22 – Update](#)

Report to Audit and Governance Panel of 9 November 2022 – [Best Value Action Plan 2021/22 - Update](#)



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External Audit Reports - Showing actions still to be completed

Generated on: 21 December 2022

Rows are sorted by Code

Report Title	Action	Due Date	Managed By	Latest Note	SAC Status	Progress	Agreed Revisions	Completed Date
EA2021/22 Final report on the 2021/22 Audit	<p>Recommendation: The property valuer should introduce as part of the annual valuations, similar to the exercise carried out as part of the audit to documentation their consideration of those assets not subject to valuation in the year to demonstrate that the carrying amount does not differ significantly from the current value.</p> <p>Management Response : A new step to be introduced to the year-end process to consider those assets not subject to valuation in the year.</p>	31-Mar-2023	Tim Baulk; Tom Burns	21-Dec-2022 Initial discussion have taken place between the Head of Finance, ICT and Procurement and the Service Lead - Asset Management and Community Asset Transfer regarding the inclusion of a new step in the annual valuation process to ensure compliance with this requirement		25%		
EA2021/22 Final report on the 2021/22 Audit	<p>Recommendation: The Council should revisit its UEL policy to consider whether alternative UEL's should be set for different types of assets.</p> <p>Management Response: Useful Economic Lives for Infrastructure Assets will be considered alongside national guidance and initiatives on this matter.</p>	31-Mar-2023	Tim Baulk; Tom Simpson	21-Dec-2022 Current statutory override in place at present - Awaiting further national guidance on any required changes to this approach.		10%		