

AUDIT AND SCRUTINY PANEL – 4 MARCH 2026

Thursday, 4 March 2026 at 2pm.

A Meeting of the **AUDIT AND SCRUTINY PANEL**

PRESENT

Councillor Watson, Convener; Councillor Kelly (Vice Convener); Councillors Costello, Hughes, Hume, Leckie, McCrory, M. McCulloch, McLaren and Robinson.

CHAIR

Councillor Watson (Convener) presided.

IN ATTENDANCE

Chief Officer (Audit and Risk), Chief Officer (Finance and Technology), Chief Officer (Housing and Communities); Chief Officer (Legal and Democratic), Audit Manager, Corporate Risk Manager, Strategy and Customer Experience Manager, Strategy, Performance and Data Manager, and Democratic Officer.

ALSO IN ATTENDANCE

John Boyd and Pauline Murray, Audit Scotland.

APOLOGY

Councillor D. Johnston.

DECLARATIONS OF INTEREST IN TERMS OF THE ETHICAL STANDARDS IN PUBLIC LIFE ETC. (SCOTLAND) ACT 2000

1. The meeting noted that there were no declarations of interest.

CHANGES TO THE CODE OF PRACTICE ON LOCAL AUTHORITY ACCOUNTING 2025/26

2. There was a report submitted by the Chief Officer (Finance and Technology): (1) explaining that the Council's Financial Statements are compiled in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom, which is based on International Financial Reporting Standards and also the requirements of the accounting and statutory guidance of the UK Government and that, further, the Code requires appointed auditors to pay due attention to quarterly bulletins published by Audit Scotland; (2) highlighting any significant changes to the Code, or guidance in the technical bulletins, which might impact on the accounting requirements and presentation of the Council's 2025/26 Annual Accounts, and (3) indicating that the 2025/26 Unaudited Annual Accounts were due to be submitted to External Audit by 30 June 2026.

Decided: -

- (1) that the contents of the report be acknowledged; and
- (2) that the actions being taken to ensure the Council submits a fully compliant set of Annual Accounts to External Audit be recognised.

HOUSING PERFORMANCE UPDATE

3. There was a report submitted by the Chief Officer (Housing and Communities): (1) detailing a response in respect to the variance between: (a) the red indicators shown in the housing section of the quarterly performance assurance review report; and (b) the accompanying narrative for these indicators within the same report; and (2) providing the supplementary information to ensure performance is considered with the most up to date context, the future improvement actions to support transparency and a full understanding of performance outcomes for the service.

Following discussion, it was requested that a report on reactive repairs appointments be submitted to the next meeting of the Panel, which was agreed.

Decided: -

- (1) that the explanation for the difference between the red indicators highlighted on the report, and the narrative provided in respect of these, be noted;
- (2) that the current position in respect of the indicators where no narrative was provided in the previous report, be noted;
- (3) that the actions proposed to ensure an explanation of all 'Red' indicators is provided in all future reports be noted; and
- (4) that a report on the non-reporting of reactive repairs appointments be submitted to the next meeting of the Panel

AUDITING BEST VALUE IN LOCAL GOVERNMENT - UPDATE

4. There was a joint report by the Interim Chief Officer (Strategy and Engagement) and Chief Officer (Legal and Democratic): (1) providing an update on the new national approach to auditing Best Value which requires the Council to ensure arrangements are in place to secure continuous improve in delivery the best possible services and outcomes for the public; (2) detailing the priority for the year four thematic Best Value audit work, and the implication for the Council; and (3) highlighting the role (in line with the Scheme of Administration) in terms of ensuring the Council continues to secure Best Value in practice in line with the statutory duty.

Decided: -

- (1) that the update to the national approach to auditing Best Value, the priority for the year four thematic Best Value audit work, and the implications for the Council in this respect be noted; and
- (2) that their role (in line with the Scheme of Administration) in terms of ensuring the Council continues to secure Best Value in practice in line with the statutory duty be endorsed.

SCRUTINY WORK PROGRAMME - ANNUAL UPDATE

5. There was a joint report submitted by the Interim (Chief Officer – Strategy and Engagement) and Chief Officer (Legal and Democratic): (1) providing an update in relation to the Scrutiny Work Programme, items reported previously to the panel and scheduled on the Scrutiny Work Programme for the year ahead; and (2) aiming to ensure the Council fulfils both (a) its statutory Best Value duty (with scrutiny structure that supports Elected Members in reviewing and challenges performance); and (b) the principles of good corporate governance (as set out in the CIPFA Delivery Good Governance in Local Government Framework (2016)).

Decided: -

AUDIT AND SCRUTINY PANEL – 4 MARCH 2026

- (1) that the annual update to the composite Scrutiny Work Programme and reporting schedule for the scrutiny function of the Audit and Scrutiny Panel, as set out in Appendix three to the report be noted;
- (2) that the role of Panel Members in identifying potential issues for inclusion in the Scrutiny Work Programme in line with the Assessment and Prioritisation Process (in Appendix two the report) and the overall approach (in Appendix one to the report) be endorsed, and
- (3) that the Panel continue to carry out their scrutiny role in reviewing and challenging performance to ensure the Council fulfils its statutory Best Value duty.

PERFORMANCE REPORTING SCHEDULE - QUARTERLY PERFORMANCE ASSURANCE REVIEW

6. There was submitted a joint report by the Interim Chief Officer (Strategy and Engagement) and Chief Officer (Legal and Democratic): (1) providing the Panel with the outcome of the latest quarterly performance assurance review which was undertaken on performance reports submitted to Council Committees during Cycle Four of 2025; and (2) attaching, as Appendices to the report: (a) Chief Officer individual performance reviews submitted to Service Committees in line with the Strategic Performance Framework; and (b) Chief Officer Service specific reporting which takes place each year to meet business and/or statutory obligations.

Decided: that the composite overview of performance reporting provided in Appendices one and two to maintain an awareness within the latest Performance Reporting Schedule be noted.

PROJECT MANAGEMENT FRAMEWORK QUALITY ASSURANCE - ANNUAL REPORT

7. There was submitted a joint report by the Interim Chief Officer (Strategy and Engagement) and Chief Officer (Legal and Democratic): (1) advising that the delivery of the Plan for North Lanarkshire is subject to Quality Assurance arrangements in line with the corporate Project Management Framework; and (2) aligning the governance support the Programme of Work to ensure the Council can (a) demonstrate compliance with the Project Management Framework; and monitor delivery of programmes, projects and activities supporting the Programme of Work.

Decided: -

- (1) that the rolling review programme now well established to support the Quality Assurance arrangements be acknowledged;
- (2) that the analysis of the latest position as at January 2026 which provides assurances that the Council has adopted suitable review procedures and the independent reviews being undertaken during a project's life cycle are adding value be noted, and
- (3) that the role of the Panel set out in the next steps at paragraphs 2.6 and 2.7 to support ongoing oversight and assurance be noted.

AUDIT AND RISK RELATED ITEMS: ACTION LOG

8. There was submitted a report by the Chief Officer (Audit and Risk): (1) enabling the Panel to track implementation of requests and recommendations made by it in respect of Audit and Risk related items; and (2) attaching, as an Appendix to the report, the action log, recording the requests and recommendations by the Panel, and when these had been addressed and/or were expected to be addressed.

Decided: that the report be noted.

INTERNAL AUDIT: PROGRESS REPORT

9. There was submitted a report by the Chief Officer (Audit and Risk): (1) providing an overview of Internal Audit activity and reporting the results of Internal Audit outputs finalised since the last update to the Panel in November 2025; (2) highlighting the progress with the 2025/26 Internal Audit Plan; and (3) providing an update on performance management.

During discussion on this matter, a question was asked in respect of which Officer committed to respond outwith the meeting:

“Can you clarify how many volunteers require and already have PVGs, how these will be recorded internally and the arrangements to be put in place to ensure records are and remain up to date?” (Cllr Robinson).

Following discussion, it was agreed that an update report in relation to the aforementioned question be submitted to the next meeting of the Panel.

Decided:

- (1) that the content of the Internal Audit reports together with the associated management responses be noted;
- (2) that the Internal Audit report to future meetings of the Panel on the progress in implementing agreed management actions categorised as ‘High’ or ‘Medium’ priority be acknowledged; and
- (3) that an updated report on PVGs be submitted to the next meeting of the Panel.

INTERNAL AUDIT: FOLLOW-UP OF IMPLEMENTATION OF AUDIT RECOMMENDATIONS

10. There was submitted a report by the Chief Officer (Audit and Risk): (1) detailing the extent to which management had implemented actions previously committed to in response to recommendations contained within Internal Audit reports, where those actions were due to be completed in the period up to 31 December 2025; (2) advising that Internal Audit had concluded that of the 27 actions agreed in response to relevant Internal Audit recommendations during the period 12 had been fully completed, and of the 15 recommendations that remain outstanding, two have an implementation date which are more than 12 months overdue; (3) explaining that of the 20 actions due in respect of external outputs, seven had been completed, four had been partially implemented, one is no longer relevant and eleven were not due yet; (4) attaching, in Appendix one to the report, the register of outstanding Internal Audit Recommendations; (5) advising that since April 2021, 94% of all relevant audit recommendations have been satisfactorily implemented by Services, meaning that only 6% of these audit recommendations remain outstanding; and (6) enclosing in Appendix two to the report, External Audit recommendations transferred to risk register.

Decided:

- (1) that the contents of the report be noted.

RISK MANAGEMENT UPDATE

11. There was submitted a report by the Chief Officer (Audit and Risk): (1) providing an overview of the Corporate Risk Register and developments on Corporate Risks since the last update to the Panel in November 2025; and (2) summarising the key considerations of the Risk Management Corporate Working Group within the reporting period.

Decided:

AUDIT AND SCRUTINY PANEL – 4 MARCH 2026

- (1) that the Corporate Risk Register as detailed in Appendix one to the report, be noted;
- (2) that that the changes to corporate risk assessments in sections 2.2 to 2.4 of the report, be noted;
- (3) that the overview of high scoring service level risk as set out in Appendix two to the report and described in section 2.25 of the report be noted;
- (4) that the Corporate Risk Benchmarking detailed in Appendix three and as described at section 2.6 of the report, be noted; and
- (5) that the summary of other risk management developments as noted at section 2.8 of the report, be noted.

AUDIT SCOTLAND – ANNUAL AUDIT PLAN 2025 – 26

12. There was submitted a report by the Chief Officer (Audit and Risk): (1) presenting the Annual Audit Report produced by the Council's appointed External Auditors, Audit Scotland; and (2) attached, as Appendix one to the report, the External Auditor's 2025-26 Annual Audit Report which summarises the audit work completed and presenting the main findings arising from the audit and containing audit recommendations and responses, including planned actions, which had been agreed by management.
 - (1) that the External Auditor's 2024-25 Annual Audit Report be noted; and
 - (2) that monitoring of the implementation by management of actions agreed in response to External Audit's recommendations be undertaken through reports to the Panel from Internal Audit.