

D. TERMS OF REPORT

D.1 INTRODUCTION

The report by Audit Scotland on the 2023/24 audit is addressed to Members of the Council, is simultaneously forwarded to the Controller of Audit and forms part of the audit process. The Auditor's report covers four sections:

- Key messages;
- Audit of 2023/24 annual accounts;
- Wider Scope Areas
 - Financial Management;
 - Financial Sustainability;
 - Vision, Leadership and Governance;
 - Use of Resources to Improve Outcomes.
- Best Value

The unaudited annual accounts for the year ended 31 March 2024 were considered by the Audit Committee on 28 June 2024, thus achieving the statutory deadline of 30 June for submission to the council's auditors. These accounts were the subject of the General Fund Revenue Outturn report to the Council Executive on 26 June 2024.

The external audit of the Accounts and the signing of the Independent Auditor's Report was completed by the target date of 30 September 2024 when Council approved the accounts on 24 September 2024.

D.2 KEY MESSAGES IN THE AUDIT SCOTLAND REPORT ON THE 2023/24 ANNUAL ACCOUNTS

The Auditor intends to issue an unmodified audit opinion on the financial statements of the council, its group and the nine section 106 charities administered by the council.

The accounts were provided within the agreed timescale and were of a good standard.

The summary of the Auditor's key messages in relation to wider scope and best value outcomes from the 2023/24 audit are as follows.

Financial Management

- the council has appropriate and effective financial management in place with regular budget monitoring reports provided to Council Executive.
- the auditor recognises the service out-turn position of £2.9 million overspend for 2023/24 and the council's planned use of reserves to fund the overspend.

Financial Sustainability

- the council has a sound approach to medium and longer-term financial planning in place to manage ongoing financial challenges.
- that council has an agreed detailed two year revenue budget plan for 2024/25 to 2025/26 and a four year budget strategy for the years 2024/25 to 2027/28 with an estimated overall budget gap of £38 million.

Vision, Leadership and Governance

- the council continues to have effective and appropriate governance arrangements in place that support scrutiny of decisions taken.