



Renfrewshire Council

2023/24 Annual Audit Report to the Council and the Controller of Audit

October 2024



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Key messages

This report concludes our audit of Renfrewshire Council (the “Council”) for the year ended 31 March 2024. This section summarises the key findings and conclusions from our audit.

Financial statements audit

Audit opinion	<p>The annual accounts are to be considered and approved by the full Council on 24 October 2024.</p> <p>Our audit is complete and we anticipate issuing an unqualified independent auditor’s report.</p>
Key audit findings	<p>The Council has appropriate administrative processes in place to prepare the annual accounts and supporting working papers.</p> <p>The accounting policies used to prepare the financial statements are considered appropriate. We are satisfied with the appropriateness of the accounting estimates and judgements used in the preparation of the financial statements. All material disclosures required by relevant legislation and applicable accounting standards have been made appropriately.</p>
Audit adjustments	<p>We identified one material prior year restatement of £73.5 million in relation to the recognition of the unfunded element of the pension liability. This has been adjusted in the revised accounts. This issue emerged following the receipt of the 2024 actuary’s report which provided new information on this aspect of the pension liability for the first time. This amendment does not impact on useable reserves.</p> <p>We also identified some minor disclosure and presentational adjustments during our audit, all of which have been reflected in the final set of financial statements.</p>

Accounting systems and internal controls

We have applied a risk-based methodology to the audit. This approach requires us to document, evaluate and assess the Council's processes and internal controls relating to the financial reporting process.

Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we include these in this report. We consider the control environment within the Council to be satisfactory.

Wider scope audit

Section 102 School accommodation for Dargavel Village - Follow Up Review

In January 2024 the Accounts Commission (“the Commission”) considered the S102 report by the Controller of Audit on School Accommodation for Dargavel Village. Following this, the Commission asked the Controller of Audit to provide an update on the Council’s progress in responding to the Commission’s findings. The update report was presented to the Accounts Commission in August 2024.

The follow up report concluded that the Council continues to demonstrate that it is taking action to respond to the issues highlighted in the Bowles report. The auditor carried out further work to look at Council actions and progress in the five particular areas of concern identified by the Commission and the Controller of Audit was satisfied that the actions being taken by the Council are timely and appropriate.

The Council carried out its consultation on the proposed new primary school in line with statutory requirements and the independent consultant found that the process was robust. The consultation found significant support for a new school, however, there is no clear consensus on the proposed site and some respondents continued to highlight high school provision as a pressing issue although that was outwith the consultation scope. The Council has recognised that there is still work to do and reports it has developed plans for ongoing community engagement on the design and planning of the new school. The auditor will continue to monitor progress and developments in this area.

The Council has now concluded its review of risk management and has largely completed the actions arising from its review of governance arrangements. It has also completed its review of its Dargavel consultation and community engagement activity. The Council has made progress in its response to the issues raised in the Bowles report, but it is too early to conclude on the impact and effectiveness of some of the actions taken by the Council. The auditor will continue to monitor the impact of changes to governance and scrutiny arrangements, the leadership programme, and the council’s response to the review of its community engagement activity. There continues to be a public interest in the Council’s response to the Bowles report. It is critical that the Council is as transparent as possible about how it reaches key decisions and that appropriate records are kept. The auditor will provide further updates through Best Value reports.

The current capital cost of the new primary school in Dargavel is estimated at c£45million, with the capital cost of the secondary school extension at Park Mains High School (PMHS) at c£37million. The Council’s S75 Agreement with the Developer (BAE Systems) includes a requirement for a Developer contribution of approximately half of the costs associated with the PMHS extension.

At this point, the estimated net capital cost to the Council associated with the provision of education in Dargavel is c£63million. These costs are expected to be met from the application of the Council's existing capital fund (reserves) for the new primary school and from borrowing for the secondary school extension, resulting in anticipated annual interest payments of c£1.2 million per annum as the schools are constructed.

The costs do not include the running costs of the new school which the Council estimates, on a net basis, will be c£1.6 million per annum for the new Dargavel Primary school and Park Mains High School extension. These costs are early estimates and will crystallise once the additional schools buildings are complete and at full capacity which is expected within the next 5-10 years.

The estimated combined annual revenue impact associated with the Council's failure to properly estimate the school roll impact of the Dargavel development currently c£2.8 million and these additional costs will be borne over the lifetime of the schools currently estimated at 40 years. These unplanned annual costs are incorporated into the Council's medium term financial plan (MTFP) as they impact on budgets from the 2027 financial year. As noted below, the Council has included these additional costs in its MTFP which identifies a budget gap of up to £47million between existing expenditure plans and available funding.

We note that the Council has now approved that the new Dargavel Primary School to be funded from its Investment Capital Fund. This fund is held by the Council to support the Council's capital investment programme and to support the Council manage its long term debt position. This will therefore help the Council avoid c£3million in borrowing interest annual cost. However, using £45million of the fund to finance the new Dargavel School displaces the ability of the Council to apply that fund to support other capital projects.

The Council has implemented the significant majority of Bowles Report recommendations and is making good progress in delivering all remaining actions.

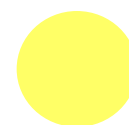
Wider scope themes

Financial Management

Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively.

Auditor judgement

Risk exists to the achievement of operational objective



Like all local authorities, financial management continues to remain challenging in the current funding and post-pandemic environment.

The Council reported a General Fund overspend of approximately £3.5 million for the year ending 31 March 2024, driven primarily by inflationary pressures and increased costs in various services, particularly within Children's Services, and Environment, Housing and Infrastructure services. The Council's revised budget was £513.6 million, with actual spend reaching £517 million. To manage the overspend, the Council applied reserves from its Financial Sustainability Fund.

Capital spending was within approved limits, although inflation and contractor availability affected the cost of projects and progress in delivering planned projects.

The Housing Revenue Account reported a break even position after utilising £0.3 million of reserves. Council tax collection decreased slightly from 95.5% to 94.3% but exceeded revenue expectations.

The Council's Treasury management strategies focused on mitigating risks amid economic uncertainty, resulting in a £13 million net increase in external borrowing, while temporary investments decreased by £81.2 million reflecting budget requirements.

The Council has appropriate financial monitoring arrangements in place and our audit has not identified any significant weaknesses in financial controls.

Financial Sustainability

Financial sustainability looks forward to the medium and longer term to consider whether the Council is planning effectively to continue to deliver its services and the way in which they should be delivered.

Auditor judgement



The Council approved its 2024/25 revenue budget at its meeting in February 2024 and agreed a freeze in council tax, which will provide the Council with £4.9 million of additional funding from Scottish Government, equivalent to a 4.4% council tax increase. The Council is currently projecting an overspend of £3.3million (or 1% of the budget) for the 2024/25 financial year.

Medium term financial sustainability remains challenging as the Council is estimating a budget deficit of between £47 million and £74 million for the forecast period from 2024/25 and 2027/28. These already challenging savings targets are inclusive of the additional revenue costs associated with the Dargavel Primary school issue.

The Council has reported cost savings of over £182 million since 2011 and further savings will be challenging to achieve without a detrimental impact on service provision. The Council must now make difficult decisions on spending priorities if it is to remain financially sustainable. The Council has clarified it will potentially utilise its Financial Sustainability Fund (reserves) to cover £31 million of the budget gap. The application of reserves does not provide a long term financially sustainable solution to the Council's current budget position and the Council is developing savings options for members approval and to be considered later this year.

The Council has an ambitious £730 million capital programme in place over the next five years for both housing and non-housing programmes. Since the pandemic, a number of factors have impacted the Council's ability to fully deliver its capital programme within the originally planned timescales. This has been due to a number of factors, including the complexity of the works, the cost of materials, supply chain issues and availability of contractors. Given the scale of the Council's ongoing capital programme delivery of this programme is likely to remain a continuing area of challenge.

Vision, Leadership and Governance

Vision, Leadership and Governance is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making, and transparent reporting of financial and performance information.

Auditor judgement



In June 2023, the Council agreed a refreshed Council Plan with refined priorities actions and indicators, in response to external audit feedback. The plan articulates the Council's vision, priorities and strategic objectives. The Plan has five main strategic outcomes: Place, Economy, Fair, Green and Living our values.

The Council has taken a number of steps to improve its governance and scrutiny arrangements over the year. It has completed a self-assessment against CIPFA guidance for local authority audit committees, benchmarked its governance against practice in other councils, established a cross-party working group to review governance and scrutiny arrangements and undertaken a review of risk management arrangements.

The Council continues to ensure its governance and scrutiny arrangements, including its culture, values and behaviours, are sufficient to prevent a recurrence of the historic issues identified in the Bowles Report.

The Council has approved and adopted a Local Code of Corporate Governance and complies with that Code.

Use of Resources to Improve Outcomes

Audited bodies need to make best use of their resources to meet stated outcomes and improvement objectives, through effective planning and working with strategic partners and communities. This includes demonstrating economy, efficiency, and effectiveness through the use of financial and other resources and reporting performance against outcomes.

Auditor judgement



Like all local authorities, the Council has been impacted by a high inflation economy and a challenging local government funding settlement which presents challenges for financial and service sustainability.

The Council has generally good arrangements for performance management and operates a layered performance management framework aligned to its strategic objectives. Performance reports are presented to policy boards and published on the Council' website using a wide range of user friendly and easy to follow presentations, dashboards and narrative. Some of this information may need updating to reflect the most recent performance results.

Performance in Education remains good, with the Council exceeding the national average and receiving positive reports from Education Scotland on all school inspections undertaken during 2023/24.

Best Value

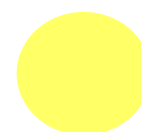
Appointed auditors have a duty to be satisfied that local government bodies have made proper arrangements to secure Best Value.

Workforce innovation

We have considered the effectiveness of council workforce innovation in accordance with the national thematic review programme set out by Audit Scotland. Our key findings and conclusions are reported in a separate report to the Council and summarised below.

Workforce innovation - how councils are responding to workforce challenges

Auditor judgement



We have concluded that the Council has appropriate workforce planning strategies and other policies in place with a flexible approach to new ways of working. The Council works collaboratively with its partners and continues to explore opportunities for working together. Through collaborative working, the Council shares knowledge and learns from partners, leading to enhanced service delivery and outcomes. The Council actively engages with its communities to deliver services in more innovative ways and to tackle digital exclusion. The Council's work has been recognised as a best practice example in the recent Accounts Commission report on [Tackling digital exclusion](#). There is awareness of the need, and drive for continuous improvement in this area. We noted some improvements are required in how the Council tracks benefits of new ways of working and how it tracks progress against both its strategy and individual service plans.

Best value Leadership thematic review follow-up

A Best Value review was undertaken on Renfrewshire Council in 2016/17. The Best Value Assurance Report (BVAR) includes recommendations to help the Council address the improvement areas identified during the audit. We have considered progress made by the Council in implementing the recommendations made in the BVAR. Our findings are summarised below.

Council leadership in developing new local strategic priorities

Auditor judgement



Last year we have performed a review of Council's arrangements in leadership and developing new local strategic priorities. We have concluded that the Council has a clear strategic ambition, supported by an appropriate strategic plan. We have also raised two recommendations.

1. To consider further priority setting to allow effective delivery of the Council's key outcomes.
2. The Council set a clear performance framework and service tracking of Council Plan objectives; The Council might want to revisit the way it tracks Plan objectives progress to ensure reporting is accurate

Both of these recommendations have been implemented.

Best value follow up

A Best Value review was undertaken on Renfrewshire Council in 2016/17. The Best Value Assurance Report (BVAR) includes recommendations to help the Council address the improvement areas identified during the audit. We have considered progress made by the Council in implementing the recommendations made in the BVAR. Our findings are summarised below.

Best value Assurance Report – follow up

Auditor judgement



The Council's BVAR identified eight recommendations and further progress has been made against each recommendation during the 2023/24 financial year. We note however that some of the recommendations are no longer relevant due to changed circumstances since the report was published.

Definition

We use the following gradings to provide an overall assessment of the arrangements in place as they relate to the wider scope and best value areas. The text provides a guide to the key criteria we use in the assessment, although not all of the criteria may exist in every case.



Introduction

The annual audit comprises the audit of the financial statements and the wider-scope and Best Value audit responsibilities set out in the Code of Audit Practice.

We outlined the scope of our audit in our External Audit Plan, which we presented to the Audit, Risk and Scrutiny Board at the outset of our audit. Subsequent to issuing the plan our risks remained the same, however we have updated our approach for the issues that have arisen since our plan was issued or when we have obtained further, more detailed knowledge, of a particular area of work as noted below.

Responsibilities

The Council is responsible for preparing its annual accounts, including financial statements which show a true and fair view, and for implementing appropriate internal control systems. The weaknesses or risks identified in this report are only those that have come to our attention during our normal audit work and may not be all that exist. Communication in this report of matters arising from the audit or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.

We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on, the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We would like to thank all management and staff for their co-operation and assistance during our audit.

Auditor independence

International Standards on Auditing in the UK (ISAs (UK)) require us to communicate on a timely basis all facts and matters that may have a bearing on our independence.

We confirm that we complied with the Financial Reporting Council's (FRC) Ethical Standard. In our professional judgement, we remained independent, and our objectivity has not been compromised in any way.

We set out in Appendix 1 our assessment and confirmation of independence.

Adding value

All of our clients quite rightly demand of us a positive contribution to meeting their ever-changing business needs. We add value by being constructive and forward looking, by identifying areas of improvement and by recommending and encouraging



good practice. In this way we aim to promote improved standards of governance, better management and decision making and more effective use of public money.

Any comments you may have on the service we provide would be greatly appreciated. Comments can be reported directly to any member of your audit team.

Openness and transparency

This report will be published on Audit Scotland's website www.audit-scotland.gov.uk.

Annual accounts audit

The Council's annual accounts are the principal means of accounting for the stewardship of its resources and its performance in the use of those resources.

Our audit opinion

Opinion	Basis for opinion	Conclusions
Financial statements	<p>We conduct our audit in accordance with applicable law and International Standards on Auditing.</p> <p>Our findings / conclusions to inform our opinion are set out in this section of our annual report.</p>	<p>The draft financial statements, Management commentary, remuneration report and corporate governance statement were considered by the Council and approved on 27 June 2024.</p> <p>We anticipate issuing unqualified audit opinions.</p> <p>We identified one material adjustment during our audit of the financial statements, as set out in Appendix 2. Management agreed to amend the draft financial statements for all of the errors and presentational points we identified.</p> <p>We received the draft annual accounts in line with our audit timetable. Our thanks go to the Finance team for their assistance with our work.</p>

Opinion	Basis for opinion	Conclusions
<p>Going concern basis of accounting</p>	<p>In the public sector, when assessing whether the going concern basis of accounting is appropriate, the anticipated provision of services is more relevant to the assessment than the continued existence of a particular public body.</p> <p>We assess whether there are plans to discontinue or privatise the Council's functions.</p> <p>Our wider scope audit work considers the financial sustainability of the Council.</p>	<p>Our understanding of the legislative framework and activities undertaken by the Council provides us with sufficient assurance that the services provided by the Council will continue to operate for at least 12 months from the signing date.</p> <p>Our audit opinion is unqualified in this respect.</p>
<p>Opinions prescribed by the Accounts Commission:</p> <ul style="list-style-type: none"> • Management Commentary • Corporate Governance Statement • Remuneration Report 	<p>We plan and perform audit procedures to gain assurance that the management commentary, corporate governance statement and the audited part of the remuneration report are prepared in accordance with:</p> <ul style="list-style-type: none"> • statutory guidance issued under the Local Government in Scotland Act 2003 (management Commentary); • the Delivering Good Governance in Local Government: Framework (corporate governance statement); and • the Local Authority Accounts (Scotland) Regulations 2014 (remuneration report) 	<p>We have concluded that:</p> <ul style="list-style-type: none"> • the information given in the management commentary is consistent with the financial statements and has been prepared in accordance with relevant statutory guidance; • the information given in the corporate governance statement is consistent with the financial statements and has been prepared in accordance with the Delivering Good Governance in Local Government: Framework; • the audited part of the Remuneration Report has been properly prepared in accordance with The Local Authority Accounts (Scotland) Regulations 2014.

Opinion	Basis for opinion	Conclusions
Matters reported by exception	<p>We are required to report on whether:</p> <ul style="list-style-type: none"> adequate accounting records have not been kept; or the financial statements and the audited part of the remuneration report are not in agreement with the accounting records; or we have not received all the information and explanations we require for our audit. 	We have no matters to report.

An overview of the scope of our audit

The scope of our audit was detailed in our External Audit Plan, which was presented to the Audit, Risk and Scrutiny Board in March 2024. The Plan explained that we follow a risk-based approach to our audit that reflects our overall assessment of the relevant risks that apply to the Council. This ensures that our audit focuses on the areas of highest risk (the significant risk areas). Planning is a continuous process, and our audit plan is subject to review during the course of the audit to take account of developments that arise.

We carried out a further review of our risk assessment following receipt of the unaudited annual report and accounts. Our risk assessment was then updated as follows:

- Risk of fraud in revenue recognition was focussed on the occurrence of grant revenue.
- Risk of fraud in expenditure was focussed on expenditure completeness.

In our audit, we test and examine information using sampling and other audit techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain evidence through performing a review of the significant accounting systems, substantive procedures and detailed analytical procedures.

Significant risk areas and key audit matters

Significant risks are defined by auditing standards as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, we consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement. Audit procedures were designed to mitigate these risks.

As required by the Code of Audit Practice and the planning guidance issued by Audit Scotland, we consider the significant risks for the audit that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the audit team (the 'Key Audit Matters'), as detailed in the tables below.

Our audit procedures relating to these matters were designed in the context of our audit of the annual accounts as a whole, and not to express an opinion on individual accounts or disclosures.

Our opinion on the annual accounts is not modified with respect to any of the risks described below.

Council's significant risks at the financial statement level

These risks are considered to have a pervasive impact on the financial statements as a whole and potentially affect many assertions for classes of transaction, account balances and disclosures.

Risk area	Management override of controls
<p>Significant risk description</p>	<p>Management of any entity is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>Although the level of risk will vary from entity to entity, this risk is nevertheless present in all entities. Due to the unpredictable way in which such override could occur, it is a risk of material misstatement due to fraud and thus a significant risk on all audits.</p> <p>This was considered to be a significant risk and Key Audit Matter for the audit.</p> <p>Inherent risk of material misstatement: Very High</p>

Risk area	Management override of controls
<p>How the scope of our audit responded to the significant risk</p>	<p>Key judgement</p> <p>There is the potential for management to use their judgement to influence the financial statements as well as the potential to override controls for specific transactions.</p> <p>Audit procedures</p> <ul style="list-style-type: none"> • Documenting our understanding of the journals posting process and evaluating the design effectiveness of management controls over journals. • Analysing the journals listing and determining criteria for selecting high risk and / or unusual journals. • Testing high risk and / or unusual journals posted during the year and after the unaudited annual accounts stage back to supporting documentation for appropriateness, corroboration and appropriate approval in line with the Council's journals policy. • Gaining an understanding of the accounting estimates and critical judgements made by management. We challenged key assumptions and considered the reasonableness and indicators of management bias which could result in material misstatement due to fraud. • Evaluating the rationale for any changes in accounting policies, estimates or significant unusual transactions.
<p>Key observations</p>	<p>We did not identify any indication of management override of controls from our audit work. We did not identify any areas of bias in key judgements made by management. Key judgements were consistent with prior years.</p>

Council’s significant risks at the assertion level for classes of transaction, account balances and disclosures

Key risk area	Fraud in revenue recognition
<p>Significant risk description</p>	<p>Material misstatement due to fraudulent financial reporting relating to revenue recognition is a presumed inherent risk on every audit unless it can be rebutted.</p> <p>The presumption is that the Council could adopt accounting policies or recognise income in such a way as to lead to a material misstatement in the reported financial position. Given the financial pressures facing the public sector as a whole, there is an inherent fraud risk associated with the recording of income around the year end.</p> <p>In respect of council tax income, non-domestic rates, housing rents and non-ring fenced government grants, however, we do not consider the revenue recognition risk to be significant due to a lack of incentive and opportunity to manipulate these revenue streams. The risk of fraud in relation to revenue recognition is however present in all other revenue streams.</p> <p>On review of the income transactions during the fieldwork we have narrowed this risk to occurrence risk over grant income, rather than the full population, as this would be an area for potential fraud or manipulation.</p> <p>This was considered to be a significant risk and Key Audit Matter for the audit.</p> <p>Inherent risk of material misstatement: Revenue (occurrence): High</p>
<p>How the scope of our audit responded to the significant risk</p>	<p>Key judgements</p> <p>Given the financial pressures facing the public sector as a whole, there is an inherent fraud risk associated with the recording of income around the year end.</p> <p>Audit procedures</p> <ul style="list-style-type: none"> Evaluating the significant income streams and reviewing the controls in place over accounting for revenue.

Key risk area	Fraud in revenue recognition
	<ul style="list-style-type: none"> • Considering key areas of income and obtaining evidence that income is recorded in line with appropriate accounting policies and the policies have been consistently applied during the year. • Substantively testing a sample of income items.
<p>Key observations</p>	<p>Our work in this area is complete.</p> <p>We did not identify any indication of fraud in revenue recognition and any significant issues in respect of this risk.</p>

Key risk area	Fraud in non-pay expenditure recognition
<p>Significant risk description</p>	<p>As most public sector bodies are net expenditure bodies, the risk of fraud is also present in relation to expenditure. There is a risk that expenditure may be materially misstated in the financial statements.</p> <p>On review of expenditure on non-pay transactions during our fieldwork we narrowed this risk to expenditure completeness as we regarded this aspect of expenditure to be at the highest risk for potential fraud or manipulation.</p> <p>Expenditure completeness was therefore considered to be a significant risk and Key Audit Matter for the audit.</p> <p>Inherent risk of material misstatement:</p> <ul style="list-style-type: none"> • Non-pay expenditure (completeness): High • Accruals (completeness): High

Key risk area	Fraud in non-pay expenditure recognition
<p>How the scope of our audit responded to the significant risk</p>	<p>Key judgements</p> <p>Given the financial pressures facing the public sector as a whole, there is an inherent fraud risk associated with the recording of accruals and expenditure around the year end.</p> <p>Audit procedures</p> <ul style="list-style-type: none"> • Evaluating the significant non-pay expenditure streams and the design of the key controls in place over accounting for expenditure. • Considering key areas of expenditure and obtaining evidence that expenditure is recorded in line with appropriate accounting policies and the policies have been consistently applied during the year. • Testing accruals around the year end to consider if there is any indication of understatement of balances held through consideration of accounting estimates.
<p>Key observations</p>	<p>We have not identified any issues as a result of this testing.</p>

Key risk area	Valuation of land and buildings and council dwellings (key accounting estimate)
<p>Significant risk description</p>	<p>The Council held council dwellings with a net book value of £733.9 million and land and buildings with a net book value of £375 million at 31 March 2024. The Council revalues land and buildings and council dwellings on a five-year rolling basis.</p> <p>Council dwellings are valued by the District Valuer using the beacon method which aggregates the vacant possession value of each unit of housing stock based on the value of a beacon or sample property. A full revaluation exercise is completed every five years. In interim years the values of beacon properties are updated to reflect key factors including changes in rental prices.</p> <p>Other land and buildings are held at fair value and revalued as part of the five-year rolling programme. In addition, indices are applied to all assets held at Depreciated Replacement Cost (DRC) to reflect market changes within the year.</p> <p>There is a significant degree of subjectivity in the measurement and valuation of investment property, land and buildings and council dwellings. This subjectivity and the material nature of the Council's asset base represents an increased risk of misstatement in the financial statements.</p> <p>Inherent risk of material misstatement: Investment property, land & buildings and council dwellings (valuation): Very High</p>
<p>How the scope of our audit responded to the significant risk</p>	<p>Key judgements</p> <p>Councils are required to revalue investment properties annually and property, plant and equipment with sufficient regularity to ensure that the carrying amount does not differ materially from the current value at 31 March.</p> <p>Audit procedures</p> <ul style="list-style-type: none"> Evaluating management processes and assumptions for the calculation of the estimates, the instructions issued to their valuation experts and the scope of their work.

<p>Key risk area</p>	<p>Valuation of land and buildings and council dwellings (key accounting estimate)</p>
	<ul style="list-style-type: none"> • Evaluating the competence, capabilities and objectivity of management’s valuation expert. • Considering the basis on which the valuations were carried out and challenging the key assumptions applied. • Evaluating the information used by the valuer to ensure it was relevant and consistent with our understanding. • Ensuring revaluations made during the year were input correctly into the Council’s fixed asset register and the accounting treatment applied was in line with the financial reporting framework. • Testing a sample of valuations against documentation and assumptions used.
<p>Key observations</p>	<p>Our audit has included a detailed assessment of the Council’s approach to assessing the carrying value of assets not revalued in the year. Our work focused on assets revalued on depreciated replacement cost basis and on any significant movements in valuations we identified and further tested.</p> <p>We are satisfied that the value of assets presented in the financial statements is reasonable.</p> <p>We have identified a minor point in relation to the reclassification of investment properties of £0.9 million which has been corrected in the final accounts.</p>

Key risk area	Valuation of defined benefit pension asset (key accounting estimate)
<p>Significant risk description</p>	<p>An actuarial estimate of the pension fund asset/liability is calculated on an annual basis under IAS 19 and on a triennial funding basis by an independent firm of actuaries with specialist knowledge and experience. The estimates are based on the most up to date membership data held by the pension fund and have regard to local factors such as mortality rates and expected pay rises with other assumptions around inflation when calculating the liabilities. There is a risk that the assumptions used are not appropriate.</p> <p>Inherent risk of material misstatement: Defined benefit pension asset (valuation): High</p>
<p>How the scope of our audit responded to the significant risk</p>	<p>Key judgements</p> <p>A significant level of estimation is required in order to determine the valuation of pension assets/liabilities. Small changes in the key assumptions (including discount rates, inflation and mortality rates) can have a material impact on the pension asset/liability.</p> <p>Audit procedures</p> <ul style="list-style-type: none"> • Evaluating management processes and assumptions for the calculation of the estimates, the instructions issued to their actuarial experts and the scope of their work. • Evaluating the competence, capabilities and objectivity of management’s actuarial expert. • Considering the basis on which the valuation was carried out and challenging the key assumptions applied. • Evaluating the information provided to the actuary for the purposes of their calculation of the IAS 19 estimate to ensure it was complete and consistent with our understanding. • Ensuring pension valuation movements made during the year were input correctly into the general ledger and financial statements and that the accounting treatment

Key risk area	Valuation of defined benefit pension asset (key accounting estimate)
	<p>applied was in line with the financial reporting framework.</p>
<p>Key observations</p>	<p>The IAS 19 actuarial report for the Council identifies a pension surplus (or pension asset) of £567.3 million (£434.1 million in 2022/23). Actuaries calculate the year end position based on a number of assumptions and, in recent years, increases in the discount rate assumption is the main factor in the pension asset calculation outcome following many years where a pension liability outcome was expected.</p> <p>Accounting standards require the Council to review the pension surplus and only recognise the lower of the surplus or an ‘asset ceiling’. The pension asset ceiling for this year limited the asset value to Nil and this has been correctly presented in the balance sheet.</p> <p>Prior year figures have been adjusted to show £73.5 million of the unfunded pension liability which needed to be separated from the funded position.</p> <p>We are satisfied that we have obtained reasonable assurance over the disclosures in the financial statements relating to the pension asset.</p>

Key risk area	Provision for doubtful debts (key accounting estimate)
Significant risk description	The Council in its annual accounts provides for material doubtful debts over sundry debtors.
How the scope of our audit responded to the significant risk	<p>Key judgements</p> <p>There is a significant degree of subjectivity in the measurement and valuation of provisions for doubtful debts. This subjectivity represents an increased risk of misstatement in the financial statements.</p> <p>Audit procedures</p> <ul style="list-style-type: none"> • Obtaining the breakdown of provisions and assessing the reasonableness of management’s judgements as well as challenging the appropriateness of any assumptions used. • Performing substantive testing on provisions for doubtful debts for sundry debtors where values and balances are derived by valuation and estimation.
Key observations	Our work in this area has not identified any issues.

Group and the Council materiality

Materiality is an expression of the relative significance of a matter in the context of the financial statements as a whole. A matter is material if its omission or misstatement would reasonably influence the decisions of an addressee of the auditor’s report. The assessment of what is material is a matter of professional judgement and is affected by our assessment of the risk profile the Council and the needs of users. We review our assessment of materiality throughout the audit.

Whilst our audit procedures are designed to identify misstatements which are material to our audit opinion, we also report to the Council and management any uncorrected misstatements of lower value errors to the extent that our audit identifies these.

Our initial assessment of materiality for the group financial statements was £18.1 million and the Council’s financial statements was £18 million. On receipt of the unaudited financial statements, we reassessed materiality and kept it at the same level. We consider that materiality levels have remained appropriate throughout our audit.

	Group £million	Council £million
Overall materiality for the financial statements	18.1	18.0
Performance materiality	13.5	13.5
Trivial threshold	0.500	0.500
Materiality	<p>Our assessment is made with reference to the Group and Council’s gross expenditure. We consider this to be the principal consideration for the users of the annual accounts when assessing financial performance of the Council and its group.</p> <p>Our assessment of materiality equates to approximately 2% of gross expenditure as disclosed in the 2023/24 unaudited annual accounts.</p> <p>In performing our audit, we apply a lower level of materiality to Remuneration Report. Our materiality was set at £5,000.</p> <p>We perform audit procedures on all transactions, or groups of transactions, and balances that exceed our materiality levels set. We perform a greater level of testing on the areas deemed to be at significant risk of material misstatement.</p>	
Performance materiality	<p>Performance materiality is the working level of materiality used throughout the audit. We use performance materiality to determine the nature, timing and extent of audit procedures carried out.</p> <p>Performance materiality is set at a value less than overall materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of the uncorrected and undetected misstatements exceed overall materiality.</p>	
Trivial misstatements	<p>Trivial misstatements are matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.</p>	

Common Good Funds materiality

Our initial assessment of materiality for the Paisley Common Good Fund financial statements was £0.180 million. On receipt of the unaudited financial statements, we reassessed materiality and updated it to £0.190 million.

Our initial assessment of the Johnstone Common Good Fund materiality remained unchanged from the planning stage.

Our initial assessment of materiality for the Renfrew Common Good Fund financial statements was £1.010 million. On receipt of the unaudited financial statements, we reassessed materiality and updated it to £1.090 million.

We consider that our updated assessments have remained appropriate throughout our audit.

	Overall materiality	Performance materiality	Trivial threshold
	(£)	(£)	(£)
Paisley	£190,000	£142,500	£9,500
Johnstone	£1,560	£1,170	£100
Renfrew	£1,090,000	£817,500	£54,500

Overall materiality: our assessment is based on approximately 2% of net assets. We consider this benchmark to be the principal consideration for the users of the financial statements when assessing the performance of each fund.

Performance materiality: Using our professional judgement we have calculated performance materiality at approximately 75% of overall materiality.

Trivial threshold: 5% of overall materiality for the financial statements.

Group audit

The Council prepares group financial statements in addition to its own financial statements, as required by the CIPFA Code, as there are material differences between the Council and group figures. The Council's group structure is detailed within the annual accounts.

As group auditors under ISA (UK) 600 we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and regarding the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework. The following table sets out the components within the group.

Component	Significant	Level of response required
Renfrewshire Leisure Ltd (OneRen)	No	Analytical
Common Good Funds	No	Analytical
Paisley Museum Reimagined Ltd	No	Analytical
Park Lane Developments (Renfrewshire) LLP	No	Analytical
Coats Observatory Trust	No	Analytical
Strathclyde Partnership for Transport	No	Analytical
Strathclyde Concessionary Travel Scheme Joint Committee	No	Analytical
Renfrewshire Valuation Joint Board	No	Analytical
Renfrewshire Health and Social Care Integration Joint Board	No	Analytical
AMIDS (Renfrewshire) LLP	No	Analytical

Comprehensive – the component is of such significance to the group as a whole that an audit of the component’s financial statements is required for group reporting purposes.

Analytical - the component is not significant to the group and audit risks can be addressed sufficiently by applying analytical procedures at the group level.

We revisited our planning group scope assessment, following receipt of the unaudited accounts and our assessment remained the same.

As part of our audit, we reviewed the consolidation entries made within the group accounts, confirmed those entries back to the financial statements of the group bodies and evaluated any significant adjustments made to align the accounting policies or the different year end dates. Overall, we concluded that the results of the group bodies had been appropriately consolidated into the Council’s audited group accounts.

Our analytical procedures have not highlighted any significant material issues in the Group accounts.

Renfrewshire Trust Funds

Coats Observatory Trust Fund

The Charities Accounts (Scotland) Regulations 2006 outline the accounting and auditing requirements for charitable bodies. The Regulations require an auditor to prepare a report to the charity trustees where an audit is required by any other enactment.

The Council's charitable trust is covered by the requirements of section 106 of the Local Government (Scotland) Act 1973 and consequently require a full audit. Each registered charitable trust has required a full audit since 2013/14.

There is one registered charity preparing its accounts on a receipts and payments basis – Coats Observatory Trust Fund. This is subject to separate Audit Report.

Audit differences

We identified a small number of errors in the draft financial statements during our audit. These are set out in more detail in Appendix 2. Management agreed to amend the financial statements for all the errors we identified. The overall impact of the adjustments made on the financial statements of the Council relate to the pension fund adjustment identified above:

- £73.5 million reduction in the pension reserve
- £73.5 million reduction to pension liabilities.

We also identified disclosure and presentational adjustments during our audit which have been reflected in the final set of financial statements and are disclosed in Appendix 2.

Internal controls

As part of our work we considered internal controls relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we report these to the Council. These matters are limited to those which we have concluded are of sufficient importance to merit being reported.

We did not identify any significant control weaknesses during our audit. Other points, including recommendations on payroll recommendations and related parties are included in Appendix 3.

Recommendation 1 &2

Follow up of prior year recommendations

We followed up on progress in implementing actions raised by the predecessor auditor in the prior year as they relate to the audit of the financial statements. Full details of our findings are included in Appendix 4.

Other communications

Accounting policies, presentation and disclosures

Our work included a review of the adequacy of disclosures in the financial statements and consideration of the appropriateness of the accounting policies adopted by the Council.

The accounting policies, which are disclosed in the financial statements, are in line with the CIPFA LASAAC Code of Practice and are considered appropriate. The accounting policies used in preparing the financial statements are unchanged from the previous year.

There are no significant financial statements disclosures that we consider should be brought to your attention. All the disclosures required by relevant legislation and applicable accounting standards have been made appropriately. Overall, we found the disclosed accounting policies, and the overall disclosures and presentation to be appropriate.

Fraud and suspected fraud

We have previously discussed the risk of fraud with management and the Audit, Risk and Scrutiny Board. Internal Audit is providing regular updates to the Board on any internal fraud related investigations. We have not been made aware of any additional incidents in the period nor have any incidents come to our attention as a result of our audit testing.

Our work as auditor is not intended to identify any instances of fraud of a non-material nature and should not be relied upon for this purpose.

Non-compliance with laws and regulations

As part of our standard audit testing, we have reviewed the laws and regulations impacting the Council. There are no indications from this work of any significant incidences of non-compliance or material breaches of laws and regulations.

Written representations

We requested written representations from management, and these were approved at the same time as the financial statements were approved by the Audit, Risk and Scrutiny Board, signed by the director of finance and resources, and provided to us before we completed our audit and issued our auditor's report.

Related parties

We are not aware of any related party transactions which have not been disclosed.



Confirmations from third parties

All requested third party confirmations have been received.

Wider Scope

Dargavel Primary School

Our 2022/23 external audit report highlighted the issues raised by the Bowles Report in relation to failures to adequately assess the impact on the school estate from the Dargavel development. This resulted in the Council commissioning a new primary school that was too small for the needs of the Dargavel community and limiting developer contributions to the costs of that school. This has required the Council to commission the building of an additional new primary school at Dargavel with the costs of this new build falling on council tax payers. As noted below, these matters were the subject of a Controller of Audit S102 Report in January 2024 with a further follow up report in August 2024.

The cost to address this error for the Council will be significant and is currently estimated at up to £82 million in gross capital costs (c£64 million net cost after taking into account expected developer contributions) for building a second primary school in Dargavel and building a larger than planned secondary school extension to Park Mains High School to accommodate the increased need for pupil places. More detailed financial impact assessment is noted below.

Controller of Audit reports

Our prior year reporting on Dargavel was followed by two Controller of Audit reports presented to the Accounts Commission (“the Commission”):

- the S102 report on School Accommodation for Dargavel Village presented to the commission in January 2024; and
- the Update report on school accommodation for Dargavel Village presented to the Commission in August 2024.

The Update report from August had the following key messages for which the Council has put their responses.

Exhibit 1 Accounts Commission Update report summary of findings

Accounts Commission finding	Renfrewshire Council response
<p>The Commission welcomed the increase in community engagement undertaken by the council since January 2024 and its ongoing commitment to improve its engagement with affected communities. However, it also recognised that rebuilding trust takes time, and noted the breadth and strength of views expressed by the community in the recent statutory consultation. The council must continue to demonstrate and evidence that engagement with communities is robust, inclusive, and meaningful, and that feedback received is reflected in decision-making processes.</p>	<p>Council officers will share the detail of engagement that is progressed with the Dargavel and Park Mains High School communities with the Council’s auditors as well as wider work being progressed to develop the Council’s corporate approach to consultation, communication, and engagement.</p>
<p>Auditors found no evidence of negative impacts on wider council services from the miscalculation in school roll data in the council’s performance information reported in June. While the Controller was not asked to follow up on financial management issues, the Commission was concerned that uncertainty remains around the financial implications of previous planning failures relating to Dargavel and their impact on council services. The Council must set out clearly and transparently the financial implications associated with the new primary school and secondary school extension in its budget monitoring and financial planning and should continue to work with community planning partners to mitigate any potential impact on relevant services.</p>	<p>The financial consequences of addressing Dargavel have been reported by the Director of Finance and Resources in several Education and Children’s Services Policy Board reports and Council reports since November 2022. It has been set out clearly and transparently that the estimated net financial impact will require to be addressed as part of the Council’s medium term financial planning arrangements, which has identified a requirement to address much wider savings of approximately £50 million (note that this is inclusive of the unplanned costs associated with addressing Dargavel requirements). We note that the Council does not anticipate reporting separately on the financial impact of decisions linked to school provision in Dargavel in future wider budgetary reporting in line with its normal practice.</p>

Accounts Commission finding	Renfrewshire Council response
<p>The Commission will therefore maintain a close interest in how the council moves forward with the development and publication of its Medium-Term Financial Plan, the actions it puts in place to mitigate the additional costs arising, and the wider impacts on service provision. The Commission asked the Controller of Audit to monitor this through the annual audit and keep the Commission informed accordingly.</p>	<p>Officers will continue to support the local audit team to understand the Council's progress in managing delivery of its wider medium term financial plan, the latest update of which is provided to the full Council in September 2024.</p>
<p>The Commission supports the Controller's conclusion that a contemporaneous record of decision-making in relation to a supplementary report provided by David Bowles should have been kept by officers and reiterate again the importance of transparency and good governance.</p>	<p>Council officers accept the Commission's view and while the internal review into the handling of specific planning applications related to Dargavel was thorough and detailed, the review should have been appropriately recorded.</p>
<p>The Commission welcomed the council's development of a leadership programme for officers. However, it is vital that this programme is extended to include the political leadership of the council. Elected members have a key leadership role and must be supported to fulfil their scrutiny and decision making responsibilities effectively. It is crucial that historic failures of leadership and governance referred to in the Bowles report are not repeated. The Commission encouraged the council to consider making full use of the external improvement resources available to them.</p>	<p>An annual development week is provided to support Elected Member's development in addition to specific sessions provided over the course of the year. The Head of Corporate Governance will continue to liaise with Elected Members to identify additional areas of development to inform the proposed programme. Training may be delivered internally or by external providers as appropriate</p>

Accounts Commission finding	Renfrewshire Council response
<p>The Commission noted the auditor’s conclusion that the council continues to demonstrate that it is taking action to respond to the issues highlighted in the Bowles report, and that behaviours have continued to improve since January 2024. The Commission recognised the challenges the council faces in balancing competing priorities and making difficult decisions and expect it to keep up the work it has done to actively and openly learn lessons from previous challenges and amend behaviours accordingly. As part of this, the Commission expects the council to demonstrate effective cross-council working and decision-making. Overall, the Commission maintains a strong interest in the culture of the council and whether it can demonstrate sustained change and improvement in the longer term. As such, the Commission expects that organisational culture will be an area of focus in the accelerated Best Value report due for consideration by the Commission.</p>	<p>Officers will continue to support the local audit team and Controller of Audit throughout the Best Value Audit process to better understand the culture and values of the Council, and the commitment to effective corporate working across the council and how this is evidenced.</p>

Further update on the financial impact

Capital cost

The gross capital cost of building a new primary school is now expected to be c.£82 million, with c.£18 million of contribution expected from the developer, reducing to net capital cost of £64million. The gross cost is allocated as follows:

- £45 million for new Dargavel Primary School
- £37 million for the Park Mains High School extension.

The gross cost increased from £75 million reported previously due to the degree of changes required to the existing Park Mains High School and in order to arrive at appropriate and consistent school design has been updated to £82 million (c.10% of Council’s capital plan for the next 5 years) The new estimate covers both the costs of the new build extension, and the costs of remodelling within the existing school in order to support subject adjacencies and the continued effective operation of the

school. The degree of intervention and remodelling within the existing school footprint is more substantial in order to ensure the expanded school when complete, still feels from an educational standpoint like a single school.

Revenue cost

These capital costs are expected to be partly met from new borrowing and will add c£1.2 million per annum in additional revenue costs to meet interest and principal repayments. Initially, the additional revenue costs of c£4million for borrowing interest cost had been factored into the Council's medium term financial plans. However, the Council is now proposing to borrow only for the Park Mains High School extension, and to fund the build of the new Dargavel Primary School from the investment capital fund (reserves). This fund has reserves at £86 million and is held by the Council to support the Council's capital investment programme and to support the Council manage its long-term debt position.

The Council provided us with a detailed breakdown of other net running costs associated with operating the new and expanded schools presented below and totalling to net of c£1.6 million. These costs are early estimates and will likely start to be impacting the budget when the school is built and full pupil roll is achieved, which is expected over the next 5-10 years.

In total the expected revenue impact, after adding annual cost of borrowing, is estimated at £2.8 million and represents 0.5% of annual Council spend.

Exhibit 2 Additional estimated revenue cost

Additional cost item	Dargavel new Primary School £ million	Park Mains High School extension £ million	Total £ million
Staff cost	2.8	3.1	5.9
Other cost	0.9	0.9	1.8
Total cost	3.7	4.0	7.7
Expected associated increase in revenue grant income	(3.1)	(3.0)	(6.1)
Net additional running cost	0.6	1.0	1.6
Borrowing cost	-*	1.2	1.2
Net additional cost	0.6	2.2	2.8

(*) This does not include consideration of the impact of use of the capital reserve to fund Dargavel School build

Source: Renfrewshire Council estimates

Instead of borrowing the Council applied their Investment Capital Fund to fund the capital costs of the new Dargavel primary school. This was done after reviewing the capital funding requirements, future loans charges requirements and how these will impact on the Council's future revenue position, and available capital reserve balances.

Had the Dargavel issue not required the Council to bear the cost of building of a new primary school, it could have applied available reserves to other aspects of its capital programme.

We note in context that the Council's existing medium term financial plan highlights the need to make savings of over £47 million for the period to the 2027-2028. The revenue costs associated with the Dargavel issues identified above added to that already challenging savings target and were incorporated into the Council's medium term financial plans in due course.

We have noted throughout our work the openness and transparency with which the Council have approached this difficult and challenging issue and we would like to thank the Council for their support during our audit.

Financial management

Our detailed findings on the Council's financial management arrangements are set out below.

Financial performance

The Council reported a General Fund overspend of c£3.5 million at 31 March 2024. The revised budget is £513.6 million while the actual outturn is £517.0million. Significant additional spend was incurred due to inflationary pressures during the year.

The Council used its Financial Sustainability Fund (reserves) as planned to cover shortfalls in the year end position and to achieve breakeven; these included: £1 million for parking income loss, £3 million for childcare placements, and a further £0.5 million for Proactive Tree Management.

Capital spending of £23 million for housing and £102 million for non-housing projects was managed within the overall expenditure control limits approved by Council. Planned spend was impacted by inflationary pressures and the availability of contractors. The 2024/25 capital plan has been adjusted accordingly.

The Council's in-year council tax collection performance for 2023/24 was 94.3%, a reduction on the 95.5% collected in 2022/23. However, actual Council tax revenues performed above expectation, returning an over recovery of £0.420 million compared to budget. This sum also includes recovery of prior year arrears.

Revenue performance against budget

The General Fund overspend of £3.5 million including an overspend in Adult Services of £0.8 million was mainly due to inflationary cost pressures. Excluding the Adult Services position, which is managed by the HSCP, the overspend on Council services was £2.7 million.

The remaining c£2.7 million overspend are a combination of the following:

- £5.3 million overspend of Environment, Housing and Infrastructure Services;
- £1.0million overspend of Children's Services; and
- £3.4 million underspend of Miscellaneous Services.

Housing revenue account (HRA)

The Housing Revenue Account (HRA) broke even at year-end after using £0.3 million from unallocated reserves, which is £0.9 million less than the £1.3million originally budgeted. The remaining £6.2 million in reserves is considered a prudent amount to handle inflation and other costs, such as the ICT Housing System replacement.

The £0.3million overspend was mainly due to higher-than-expected demand for repairs and maintenance, especially in vacant properties, and additional Council Tax costs. This was offset by higher-than-budgeted interest earnings.

Capital expenditure

Non-Housing Capital Budget Performance

In 2023/24, non-housing capital expenditure was £102.5million. Asset sales generated £0.5million in capital receipts, bringing the total of Capital Receipts Reserve to c£8.7million. Of this, £1.2million was used for current year investments, leaving c£7.5million committed to future projects. The expenditure stayed within the Council's approved limits.

Housing Capital Budget Performance

Housing capital expenditure for 2023/24 was £22.995m, with £1.286m generated from asset sales.

Treasury management

The Council actively manages treasury risks to minimise its exposure to financial market volatility and protect funding for services. It follows CIPFA's Code of Treasury Management and has policies covering credit, liquidity, and market risks.

The Council approves a Treasury Management Strategy that outlines how to manage risks related to financial instruments, including an Investment Strategy that prioritizes security and liquidity over yield, in line with Scottish Government guidance. The strategy aims to balance risk with returns or costs. The strategy for 2023/24 was approved by Council on 2 March 2023. Based on the Council's planned programme of investments and interest rate forecasts for the year, the Council's borrowing strategy was to firstly use internal cash balances to finance the Capital Investment Programme. This approach was prudent as borrowing rates remained high throughout the year.

During 2023/24, the Council was under-borrowed relative to its needs for the capital investment programme by £144 million. The Council takes advice from its Treasury advisers regarding the most appropriate timing of borrowing, and the appropriate duration of this borrowing. At the end of 2023/24, the Council's liquidity position reduced, owing to some fixed term investments, so a decision was taken to borrow

£20 million to close the under-borrowed gap. As a council with significant HRA capital financing requirement, it was able to take advantage of the HRA Certainty Rate offered by the PWLB and was able to borrow at 0.4% less than standard PWLB rates. This resulted in an investment benefit compared to the rate at which the sum was invested; however, our understanding is this was not (and never is in the Council's view) the primary driver for the borrowing decision.

Overall, the Council's total external borrowings increased by £13.01 million.

Temporary investments held by the Council decreased by £81.2 million. The decrease in investments is attributable to several factors, including spending pressures linked to the capital programme, backdated pay awards, and Non-Domestic Rates refunds following the retrospective revaluation of some accounts.

Systems of internal control

We have evaluated the Council's key financial systems and internal financial controls to ensure internal controls are operating effectively to safeguard public assets.

We did not identify any significant weaknesses in the Council's accounting and internal control systems during our audit.

Prevention and detection of fraud and irregularity

The Council is responsible for establishing arrangements for the prevention and detection of fraud, error and irregularities, bribery and corruption.

We have reviewed the arrangements and concluded that there are appropriate arrangements for the prevention and detection of fraud, error and irregularities.

National fraud initiative

The National Fraud Initiative (NFI) is a counter-fraud exercise co-ordinated by Audit Scotland working together with a range of Scottish public bodies to identify fraud and error.

The most recent NFI exercise was for 2022/23. There has been a good level of follow-up activity at RC with 100% of VHR matches processed in most areas. As of March 2024, all reports have been closed except for two which the Council is waiting for further information from.

The audited body has engaged well with the NFI exercise. The Council had a good level of follow up activity, meaning that most matches have been closed down.

In addition, the body has strong governance arrangements in relation to communication and transparency of NFI.

Financial sustainability

Significant audit risk

Our audit plan identified a significant risk in relation to financial sustainability under our wider scope responsibilities. We continue to recognise it as a significant risk and so is the Council as this as one of its highest risks in the corporate risk register.

Financial sustainability

considers its medium-term financial planning through its Financial Sustainability and General Fund Financial Outlook report regularly presented to the full Council. The current expected budget gap prior to any decisions on council tax would add up to £74 million over the period between 2024/25 and 2027/28. Assuming 6.5% council tax increases in last three of those years the funding gap reduces to £47 million and would require the Council to identify c.£12million of savings and efficiencies each year (an increase from £8million/year estimated a year ago in similar analysis). However, such council tax increases would be subject to prior Council vote and approval.

The Council has a Financial Sustainability reserve of £13.2 million which it plans to utilise over the coming years. Various commitments to utilise this reserve and expected reduction in employer pensions contributions will result in a balance of c. £19 million in this reserve at the end of 2024/25. Further £12 million from the reduced contributions will grow that reserve to £31 million the following year. After that year the pension contributions are expected to increase closer to the previous levels and savings from this source will be limited. Even with the minimum budget gap of £47 million, use of reserves would not be sufficient and requires identification of savings during that period of c.£5 million per annum. However, this also depends on the decision on council tax levels.

The Council maintains a policy of minimum £10 million of unallocated reserves (just over 2% of net expenditure) held for emergency purposes.

The Council reviewed its budget planning assumptions to reflect the financial challenges impacting on the external environment which the Council operates in. Due to the timing of the Scottish Government budgets there is a level of uncertainty on the funding provided. Councils estimate there is a minimum of £585 million of difference in their anticipated expenditure and the funding and income they expect to receive for 2024/25. The key assumption used for the next years by Renfrewshire Council is a flat cash allocation for 2025/26, although now seen as an 'optimistic' assumption. From year 2026/27 and following this the assumption changes into a 0.5% increase.

The Council highlights the fact that there is a timing disconnect between the Council's ability to develop and deliver recurring savings to match the spend

Financial sustainability

pressures which are emerging, resulting in a growing recurring financial gap. It becomes more likely that the council will utilise reserves in the short and medium term to achieve financial balance.

In addition to the council tax, other assumptions included pay and contractual inflation cost pressures. The continuing and uncertain impact of cost pressures on the Council's finances and ability to deliver services in a sustainable manner remains a significant challenge and risk.

Our detailed findings on the Council's arrangements for achieving long term financial sustainability are set out below.

2024/25 revenue budget

The Council approved its 2024/25 revenue budget at a meeting in February 2024. The Council voted to freeze council tax and agreed utilisation of non-recurring reserve funding up to £4.3 million to achieve a break even position. The expected compensatory funding from Scottish Government in relation to agreeing a council tax freeze is £4.9 million and equivalent to 4.4% council tax increase.

The projected outturn at June 2024/25 is a deficit of £9.4 million against its total budget of £523.2 million. The main items driving the deficit are Education and Children's Services with £3 million and Adult Services with £6.1 million in relation to care packages. This is consistent with the approved budget for 2024/25 which outlined anticipated draws on reserves of £4.3 million for Council general services and £7.5 million for Adult Social Care. There are a number of financial risk areas that provide a level of uncertainty as to the final outturn:

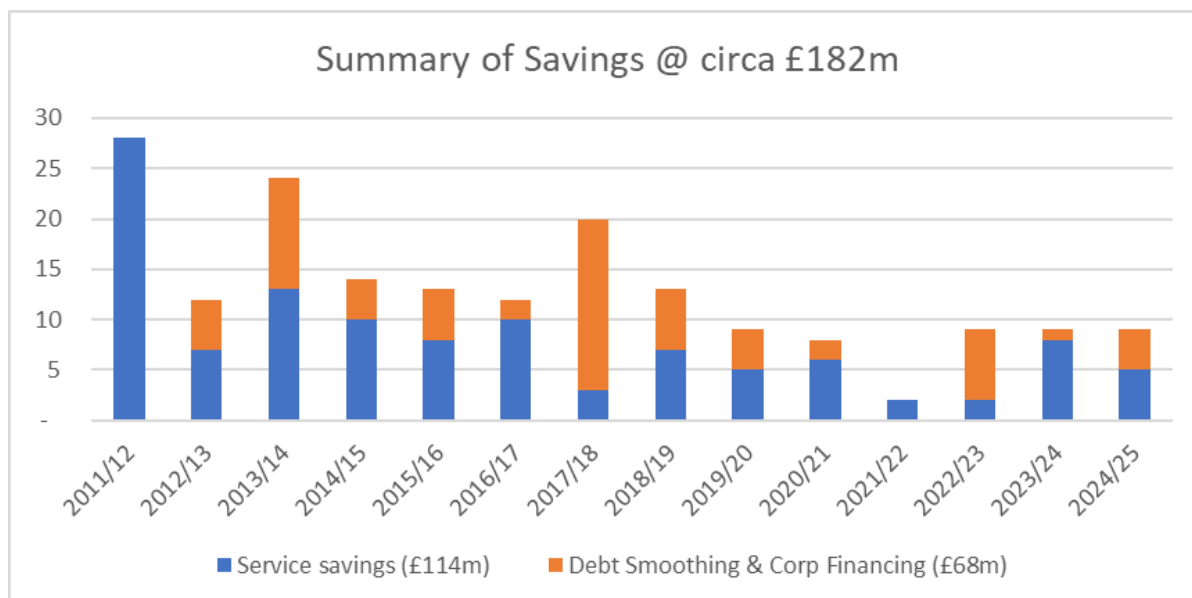
- finalisation of the pay offer for 2024/25, currently with an additional 0.2% funding required over the 3% pay increase assumed in the budget;
- the teachers' pay offer, assumed to be 3% in the budget, has been settled at 4.27%. Funding from the Scottish Government to support the offer has not yet been confirmed;
- increase in employer pension contributions for teachers from 23.6% to 28.6%. The increase has resulted from the outcome of the valuation of the teachers' pension scheme at a UK level; and
- specific grant funding in relation to the maintenance of teacher numbers is yet to be released by the Scottish Government.

Cost improvement plans

The Council re-commenced its service transformation programme in 2022, including progressing financial sustainability workstreams to achieve savings over the medium term. This is branded under the name of Right for Renfrewshire ('RFR'). There have been specific, targeted reviews undertaken as a part of RFR and in the three years post-pandemic the Council delivered £27 million of savings, and with a significant part of it coming from the Finance and Resource service and Chief Executive service and included reviews of the Operations and Infrastructure service within Environment, Housing and Infrastructure to generate savings over 2022/23 to 2024/25. Generating further savings of this scale will be challenging.

The Council achieved cumulative savings of £182 million since 2011/12 as presented in the table below.

Exhibit 3 Savings achieved



Source: Financial Outlook and Medium Term Financial Plan at September 2024

The approach to the delivery of savings over this time has been to try and protect education and social care services as much as possible and driven by national policy choices with a range of conditions and controls exercised by the Scottish Government as well as by local policy choices. This included consideration of debt levels, as additional debt creates ongoing interest liabilities to be paid every year and therefore reduces the amount of funds available to be spent on individual services. Renfrewshire has one of the lowest ratios of debt financing cost to net revenue ratios in Scotland at 3.1% (against national average of 5.5%).

Council has previously agreed an £8 million per annum departmental savings target each year for the three years from 2025/26. Each Service Director and their management teams are in the process of developing and finalising options to deliver these planned savings. This work will continue over the coming months with update

reports to be provided to Council and Policy Boards, including consideration at the Council budget setting meeting planned February 2025.

Medium term financial plan

The medium-term financial challenge and financial gap has been considered by the Council numerous times as the budget gap poses an increasing risk to the Council's delivery of services over the medium-term. The Council has moved into a position of using its reserves in the medium term to cover budget gaps but recognises this is not sustainable. The Council hopes this will allow to support a smooth delivery of savings to help support service deliver, manage the pace at which recurring savings are required and to protect the capacity of the council to deliver savings. The current medium-term forecast is as follows.

Exhibit 4 Medium term financial plan

Item	2024/25	2025/26	2026/27	2027/28	Total
	£m	£m	£m	£m	£m
Opening budget gap	0.6	2.3	8.3	14.5	25.7
New pressures	56.7	25.5	18.3	18.8	119.3
Savings	(8.9)	(6.2)	(1.8)	(0.8)	(17.7)
Movement in SG revenue grant	(41.2)	(6.1)	(3.0)	(3.0)	(53.3)
Budget gap prior to council tax decisions	7.2	15.5	21.8	29.5	74
CT increase (0%, 6.5%, 6.5%, 6.5%)	(4.9)	(7.2)	(7.3)	(7.5)	(26.9)
Remaining budget gap	2.3	8.3	14.5	22.0	47.1
Use of reserves	(5.3)*	(8.3)	(14.5)	(22.0)	(50.1)

(*) includes one off commitment of £2 million in that year

Source: Financial Outlook and Medium-Term Financial Plan at September 2024

The medium-term position is based on a number of assumptions and uncertainties, including:

- finalisation of pay increase agreement for teaching and non-teaching staff; 1% of increase is equivalent to £3.2 million of additional cost;
- impact of inflation is uncertain, and previous years have seen significant increase in electricity and fuel cost;

- adult and social care delivery through the Renfrewshire HSCP relies significantly on use of reserves; £7.2 million of reserves will be applied in 2024/25, from a total reserve balance of £14.7 million; and
- expected increased cost or overspends in early years and school transport, lifecycle maintenance and net zero impact.

Capital plans

The Council has a number of medium- and long-term capital projects, financed through borrowing, Levelling up Fund, City Deal, Regeneration Capital Grant funds and Scottish Government funding. The largest capital projects over the next 5 years include the School Estate Programme, City Deal Projects (Clyde Waterfront & Renfrew Riverside, Glasgow Airport Investment Area), Advanced Manufacturing Innovation District Scotland South project, Paisley Museum and investment in heritage venues and town centre infrastructure. These projects are supported by asset lifecycle maintenance programmes.

Exhibit 5: Capital programme

	2024/25	2025/26	2026/27	2027/28	2028/29
	(£m)	(£m)	(£m)	(£m)	(£m)
Non-housing	147.8	151.0	83.5	55.7	12.4
Housing	41.2	77.7	62.0	62.2	38.2
Total	189.0	228.7	145.5	117.9	50.6

Projected outturn at March 2024/25 is a break-even position. The total borrowing and long-term debt over the next three years is expected to increase by 31% from £595 million in 2024/25 to £782million in 2026/27 and new borrowing will need to be financed, therefore reducing revenue available to fund other services.

Since the pandemic, a number of factors have impacted the Council's ability to fully deliver its capital programme within the originally planned timescales. This was due to a number of factors, including the complexity of works, cost of materials, supply chain issues and availability of contractors. Given the scale of the Council's ongoing programme this is likely to remain a continuing area of challenge. Given the scale of the Council's ongoing programme this is likely to remain a continuing area of challenge.

Housing Revenue Account

The Council plans to deliver total housing capital investment of £281.3million over the 5-year period up to 2028/29. The Council expects that £35.3million of the total

will be financed from government grant. The HRA 2023/24 budget of £41.3million is expected to be on track for delivery, with no under or overspend currently reported.

The HRA operates a rolling 30-year Business Plan model which is the standard operating practice amongst local authorities and Registered Social Landlords. The 30-year basis of the model reflects the need for a long term planned approach to the replacement of major items such as rewiring and central heating aligned to the lifecycle of the element.

Similar to non-housing construction, the sector is still experiencing the impact of pandemic recovery, with the backlog of repairs to void properties influencing income generation. The Council is focusing on the first phase of its capital programme to deliver c.1,100 housing properties and to invest £30million in the existing high-rise accommodation. To ensure sufficient funding in the long term, an assumption of 1% above CPI as an uplift to rents is assumed for every year across the 30-year plan.

Vision, leadership and governance

Our detailed findings on the Council's arrangements are set out below.

Vision

The Council approved its Council Plan in September 2022, articulating its vision, priorities and strategic outcomes for the Council. The Council Plan strategic outcomes are used to underpin the Council's internal and external communication and engagement and these align to their organisational values. The Plan has five main strategic outcomes: Place, Economy, Fair, Green and Living our values.

The Council Plan was subject to a review in early 2024 and a refreshed plan with refined priorities, actions and indicators was recently approved by the Leadership Board in June 2024.

Corporate leadership team

The Council senior team consists of the Chief Executive, 3 Directors of departments and 15 Heads of Service (along with the Chief Officer of the HSCP and Chief Executive of partner organisation OneRen).

Governance arrangements

The Council's governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives set out in the Council plan. The Council has approved and adopted a Local Code of Corporate Governance and publishes information on how it complies with that Code.

The Council has a number of Boards (Committees) with delegated authorities and specific remits in place. The Audit, Scrutiny and Risk Board (ARSB) is chaired by an independent member and comprises nine members from all political parties represented on the Council. Its remit is to consider internal and external audit and scrutiny reports, note Internal Audit and Counter Fraud performance, consider and monitor progress reports against any action points raised by internal and external auditors. The Board also has responsibility for considering the Council's code of corporate governance, approving the risk management policy and strategy and reviewing the effectiveness of risk management arrangements. Other functions include monitoring and reviewing service delivery performance, policies and practices and to submit recommendations to the Council.

Governance reviews and updates

Our prior year audit recommended that the Council undertake a review of the effectiveness of the ARSB against the CIPFA good practice guidance for audit committees and to consider its scrutiny arrangements.

The Council has taken the following steps to review its governance and scrutiny arrangements:

- a self-assessment against CIPFA guidance for local authority audit committees;
- an exercise benchmarking the council's governance arrangements against other councils;
- a cross-party working group review of governance arrangements;
- a review of the council's risk management arrangements.

At its meeting in May 2024, the Council considered the results of the ARSB's self-assessment against CIPFA good practice on audit committees. The self-assessment identified a number of areas of good practice and 11 action points, including proposed changes to the governance of the ARSB. The Council approved the results of this review, the action plan and a number of changes to the way the ARSB operates in relation to its terms of reference, guidance and role descriptions. All the action points were implemented by the end of June. The cross-party review of governance also identified a number of actions, including a review of the Council's Scheme of Delegation. An action plan was developed compiling actions from the reviews, with progress against actions monitored by the ARSB. All but one of the actions have now been delivered, with the final action to be completed by December 2024.

The Council has developed a leadership programme in conjunction with SOLACE. The programme covers areas including risk management, good governance and engaging with the public. The Council initially plans to run the programme in three cohorts. The first cohort, consisting of the extended Corporate Management Team has completed the programme and the second cohort began in April in 2024. The programme is ongoing so it is too early to reach a conclusion on its effectiveness. SOLACE has collated feedback from the first cohort and the council has used this to update the programme for subsequent cohorts. The scope and timing of the programme is appropriate. A corporate self-assessment involving all senior managers across the organisation was also undertaken during 2023/24 and the Corporate Management Team have agreed an improvement plan which will be communicated to staff and elected members.

Risk Management

Renfrewshire Council has a risk management framework in place formed over key components and supported by a high-level combined risk management policy and strategy 'Risk Matters', last revised in November 2023.

The strategic risk management objectives refer to:

- Leadership and management;
- Policy and strategy;
- People;
- Partnership and resources;
- Processes;
- Risk handling and assurance; and
- Outcomes and delivery.

To support the implementation of 'Risk Matters' and the continuous improvement of risk management practice within the council, a Strategic Risk Management Development Plan is in place, outlining key actions that require to be completed over the life cycle of Risk Matters.

Performance against these key actions is reported as follows:

- YEAR 1, 2022-23 Key performance figure - 100%, (30 of 30 actions) complete, against an 85% in-year target.
- YEAR 2, 2023-24 Key performance figure - 88%, (14 of 16 actions) complete, against an 85% in-year target.
- FULL PLAN, 2022-24 Key performance figure - 96%, (44 of 46 actions) complete, against an 85% target.

Updates on progress reports and monitoring of risks are reported to the ARSB on a six-monthly basis. Each Council department has at least one representative on the Corporate Risk Management Group (the Group). The Group now includes at least one Head of Service for each department, and has overseen reporting of the 2023/24 strategic and corporate risk, monitoring progress on behalf of the Council. Services have taken ownership of their risks with processes being followed for reporting, and where necessary 'escalation' of significant risks to the strategic or corporate registers. All service departments submitted their risk data on time for the progress reports to the ARSB as planned.

Internal audit

The internal audit service operates in accordance with the Public Sector Internal Audit Standards and reports to the Audit, Risk and Scrutiny Board. Internal audit undertakes an annual programme of work, approved by the Board, based on a strategic risk assessment. The Council's Chief Auditor provides an independent opinion on the adequacy and effectiveness of the governance framework, risk management and internal control.

To ensure the integrity of the internal audit function, the annual internal audit strategy and plan is determined by the Chief Auditor in consultation with all service Directors and their senior management teams.

The internal audit opinion for 2023/24 was that, subject to management addressing the critical and important recommendations made in the limited and no assurance reports, it is considered that reasonable assurance can be placed upon the adequacy and effectiveness of the Council's internal control, risk management and governance arrangements. This opinion is consistent with prior years.

Internal audit presented results of their activity for 2023/24; 92% of the internal audit plan was completed against a target of 95%, which is a slight decline on 93% in the prior year due to higher than anticipated unplanned absence. The outstanding work is planned to be completed in 2024/25.

We consider internal audit work during our risk assessment and on ongoing basis

One out of the 21 engagements delivered in the year by internal audit had a 'no assurance' conclusion.

In line with the requirements of the Public Sector Internal Audit Standards (PSIAS) the internal audit function was subject to an external assessment performed by an internal auditor of another local authority. The external reviewer concluded that RC's internal audit fully complies with PSIAS requirements.

Use of resources to improve outcomes

Our detailed findings on the Council’s arrangements are set out below.

Performance management framework

The Council has a performance framework to measure against its 2022-27 Council Plan objectives. A high level summary of the Framework is presented below:



Source: The Council’s internal documentation

The framework assumes 6 monthly reporting to Leadership Board with performance indicators against action progress grouped by Council Plan strategic outcomes. These outcomes have also one cross-cutting theme – Improving outcomes for children and families.

Service Improvement Plans (SIP) at each service level were also given a new format to make them aligned with the above. The reporting is done on 6 monthly basis to relevant Boards including an annual outturn report. All performance indicators and actions in the Council Plan Framework are included in SIPs.

The next stage of performance reporting is at operational level with range of service-specific performance reporting across Council to the appropriate Policy Board, together with statutory performance reports.

Local Government Benchmark Framework (LGBF) is scrutinised by the Corporate Management Team (CMT) with reports to the Audit, Risk and Scrutiny Board. The CMT would also review a number of performance reports, scorecards, people metrics and have ‘deep dives’ into specific areas on a quarterly basis.

These documents are then used to create public performance reporting in user friendly formats, and by using interactive presentations, case studies and dashboards.

Service improvement and reporting 2023/24

We have considered how the Council demonstrates a trend of service improvement in delivering their strategic priorities, as required by the Audit Scotland planning guidance for 2023/24.

The Council reports its performance on website across different themes, against 105 indicators included in LGBF, Best Value requirements, and also includes a high level list of performance indicators in its statutory annual accounts.

Statutory performance information

The Accounts Commission has a statutory responsibility to define the performance information that councils must publish. This responsibility links with the Commission's best value audit responsibilities. In turn, councils have their own responsibilities, under their best value duty, to report performance to the public. The Accounts Commission issued a revised Statutory Performance Information Direction ('2021 Direction') in December 2021, which applies for the three-year period from March 2023 to March 2025. The 2023 Direction requires a council to report its:

- performance in improving local public services (including those provided with its partners and communities), and progress against agreed desired outcomes; and
- own assessment and audit, scrutiny and inspection body assessments of how it is performing against its duty of Best Value, and how it has responded to these assessments.

The Council has made proper arrangements for preparing and publishing its statutory performance information in accordance with the Direction. The information reported on the Council's website is the Council's response to meeting the requirements. However, we note that a lot of the information on this section of the Council website has not been updated to the newest available. This includes reporting against service outturn reports, summarising findings in relation to BV work and progress against those, including leadership work from last year. We recommend the Council updates this section of their website on regular and at least annual basis.

Recommendation 3

Education performance

Due to interest in the Education services performance arising from reporting on Dargavel issue we had looked specifically into performance reporting of this service.

Performance indicators

The 2023/24 annual performance outturn report was presented to the Education and Children's Service's Policy Board in May 2024. The Children's Services reported on 19 performance indicators relevant to education. When looked at the performance: one performance indicator has been on target, seven were below target and 11 were within 10% of the target, but still below it. When considering long term trends of those indicators, 13 report a downward trend, 4 an upward trend, with the remaining two either not comparable or without any change.

Local Government Benchmarking Framework

This performance should not be however looked at in isolation and should be complemented by the wider local government performance in education services. This could be done via Local Government Benchmarking Framework. Service performance in this area remains significant challenge in post-COVID environment for all local authorities in Scotland.

Compared to other councils, Renfrewshire Council remains in the top ten councils in 14 out of 18 of LGBF education performance measures, and in the four of the remaining indicators the Council place is better than or close to the national average. Renfrewshire Council leads on the indicator measuring the cost per secondary school pupil in Scotland.

School reports

We have also reviewed the Education Scotland reports presented to the Council during 2023/24 to identify any potential issues at individual school level. Education Scotland performed a number of quality reviews at Renfrewshire schools as a part of its programme of inspections and uses a six-point scale when assessing schools: excellent, very good, good, satisfactory, weak, unsatisfactory. During the financial year there were eight inspections performed and with the positive results as follows:

- very good for two schools and one early learning and child class;
- good for three schools;
- an even mix of very good and good scores against indicators assessed for two schools.

One of the Education Scotland inspections covered Bishopton Primary School, for which concern might have existed as to the potential impact on this school from relieving capacity at the existing Dargavel Primary school. Bishopton School however scored 'very good' in 3 indicators assessed by Education Scotland and 'good' in one indicator.



Overall, Education performance remains a strong point of the Council activity with positive regulator inspection results and strong performance against national average when compared to other local authorities.

Best Value

Appointed auditors have a duty to be satisfied that local government bodies have made proper arrangements to secure Best Value. There are the following four aspects to auditors' work:

- Thematic reviews;
- Follow-up and risk-based work;
- Service improvement and reporting; and
- Contributing to Controller of Audit reports.

Thematic review

Auditors are required to report on Best Value or related themes prescribed by the Accounts Commission. This year's thematic review is on Workforce Innovation – how councils are responding to workforce challenges. We present the findings in a separate report with a summary set out below:

How effectively are the council's workforce plans integrated with its strategic plans and priorities?

Renfrewshire Council has a comprehensive high level workforce strategy and People Strategy supported by a number of other high level policies and strategies.

The Council adopted a flexible approach to its strategy, by setting clear priorities for the first two years and by delegating the responsibility and ownership for workforce management to the individual Services to better meet their needs. Therefore, the workforce risk assessment, operational priorities and implementation, and monitoring are done at service level through Service Improvement Plans.

How effectively has digital technology been used to support workforce productivity and improve service quality and outcomes?

Appropriate arrangements are in place to enable the delivery of the Council's digital strategy. The Council implemented a number of automatic processes to drive efficiency and innovation in its workforce. A key challenge for the Council is the creation of capacity within its workforce to enable the review, exploration and development of digital opportunities.

The Council actively engages with its communities to deliver services in more innovative way to tackle digital exclusion. The Council's work has been recognised as best practice example in Accounts Commission report on digital exclusion. There is awareness of the need, and drive for continuous improvement in this area.

How effectively is the council using hybrid and remote working and other innovative working practice such as a four-day week to achieve service and staff benefits?

The Council continuously reviews its approach to flexible working and provides staff with support and guidance.

Staff feedback is obtained in variety of ways and considers impact of flexible working on staff wellbeing.

The Council considers staff benefits and wider sociological changes when considering new ways of working. Evidence of measurable efficiencies tracking has been limited and the Council has not been able to demonstrate efficiencies from flexible working through, for example, an impact on productivity.

What innovative practice is the council using to develop its future workforce capacity and skills needs and manage staff reductions in line with its priorities?

The Council makes good use of its existing workforce and is developing the skills needed to deliver future services.

The Council engages with the local education providers to develop and support its workforce skills.

The Council has to yet develop comprehensive measurable performance indicators to demonstrate the benefits it provides through its work on developing workforce skills and capacity.

What progress has the council made with sharing roles or functions across its services and/or with other councils and partners?

The Council works collaboratively with its partners and continues to explore opportunities for working together. Through collaborative working, the Council shares knowledge and learns from partners, leading to enhanced service delivery and outcomes.

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Best Value Assurance Report follow-up

Auditors are required to follow up Accounts Commission findings, Controller of Audit recommendations and any outstanding improvement actions reported in Best Value Assurance Reports and Annual Audit Reports. We are also required to have regard to the seven Best Value themes when completing our wider scope work

A Best Value review was undertaken on Renfrewshire Council in 2016/17. The Best Value Assurance Report (BVAR) includes recommendations to help the Council address the improvement areas identified during the audit. We have considered progress made by the Council in implementing the recommendations made in the BVAR. Our findings are summarised below.

Best value Assurance Report – follow up

Auditor judgement



The Council had eight recommendations and progressed against each. We note however that some of the recommendations are not directly applicable to the Council after so many years since the report was published.

Recommendation 1: Councillors should improve cross-party working, given the financial challenges that exist and the important decisions that will need to be made in the future.

Progress: A range of effective cross-party working arrangements can continue to be evidenced - particularly in relation to high-priority areas identified. In recent years this included the development of both the Council and Community Plans by the Cross-Party Sounding Board and the review of governance undertaken on a cross party basis and reported through the Audit Risk and Scrutiny Board and full Council.

A Fairer Renfrewshire Sub-Committee of the Leadership Board was also established in 2023 which allows members to consider some of the issues relating to poverty and inequality in Renfrewshire on a cross party basis.

Auditor conclusion: from our work and interviews with council members and officers we can conclude that the members are working with each other effectively.

Recommendation 2: Councillors should take advantage of the training and development opportunities that the council provides to ensure they have the necessary skills and knowledge to perform their role effectively.

Progress: The Council uses a combination of a targeted annual development programme for Elected Members alongside bespoke training opportunities throughout the year.

Best value Assurance Report – follow up

Auditor judgement



This approach is regularly reviewed - the current approach and draft programme for the Members Development Week due to take place later this year has recently been reviewed and enhanced by the Corporate Management Team, to keep pace with the changing context and key areas of interest identified by Elected Members. Training opportunities are also offered in different formats – in person, hybrid, online and as a recorded training seminar available at a time to suit.

A suite of training materials are also provided to enhance the content, and opportunities for training and development through organisations such as the Improvement Service are also shared and promoted.

Auditor conclusion: appropriate training is delivered to members, monitored by the Council and reported to appropriate Board annually.

Recommendation 3: The Council should review its governance arrangements to ensure they provide for a relationship with Renfrewshire Leisure Limited (RLL) that is clear, independent, and more easily understood by the public.

Progress: The Council’s monitoring officer for One Ren has continued to work with the Chief Executive (One Ren) to strengthen quarterly performance monitoring reports and meeting arrangements.

Auditor conclusion: governance arrangements has been updated and strengthened.

Recommendation 4: The Council should develop a detailed medium and long-term workforce strategy and plan and implement its organisational development strategy. Implementing both the workforce and organisational development strategies will be critical to managing how future services are provided.

Progress: Notes from auditors reflect the current position. A number of improvement actions have been identified within the thematic review of workforce innovation which the organisation will seek to address. These include improvements in relation to linking workforce planning priorities to corporate and service level plans, and developing performance measures and outcomes against which progress can be tracked going forward.

Auditor conclusion: we have concluded in our thematic review on Workforce Innovation that Renfrewshire Council has a comprehensive high level workforce strategy and People Strategy supported by a number of other high level policies and strategies. The Council adopted a flexible approach to its strategy, by setting up clear priorities for the first two years and by delegating the responsibility and ownership for workforce management to the individual Services to better meet their needs. Therefore, the workforce risk assessment, operational priorities and implementation, and monitoring are done at service level though Service

Best value Assurance Report – follow up

Auditor judgement



Improvement Plans. We have identified a number of improvements as noted in the response above.

Recommendation 5: The Council is continuing to review how it will achieve the savings required within the medium- term financial strategy. The Council should prioritise how services need to be provided in future to meet these savings.

Progress: regular reports are made to Council on the financial outlook - behind this sits an extensive, cross-service Financial Sustainability programme.

Auditor conclusion: the Council's Financial Outlook is being continually reviewed in light of changing economic climate and regular reports are made to the Council.

Recommendation 6: Community Planning partners need to plan their budgets and finances together to provide a clearer picture of the overall resources available.

Progress: At the meeting of the Community Planning Executive Group in September 2023, a discussion took place on resourcing and the need to collectively focus resources on joint priorities. Following this session in 2023, Community Planning Partners agreed to work together on a number of targeted projects, including in relation to child poverty, with a community impact assessment underway in relation to Gallowhill currently.

Community Planning Partners are also due to undertake their annual horizon scan/review meeting in early October, with a specific session planned on exploring how we as partners work together to prioritise early and intervention activities, given the financial challenges being experienced by all.

At a national level, it has been agreed that self-assessments of community planning partnerships will be progressed during 2024/25. A core element of this process will require partners to focus on the effective deployment of resources across Renfrewshire in order to target our key shared priorities.

Auditor conclusion: The Council continues to make improvements and progress in this area.

Recommendation 7: The Council and its partners need to continue to involve communities and work together on joint priorities and to strengthen partnership working. This will provide a positive base to ensure the Community Empowerment (Scotland) Act 2015 is fully implemented.

Progress: Council services have worked very hard with partners to embed the requirements of this legislation, with engagement processes developed in relation to key aspects such as asset transfer, community planning, and participatory budgeting. A range of initiatives continue to be supported which support local

Best value Assurance Report – follow up

Auditor judgement



capacity building in communities, and promote participation and engagement. These include campaigns and engagement programmes such as Team up to Clean Up, housing regeneration programmes and specific engagement with people with lived or living experience, such as the Fairer Renfrewshire lived experience panel.

7 Local Partnerships continue to develop and following a review in early 2024 we have launched a new development phase - Local Plans, Local Priorities and Local Voices which will enhance and further strengthen our approach to partnership working with the community. All Local Partnerships are currently being supported to review their priorities and develop refreshed action plans.

Auditor conclusion: there was progress made in this area in relation to development of new local partnerships and through the Connected Communities programme. As noted in the Update report on school accommodation for Dargavel Village the Accounts Commission welcomed the increase in community engagement undertaken by the council since January 2024 and its ongoing commitment to improve its engagement with affected communities.

Recommendation 8: The Annual Report should include a summary position regarding the Council's performance together with relevant detailed performance information. This would improve the accessibility of performance information and help to demonstrate greater transparency by the Council.

Progress: Significant work to refine the existing performance management framework aligned to the Council Plan has taken place, including the 'at a glance' performance snapshot which gives an overview of progress against strategic outcomes. Council Plan progress continues to be reported 6-monthly, as does service performance via the Service Improvement Plans, again on a 6-monthly basis. Our performance reporting for both Council and Service Improvement Planning has been reviewed to ensure reports are accessible, engaging and suitable for a range of audiences.

An overall picture of performance is reported annually in our Public Performance Report, which is available as an interactive 'Storymap' with the embedded functionality to analyse and compare data nationally and with family group Councils.

Auditor conclusion: There a number of performance management methods and the Chief Executive's Service's current Service Improvement Plan is to review and refresh the Council's performance management framework, which will continue to be reported on via the mid-year and outturn reports.

We have considered the Best Value themes as part of our wider scope work and have not identified any significant risks in this respect.

Leadership of the development of new local strategic priorities

In 2022/23 we have reported on the effectiveness of the Council's leadership of the development of the Council's strategic priorities, following the recent local government elections. Overall, we have noted that the Council has a clear strategy and vision in place, engages with communities, has strong commitment to tackling climate change, has operational plans to deliver objectives and has improved significantly on cross party working. We have also identified two points for further improvement: on setting key priorities and on clarity of reporting against the Council plan. Progress on those actions is reported in Appendix 4.

Service improvement and reporting

We have considered this as part of our wider scope work within Vision, leadership and governance section of this report.

Contributing to Controller of Audit Reports

The Controller of Audit reports to the Accounts Commission on each council's performance in meeting its Best Value duties at least once over the five-year audit appointment. Auditors are required to include judgments on the pace and depth of continuous improvement in the council as part of their wider scope work to contribute to these reports. Our findings and conclusions are set out in our wider scope work within Vision, leadership and governance section of this report.

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Appendix 1: Responsibilities of the Council and the Auditor

Responsibilities of the Council

The Council is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has responsibility for the administration of those affairs. The Director of Finance and Resources has been designated as that officer. The Director of Finance and Resources is responsible for the preparation of the Council’s annual accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

Area	The Council’s responsibilities
Corporate governance	<p>The Council is responsible for establishing arrangements to ensure the proper conduct of its affairs including the legality of activities and transactions, and for monitoring the adequacy and effectiveness of these arrangements. Those charged with governance should be involved in monitoring these arrangements.</p>
Financial statements and related reports	<p>The Council has responsibility for:</p> <ul style="list-style-type: none"> • preparing financial statements which give a true and fair view of the financial position of the Council and its group and their expenditure and income, in accordance with the applicable financial reporting framework and relevant legislation; • maintaining accounting records and working papers that have been prepared to an acceptable professional standard and support the balances and transactions in its financial statements and related disclosures; • preparing and publishing, along with the financial statements, an annual governance statement, management commentary (or equivalent and a remuneration report that is consistent with the disclosures made in the financial statements and prepared in accordance with prescribed requirements. The management commentary should be fair, balanced and understandable and also address the longer-term financial sustainability of the Council. <p>Management is responsible, with the oversight of those charged with governance, for communicating relevant information to users about the Council and its financial performance, including providing</p>

Area	The Council's responsibilities
	<p>adequate disclosures in accordance with the applicable financial reporting framework. The relevant information should be communicated clearly and concisely.</p> <p>The Council is responsible for developing and implementing effective systems of internal control as well as financial, operational and compliance controls. These systems should support the achievement of its objectives and safeguard and secure value for money from the public funds at its disposal. The Council is also responsible for establishing effective and appropriate internal audit and risk-management functions.</p>
<p>Standards of conduct for prevention and detection of fraud and error</p>	<p>The Council is responsible for establishing arrangements to prevent and detect fraud, error and irregularities, bribery and corruption and also to ensure that its affairs are managed in accordance with proper standards of conduct.</p>
<p>Financial position</p>	<p>The Council is responsible for putting in place proper arrangements to ensure its financial position is soundly based having regard to:</p> <ul style="list-style-type: none"> • Such financial monitoring and reporting arrangements as may be specified; • Compliance with statutory financial requirements and achievement of financial targets; • Balances and reserves, including strategies about levels and their future use; • Plans to deal with uncertainty in the medium and long term; and • The impact of planned future policies and foreseeable developments on the financial position.
<p>Best Value</p>	<p>The Council has a specific responsibility to ensure that arrangements have been made to secure best value. They are responsible for ensuring that these matters are given due priority and resources, and that proper procedures are established and operate satisfactorily.</p>

Auditor responsibilities

Code of Audit Practice

The Code of Audit Practice (the Code) describes the high-level, principles-based purpose and scope of public audit in Scotland. The 2021 Code came into effect from 2022/23.

The Code of Audit Practice outlines the responsibilities of external auditors appointed by the Auditor General and it is a condition of our appointment that we follow it.

Our responsibilities

Auditor responsibilities are derived from the Code, statute, International Standards on Auditing (UK) and the Ethical Standard for auditors, other professional requirements and best practice, and guidance from Audit Scotland.

We are responsible for the audit of the accounts and the wider-scope responsibilities explained below. We act independently in carrying out our role and in exercising professional judgement. We report to the Council and others, including Audit Scotland, on the results of our audit work.

Weaknesses or risks, including fraud and other irregularities, identified by auditors, are only those which come to our attention during our normal audit work in accordance with the Code and may not be all that exist.

Wider scope audit work

Reflecting the fact that public money is involved, public audit is planned and undertaken from a wider perspective than in the private sector.

The wider scope audit specified by the Code broadens the audit of the accounts to include additional aspects or risks in areas of financial management; financial sustainability; vision, leadership and governance; and use of resources to improve outcomes.

Financial management



Financial management means having sound budgetary processes. Audited bodies require to understand the financial environment and whether their internal controls are operating effectively.

Auditor considerations

Auditors consider whether the body has effective arrangements to secure sound financial management. This includes the strength of the financial management culture, accountability, and arrangements to prevent and detect fraud, error and other irregularities.

Financial sustainability



Financial sustainability means being able to meet the needs of the present without compromising the ability of future generations to meet their own needs.

Auditor considerations

Auditors consider the extent to which audited bodies show regard to financial sustainability. They look ahead to the medium term (two to five years) and longer term (over five years) to consider whether the body is planning effectively so it can continue to deliver services.

Vision, leadership and governance



Audited bodies must have a clear vision and strategy and set priorities for improvement within this vision and strategy. They work together with partners and communities to improve outcomes and foster a culture of innovation.

Auditor considerations

Auditors consider the clarity of plans to implement the vision, strategy and priorities adopted by the leaders of the audited body. Auditors also consider the effectiveness of governance arrangements for delivery, including openness and transparency of decision-making; robustness of scrutiny and shared working arrangements; and reporting of decisions and outcomes, and financial and performance information.

Use of resources to improve outcomes



Audited bodies need to make best use of their resources to meet stated outcomes and improvement objectives, through effective planning and working with strategic partners and communities. This includes demonstrating economy, efficiency and effectiveness through the use of financial and other resources, and reporting performance against outcomes.

Auditor considerations

Auditors consider the clarity of arrangements in place to ensure that resources are deployed to improve strategic outcomes, meet the needs of service users taking account of inequalities, and deliver continuous improvement in priority services.

Best Value

Appointed auditors have a duty to be satisfied that local government bodies have made proper arrangements to secure best value. Our work in respect of the Council's best value arrangements has been integrated into our audit approach, including our follow up on the Council's Best Value Assurance Report and work on the wider scope dimensions.

Audit quality

The Auditor General and the Accounts Commission require assurance on the quality of public audit in Scotland through comprehensive audit quality arrangements that apply to all audit work and providers. These arrangements recognise the importance of audit quality to the Auditor General and the Accounts Commission and provide regular reporting on audit quality and performance.

Audit Scotland maintains and delivers an [Audit Quality Framework](#).

The most recent audit quality report can be found at <https://www.audit-scotland.gov.uk/publications/quality-of-public-audit-in-scotland-annual-report-202223>.

Independence

The Ethical Standards and ISA (UK) 260 require us to give the Council full and fair disclosure of matters relating to our independence. We confirm that Azets Audit Services and the engagement team complied with the FRC's Ethical Standard. We confirm that all threats to our independence have been properly addressed through

appropriate safeguards and that we are independent and able to express an objective opinion on the financial statements.

Our period of total uninterrupted appointment as at the end of 31 March 2024 was two years.

Audit and non-audit services

The total fees charged to the Council for the provision of services in 2023/24 were as follows. Prior year charges for the predecessor auditor are also shown for comparative purposes:

	2023/24	2022/23
Auditor remuneration	£316,514	£298,450
Pooled costs	10,490	-
Contribution to PABV costs	£82,680	£78,110
Audit support costs	-	£10,290
Sectoral cap adjustment	£59,660	£55,800
Total audit fees	£469,344	£442,650

Appendix 2: Audit differences identified during the audit

We are required to inform the Council of any significant misstatements within the financial statements presented for audit that have been discovered during the course of our audit. The non-trivial misstatement discovered during the course of our audit which have been adjusted for by management are summarised in the table below.

Adjusted misstatements

Details of the item corrected following discussions with management is as below.

No	Detail	Assets	Liabilities	Reserves	CIES
		Dr / (Cr) £m	Dr / (Cr) £m	Dr / (Cr) £m	Dr / (Cr) £m
1.	Prior year restatement				
	Correction of pension fund plan assets calculation to account for unfunded liability				
	DR Pension reserve			73.5	
	CR Pension liability	(73.5)			
2.	Correction of incorrect manual adjustment to reduced doubtful debt				
	DR Short-term debtors	0.8			
	CR Cash	(0.8)			
3.	Classification of debtor type from Short-term debtors - non-trade: central government bodies to Short-term debtors - arrears of business rates				
	Short term debtors	0.5			
	Short term debtors	(0.5)			

No	Detail	Assets Dr / (Cr) £m	Liabilities Dr / (Cr) £m	Reserves Dr / (Cr) £m	CIES Dr / (Cr) £m
4.	Classification of investment properties				
	Investment properties	0.9			
	Property, plant and equipment	(0.9)			
	Net impact on usable reserve- General Fund Reserve				0
	Net impact on unusable reserve- Pension Reserve				73.5
	Net impact on net assets				(73.5)

Unadjusted misstatements

We identified no unadjusted misstatements during our audit.

Misclassification and disclosure changes

Our work included a review of the adequacy of disclosures in the financial statements and consideration of the appropriateness of the accounting policies and estimation techniques adopted by the Council.

We identified a number of reclassification adjustments and some minor presentational issues in the Council's accounts, and these have all been amended by management. Details of all disclosure changes amended by management following discussions are as below.

No	Detail
1.	Disclosure changes in external audit costs of fee payable to be £0.469million.
2.	Disclosures in the remuneration report for pension entitlement and casting.
3.	Pension liability disclosure after receiving the revised actuarial report.
4.	Minor presentational and disclosure issues. The audit team have raised minor and presentational issues with management, and we recommend that this is updated.
5.	Presentational classification adjustment to Note 4.

Overall, we found the disclosed accounting policies, significant accounting estimates and the overall disclosures and presentation to be appropriate.

Appendix 3: Action plan

Our action plan details the weaknesses and opportunities for improvement that we have identified during our audit.

Action plan grading structure

To assist the Council in assessing the significance of the issues raised and prioritising the action required to address them, the recommendations have been rated as follows:

Rating	Assessment rationale
High	An issue that results in a severe impact to the achievement of objectives in the area audited.
Medium	An issue that results in a moderate impact to the achievement of objectives in the area audited.
Low	An issue that results in a small impact to the achievement of objectives in the area audited.

Current year action plan

1. Payroll reconciliation		Medium
Observation	The Council has a number of payruns running at different frequencies. However, there is no year-end reconciliation in place between the ledger and payroll systems to ensure that the figures in the financial statements reconcile to the payroll system.	
Implication	There is a risk that the ledger is not complete or accurate when reflecting payroll figures and impacting on the financial statements.	
Recommendation	We recommend that the Council performs regular reconciliation between the ledger and payroll.	
Management response	<p>The Council's payroll and ledger systems are fully integrated in its ERP system, Business World. This results in the risk of any disparity between the payrun batches and the General Ledger transactions being very low. However, officers recognise that testing this on an annual basis would be beneficial for control assurance and will undertake development of a process over the second half of 2024/25.</p> <p>Responsible officer: Director of Finance and Resources</p> <p>Implementation date: 31 March 2025</p>	

2. Related parties		Medium
Observation	The Council should disclose intercompany transactions between group entities in the related parties note.	
Implication	There is a risk that the disclosure is not complete.	
Recommendation	We recommend that the Council makes the relevant disclosure in the 2024/25 financial statements.	
Management response	<p>The Related Parties Note will be updated in the 2024/25 accounts for relevant group transactions.</p> <p>Responsible officer: Head of Finance and Procurement</p> <p>Implementation date: 31 March 2025</p>	

3. Performance information		Low
Observation	<p>The performance information reported on the Council’s website is the Council’s response to meeting the requirements. However, we note that a lot of the information on this section of the Council website has not been updated to the newest available. This includes reporting against the council plan, service outturn reports, summarising findings in relation to BV work and progress against those, including leadership work from last year. We recommend the Council updates this section of their website on regular and at least annual basis.</p>	
Implication	<p>The Council’s performance section on the website has been updated with most reports with a few update reports from May and June 2024 board cycles requiring to be updated</p>	
Recommendation	<p>We recommend that the Council updates the information.</p>	
Management response	<p>The Council regularly updates its performance information on the website. It is recognised several updates to board from May and June require to be updated and are scheduled to be so in line with existing processes.</p> <p>Responsible officer: Head of Policy and Partnerships</p> <p>Implementation date: 30 September 2024</p>	

Appendix 4: Follow up of prior year recommendations

We have followed up on the progress the Council has made in implementing the recommendations raised by the previous auditor last year which were reported as either new or ongoing.

1.	Property, plant and equipment valuations
<p>Recommendation</p>	<p>The Code of Practice on Local Authority Accounting requires authorities to revalue property, plant and equipment with sufficient regularity to ensure the carrying amount does not differ materially from current value, being the value that would have been obtained if revalued. Property, plant and equipment valuations within the annual accounts is supported by workings from valuers, using a rolling programme of revaluations. The valuation process could be enhanced through greater documentation of the annual valuation report and management scrutiny over the report including:</p> <ul style="list-style-type: none"> • The assets revalued in year and the methodology applied in the valuation exercise • Key assumptions and estimates made in the valuation • The total valuation amount reflected within the annual accounts <p>The recommendation was that a valuation report is prepared by the council’s valuer on an annual basis outlining the details of the work undertaken, the impact on the asset values and the methodology applied in completing the revaluation programme. There should be clear evidence of how officers have challenged and scrutinised the valuation to ensure the accounts are free from material misstatement.</p>
<p>Closed</p>	<p>Response: The Council’s valuer has detailed which assets have been valued in the year and the impact of this on the wider category of assets. Improvements will continue to be made to annual valuation information to allow increased clarity on the work undertaken in year.</p> <p>Responsible officer: Head of Economy and Development</p>

2. Related party disclosures	
Recommendation	<p>The information held relating to member and officer interests could be enhanced to ensure that all relevant information is recorded to support the governance and financial reporting requirements around the disclosure of related parties. Processes and controls to consider and identify relevant relationships and transactions that require to be disclosed within the annual accounts should be reviewed for appropriateness.</p> <p>Risk: There is a risk that the council fail to identify related parties due to underlying documentation lacking sufficient detail.</p> <p>The recommendation was that a review of controls and processes around related parties is undertaken. This will include the documentation of member and officer interests as well as the processes in place to identify the relevant disclosures for inclusion in the financial statements.</p>
Ongoing	<p>Response: The Related Parties disclosure was refreshed and significantly expanded in the 2022/23 accounts and further development of the note will be undertaken for the 2024/25 accounts, as noted above.</p> <p>Responsible officer: Head of Finance and Procurement</p>

3. Financial strategy to support financial sustainability	
Recommendation	<p>The council face continuing financial challenges and significant uncertainty.</p> <p>It is anticipated that new financial flexibilities may become available and the impact of these should be assessed within the scope of the wider financial strategy.</p> <p>Risk: There is a risk that decisions around financial flexibilities, transformation and redesign of savings are made without detailed financial impacts being available to support the decision-making process.</p> <p>The recommendation was to develop a revised financial strategy incorporating new or temporary financial flexibilities and assess how the total balances available are best utilised to support the financial sustainability of the council over the medium term.</p> <p>The council will need to actively engage with local and national partners to deliver the required level of efficiencies and savings..</p>
Ongoing	<p>Response: Financial Outlook update reports have been reported to Council at each board cycle, the last being 26th September 2024. This continues to update the budget position in the medium term and the progress of savings targets. The use of financial flexibilities was agreed by Council in September 2021.</p> <p>Responsible officer: Director of Finance and Resources</p>

4. Dargavel school response Medium

Recommendation

The Council has responded in a transparent and open manner to issues raised through the Bowles Report. We welcome the creation of a detailed action plan response to Bowles report recommendation and we note the planned reviews of overall governance arrangements and the specific review of the role the Audit, Risk and Scrutiny Board should have going forward.

The Council recognises that it faces an ongoing challenge to build the trust and confidence of local communities in its school estate decision making. A recent report to the Education, Children’s Services Policy Board comments on the community negative reaction to the Council’s decision on extending (rather than replacing) an existing secondary school and indicates that decisions on the future school estate will remain a high profile area for the Council.

Lack of clarity over the above points might lead to slow pace of remediating issue or re-occurrence in the future We recommend that the Council:

- Performs a more comprehensive and continuous assessment of future operating costs for planned new school provision.
- Consider whether any additional monitoring and assessment arrangements for pupil educational attainment may be required for pupils in the Bishopton and Dargavel communities
- Consider how it will evidence better joint working between council departments in future projects

Remains open and measures its effectiveness in rebuilding its relationship with the affected communities.

Ongoing

Response: The Council has developed a substantial action plan addressing all the key recommendations from the independent review; and which will address the external audit points above. The action plan will subject to ongoing monitoring and scrutiny by the Audit, Risk and Scrutiny Board.

Management response

Responsible officer: Chief Executive
Implementation date: Ongoing

5. Financial sustainability High	
<p>Recommendation</p>	<p>Officers have noted that the prior year's savings were mainly achieved by two departments which make up only 20% of the total council budget. Commitment to savings would need to be met by all services, including the Council's subsidiaries.</p> <p>The medium term financial challenge and financial gap has been considered by the Council numerous times, but no clear options have been presented or decision have been made as to how to address those challenges. The Council now needs to make difficult spending priority decisions to secure financial sustainability going forward.</p> <p>This poses an increasing risk to the Council's delivery of services over the medium term and we would recommend addressing as a priority.</p> <p>To present the Council with a range of options and services implications.</p>
<p>Ongoing</p>	<p>Response: A Financial Outlook update has been reported to Council at each board cycle, the last being 26 September 2024. This continues to update status of the budget deficit position in the medium term and the progress of savings targets. The Council's senior management team continue to identify options for further savings and service transformation, for agreement by elected members in setting future annual revenue budgets.</p> <p>Responsible officer: Director of Finance & Resources</p> <p>Implementation date: Ongoing</p>

6. Cut off de minimis		Low
Recommendation	<p>The Council applies a 'de minimis' limit to determining how it will process transactions into the correct financial year. However, we identified that this threshold is not formally set.</p> <p>There could be inconsistent treatment of the transactions with no formal limit set leading to misstatements.</p> <p>To formalise arrangements around cut-off recording.</p>	
Ongoing	<p>Response: This action is carried forward and a formal de minimis will be included in year-end guidance documents from 2024/25 onwards.</p> <p>Responsible officer: Head of Finance and Procurement</p> <p>Implementation date: 31 March 2025</p>	

7. Land valuations frequency		Low
Recommendation	<p>Our audit of fixed assets identified that a number of land values have been revalued in 2023, but had not been revalued in the five years before that valuation.</p> <p>Revaluations to be made with sufficient regularity to ensure that the carrying amount does not differ materially from current value.</p> <p>We recommend revaluing land values at least once in five years in line with standard industry practice and accounting requirements.</p>	
Closed	<p>Response: There have been resourcing issues within the Council's Estates team, with external assistance purchased in 2023. Land values will be reviewed at least once in five years.</p> <p>Responsible officer: Head of Economy and Development</p> <p>Implementation date: 31 March 2024</p>	



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