

Children and Young People's Commissioner Scotland

2024/25 Annual Audit Report



Prepared for Children and Young People's Commissioner Scotland and the Auditor General for Scotland
November 2025

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Key messages

Audit of the annual report and accounts

- 1** All audit opinions stated that the annual report and accounts were free from material misstatement.
- 2** There were no significant findings or key audit matters to report. All audit adjustments required to correct the financial statements were processed.

Financial Sustainability and Best Value audit

- 3** The Children and Young Person's Commissioner for Scotland has effective and appropriate arrangements in place for securing financial sustainability.
 - 4** The Children and Young Person's Commissioner for Scotland has effective and appropriate arrangements in place for securing Best Value.
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Introduction

Purpose of the Annual Audit Report

1. The purpose of this Annual Audit Report is to report the significant matters identified from the 2024/25 audit of the Children and Young People's Commissioner Scotland's Annual report and Accounts and the wider scope areas specified in the [Code of Audit Practice \(2021\)](#).
2. The Annual Audit Report is addressed to Children and Young People's Commissioner Scotland, hereafter referred to as 'the body' and the Auditor General for Scotland, and will be published on [Audit Scotland's website](#) in due course.

Appointed auditor and independence

3. Adam Haahr, of Audit Scotland, has been appointed as external auditor of the body for the period from 2024/25 until 2026/27. Adam Haahr and the audit team are independent of the body in accordance with relevant ethical requirements, including the Financial Reporting Council's Ethical Standard. There have been no developments since the issue of the Annual Audit Plan that impact on the continued independence of the engagement lead or the rest of the audit team from the body, including no provision of non-audit services.

Acknowledgements

4. We would like to thank the body and its staff, particularly those involved in preparation of the Annual report and Accounts, for their cooperation and assistance during the audit. We look forward to working together constructively over the remainder of the five-year audit appointment.

Audit scope and responsibilities

Scope of the audit

5. The audit is performed in accordance with the Code of Audit Practice, including supplementary guidance, International Standards on Auditing (ISA) (UK), and relevant legislation. These set out the requirements for the scope of the audit which includes:

- An audit of the financial statements and an opinion on whether they give a true and fair view and are free from material misstatement, including the regularity of income and expenditure.
- An opinion on statutory other information published with the financial statements in the annual report and accounts, namely the Performance Report and Governance Statement.
- An opinion on the audited part of the Remuneration and Staff Report.
- Concluding on the financial sustainability of the body and a review of the Governance Statement.
- Reporting on the body's arrangements for securing Best Value.
- Provision of this Annual Audit Report.

Responsibilities and reporting

6. The Code of Audit Practice sets out the respective responsibilities of the body and the auditor. A summary of the key responsibilities is outlined below.

Auditor's responsibilities

7. The responsibilities of auditors in the public sector are established in the Public Finance and Accountability (Scotland) Act 2000. These include providing an independent opinion on the financial statements and other information reported within the annual report and accounts, and concluding on the body's arrangements in place for the wider scope areas and Best Value.

8. The matters reported in the Annual Audit Report are only those that have been identified by the audit team during normal audit work and may not be all that exist. Communicating these does not absolve the body from its responsibilities outlined below.

9. The Annual Audit Report includes an agreed action plan at [Appendix 1](#) setting out specific recommendations to address matters identified and includes details of the responsible officer and dates for implementation.

The body's responsibilities

10. The body has primary responsibility for ensuring proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety, and regularity that enables it to successfully deliver its objectives. The features of proper financial stewardship include:

- Establishing arrangements to ensure the proper conduct of its affairs.
- Preparation of an annual report and accounts, comprising financial statements that gives a true and fair view and other specified information.
- Establishing arrangements for the prevention and detection of fraud, error and irregularities, and bribery and corruption.
- Implementing arrangements to ensure its financial position is soundly based.
- Making arrangements to secure Best Value.
- Establishing an internal audit function.

National and performance audit reporting

11. The Auditor General for Scotland and the Accounts Commission regularly publish national and performance audit reports. These cover a range of matters, many of which may be of interest to the body and Advisory Audit Board. Details of national and performance audit reports published over the last year can be seen in [Appendix 2](#).

Audit of the annual report and accounts

Main judgements

All audit opinions stated that the annual report and accounts were free from material misstatement.

There were no significant findings or key audit matters to report. All audit adjustments required to correct the financial statements were processed by the body.

Audit opinions on the annual report and accounts

12. The body's annual report and accounts were recommended for approval by Advisory Audit Board and were approved by the Commissioner on 3 November 2025. They were signed by the appointed auditor on 3 November 2025. The Independent Auditor's Report is included in the body's annual report and accounts, and this reports that, in the appointed auditor's opinion, these were free from material misstatement.



Audit timetable

13. The unaudited annual report and accounts and all working papers were received in accordance with the agreed audit timetable.

Audit Fee

14. The audit fee for the 2024/25 audit was reported in the Annual Audit Plan and was set at £24,330. There have been no developments that impact on planned audit work required, therefore the audit fee reported in the Annual Audit Plan remains unchanged.

Materiality

15. The concept of materiality is applied by auditors in planning and performing an audit, and in evaluating the effect of any uncorrected misstatements on the financial statements or other information reported in the annual report and accounts.

16. Broadly, the concept of materiality is to determine whether misstatements identified during the audit could reasonably be expected to influence the decisions of users of the annual report and accounts. Auditors set a monetary threshold when determining materiality, although some issues may be considered material by their nature. Therefore, materiality is ultimately a matter of the auditor's professional judgement.

17. Materiality levels for the body were determined at the risk assessment phase of the audit and were reported in the Annual Audit Plan, which also reported the judgements made in determining materiality levels. Materiality levels were updated on receipt of the unaudited annual report and accounts, these can be seen in [Exhibit 1](#).

Exhibit 1

2024/25 Materiality levels

Materiality	Amount
Materiality – set at 2% of gross expenditure.	£34,000
Performance materiality – set at 75% of materiality. As outlined in the Annual Audit Plan, this acts as a trigger point. If the aggregate of misstatements identified during the audit exceeds performance materiality, this could indicate further audit procedures are required.	£26,000
Reporting threshold – set at 5% of materiality.	£2,000

Source: Audit Scotland

Significant findings and key audit matters

18. ISA (UK) requires auditors to communicate significant findings from the audit to those charged as governance, which for the body is Audit Advisory Board.

19. The Code of Audit Practice also requires public sector auditors to communicate key audit matters. These are the matters that, in the auditor's professional judgement, are of most significance to the audit of the financial statements and require most attention when performing the audit.

20. In determining key audit matters, auditors consider:

- Areas of higher or significant risk of material misstatement.
- Areas where significant judgement is required, including accounting estimates that are subject to a high degree of estimation uncertainty.

- Significant events or transactions that occurred during the year.

21. There are no significant findings or key audit matters to report.

Qualitative aspects of accounting practices

22. ISA (UK) 260 also requires auditors to communicate their view about qualitative aspects of the body's accounting practices, including accounting policies, accounting estimates, and disclosures in the financial statements.

Accounting policies

23. The appropriateness of accounting policies adopted by the body was assessed as part of the audit. These were considered to be appropriate to the circumstances of the body, and there were no significant departures from the accounting policies set out in the Government Financial Reporting Manual.

Disclosures in the financial statements

24. The adequacy of disclosures in the financial statements was assessed as part of the audit. The quality of disclosures was adequate.

Significant matters discussed with management

25. All significant matters identified during the audit and discussed with the body's management have been reported in the Annual Audit Report.

Audit adjustments

26. No audit adjustments were required to the financial statements greater than the reporting threshold of £2,000.

Significant risks of material misstatement identified in the Annual Audit Plan

27. Audit work has been performed in response to the significant risks of material misstatement identified in the Annual Audit Plan. The outcome of audit work performed is summarised in [Exhibit 2](#).

Exhibit 2**Significant risks of material misstatement to the financial statements**

Risk of material misstatement	Planned audit response	Outcome of audit work
Fraud caused by management override of controls Management is in a unique position to perpetrate fraud because of management's ability to override controls that otherwise appear to be operating effectively.	The audit team will: • Evaluate the design and implementation of controls over journal entry processing. • Make inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries. • Test journals entries, focusing on those that are assessed as higher risk, such as those affecting revenue and expenditure recognition around the year-end. • Evaluate significant transactions outside the normal course of business. • Assess the adequacy of controls in place for identifying and disclosing related party relationships and transactions in the financial statements. • Assess changes to the methods and underlying assumptions used to prepare accounting estimates and assess these for evidence of management bias.	Audit work performed found: • The design of controls over journal processing were appropriate and these were implemented as intended. • No inappropriate or unusual activity relating to the processing of journal entries was identified from discussions with individuals involved in financial reporting. • No significant issues were identified from testing of journal entries. • No significant issues were identified from transactions outside the normal course of business. • The controls in place for identifying and disclosing related party relationships and transactions were adequate. • No significant issues were identified with changes to methods and underlying assumptions used to prepare accounting estimates and there was no evidence of management bias. Conclusion: no evidence of fraud caused by management override of controls.

Internal control processes

28. We reviewed the design and implementation of key control processes and in general found these to be satisfactory. However, we did note that processes could be improved by the addition of a formal second check of the monthly bank reconciliation.

Recommendation 1

The body should implement a formal second check of the monthly bank reconciliation.

Annual Report and Accounts reporting timeline

29. The Annual Report and Accounts were approved by the body's Audit Advisory Board and external auditor on 3 November 2025, after the 31 October 2025 target date.

30. While this delay was appropriately communicated to and agreed with Scottish Parliamentary Corporate Body, CYPCS should aim to complete the annual reporting process within the target date.

Recommendation 2

The body should put in place arrangements to complete the annual reporting process within the target date.

Prior year recommendations

31. The body has made progress in implementing the agreed prior year audit recommendations. For actions not yet implemented, revised responses and timescales have been agreed with the body and are outlined in [Appendix 1](#).

Financial Sustainability and Best Value audit

Conclusion

The body has effective and appropriate arrangements in place for securing financial sustainability.

The body has effective and appropriate arrangements in place for securing Best Value.

Audit approach to wider scope and Best Value

Wider scope

32. The Annual Audit Plan reported the body was considered to be a less complex body for the wider scope audit. Therefore, the wider scope audit does not cover all four wider scope areas and is instead limited to concluding on the financial sustainability of the body.

Duty of Best Value

33. The [Scottish Public Finance Manual](#) (SPFM) explains that Accountable Officers have a specific responsibility to ensure that arrangements have been made to secure Best Value. [Best Value in public services: guidance for Accountable Officers](#) is issued by Scottish Ministers and sets out their duty to ensure that arrangements are in place to secure Best Value in public services.

34. Consideration of the arrangements the body has in place to secure Best Value have been carried out alongside the wider scope audit.

Conclusions on Financial Sustainability

35. CYCPS has a track record of achieving financial balance in recent years and repeated this for 2024/25 spending £1.690 million against a budget of £1.678 million.

36. For 2024/25 budget pressures arising from an unplanned £0.060 million spend on HR consultancy were managed by the reallocation of existing underspends by agreement with Scottish Parliamentary Corporate Body.

37. In setting the 2025/26 budget, indicative spend for the following two years has also been estimated and reported to Scottish Parliamentary Corporate Body. While we do not highlight concerns regarding the financial sustainability of CYPSCS, we continue to recommend that management develop a more detailed medium term financial plan, which we understand is currently being drafted. The preparation of this plan is particularly important in the context of the legislative changes following the UNCRC (Incorporation) (Scotland) Act 2024 which introduced new powers and therefore uncertainty, into the budget setting process.

Conclusion on Best Value

38. The audit work performed on the arrangements the body has in place for securing Best Value found these were effective and appropriate. This judgement is evidenced by:

- an appropriate management structure, and robust systems used in decision-making, budgeting, procurement and risk management
- regular monitoring of performance including financial performance against budget
- appropriate governance and accountability arrangements including a systematic approach to risk management

39. We recommended in the previously that CYPSCS should review its Risk Management Policy, this is still in progress as noted in Appendix 1.

40. While we concluded positively regarding CYPSCS' reporting of performance within its Annual Report and Accounts. We noted that there are opportunities to streamline this and avoid duplication within a comparatively small organisation.

Recommendation 3

The body should streamline performance reporting processes.

Appendix 1

Action plan 2024/25

2024/25 recommendations

Matter giving rise to recommendation	Recommendation	Agreed action, officer and timing
1. Approval of Monthly Bank Reconciliation Bank reconciliations are completed on a monthly basis and signed off by the preparer, however there is not a formal secondary approval.	The body should implement a formal second check of the monthly bank reconciliation.	Accepted Monthly reconciliation checks will be performed by the Head of Corporate Services Head of Corporate Services November 2025
2. Completion of annual reporting process The Annual Report and Accounts were approved by the body's Audit Advisory Board and external auditor on 3 November 2025, after the 31 October 2025 target date.	CYPCS should put in place arrangements to complete the annual reporting process within the target date.	Accepted Senior Management Team October 2026
3. Performance Reporting There are opportunities to streamline performance reporting to avoid duplication within a comparatively small organisation.	The body should streamline performance reporting processes.	Accepted The Body will streamline the current Annual Report and separate Annual Report and Accounts into one document and create a separate publication for stakeholders such as a child friendly version. Senior Management Team October 2026

Follow-up of prior year recommendations

Matter giving rise to recommendation	Agreed action, officer and timing	Update
4. Risk Management Policy The Commissioner should formally review the Risk Management Policy to ensure that it remains fit for purpose.	Risk Management Policy will be reviewed before December 2024 by the SMT and approved by the Commissioner. Thereafter, it will be reviewed every 5 years. Responsible officer: Head of Corporate Services Revised date: December 2024	Work in progress Accountable Officer will review. Children and Young People's Commissioner Scotland December 2025
5. Financial Planning The Commissioner should develop a Medium-Term Financial Plan, to ensure that they can manage resources sustainably and deliver services effectively.	Management to commence report April 2024 after laying of Strategic Plan 2024-28 Responsible officer: Head of Corporate Services Revised date: April 2024	Work in progress Draft is now complete at October 2025. Next steps are to ensure that the Office's new powers are considered following a period of review. Head of Corporate Services Head of Legal March 2026
6. Workforce Planning The Commissioner should continue to develop a formalised Workforce Plan.	Management to commence report April 2024 after laying of Strategic Plan 2024-28 Responsible officer: Head of Corporate Services Revised date: April 2024	Implemented

Appendix 2

Supporting national and performance audit reports

Report name	Date published
Local government budgets 2024/25	15 May 2024
Scotland's colleges 2024	19 September 2024
Integration Joint Boards: Finance and performance 2024	25 July 2024
The National Fraud Initiative in Scotland 2024	15 August 2024
Transformation in councils	1 October 2024
Alcohol and drug services	31 October 2024
Fiscal sustainability and reform in Scotland	21 November 2024
Public service reform in Scotland: how do we turn rhetoric into reality?	26 November 2024
NHS in Scotland 2024: Finance and performance	3 December 2024
Auditing climate change	7 January 2025
Local government in Scotland: Financial bulletin 2023/24	28 January 2025
Transparency, transformation and the sustainability of council services	28 January 2025
Sustainable transport	30 January 2025
A review of Housing Benefit overpayments 2018/19 to 2021/22: A thematic study	20 February 2025
Additional support for learning	27 February 2025
Integration Joint Boards: Finance bulletin 2023/24	6 March 2025
Integration Joint Boards finances continue to be precarious	6 March 2025
General practise: Progress since the 2018 General Medical Services contract	27 March 2025
Council Tax rises in Scotland	28 March 2025

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