



Agenda

Audit Committee

Date: Wednesday, 25 September 2019

Time: 10:00

Venue: Civic Space,
Council Offices, 16 Church Street, Dumbarton

Contact: Craig Stewart, Committee Officer
Tel: 01389 737251 craig.stewart@west-dunbarton.gov.uk

Dear Member

Please attend a meeting of the **Audit Committee** as detailed above. The business is shown on the attached agenda.

Yours faithfully

JOYCE WHITE

Chief Executive

Distribution:

Councillor John Mooney (Chair)
Councillor Jim Brown
Councillor Karen Conaghan
Councillor Daniel Lennie
Councillor Jonathan McColl
Councillor John Millar
Councillor Martin Rooney (Vice Chair)
Councillor Brian Walker
Mr C Johnstone
Ms E McKerry

All other Councillors for information

Chief Executive
Strategic Director - Transformation & Public Service Reform
Strategic Director - Regeneration, Environment & Growth
Chief Officer of West Dunbartonshire Health & Social Care Partnership

Date of issue: 12 September 2019

AUDIT COMMITTEE
WEDNESDAY, 25 SEPTEMBER 2019

AGENDA

1 APOLOGIES

2 DECLARATIONS OF INTEREST

Members are invited to declare if they have an interest in any of the items of business on this agenda and the reasons for such declarations.

3 MINUTES OF PREVIOUS MEETING 5 - 10

Submit for approval as a correct record, the Minutes of Meeting of the Audit Committee held on 12 June 2019.

4 OPEN FORUM

The Committee is asked to note that no open forum questions have been submitted by members of the public.

5 STRATEGIC RISKS 2017-22 11 -31

Submit report by the Strategic Lead – People & Technology providing an update on the strategic risks 2017-2022.

6 TREASURY MANAGEMENT ANNUAL REPORT 2018/19 33 - 45

Submit report by Strategic Lead – Resources providing an update on treasury management during 2018/19.

7 AUDITED ANNUAL ACCOUNTS To Follow

Submit report by the Strategic Lead – Resources on the above.

8 /

8 AUDIT ACTION PLANS

To Follow

Submit report by the Strategic Lead – Resources advising of:-

- (a) recently issued Internal Audit action plans; and
- (b) progress made against action plans previously issued contained within Internal Audit and External Audit reports.

**9 PUBLIC INTEREST DISCLOSURES AND OTHER INTERNAL 47 - 51
AUDIT INVESTIGATIONS – 1 JANUARY TO 30 JUNE 2019**

Submit report by the Strategic Lead – Resources advising of the outcome of investigations into allegations and disclosures in line with public interest disclosures and business irregularities policies received by Internal Audit between 1 January and 30 June 2019.

AUDIT COMMITTEE

At a Meeting of the Audit Committee held in the Council Chamber, Clydebank Town Hall, Dumbarton Road, Clydebank on Wednesday, 12 June 2019 at 10.00 a.m.

Present: Councillors Jim Brown, Jonathan McColl, Martin Rooney and Brian Walker, and Lay Member Mr Chris Johnstone.

Attending: Joyce White, Chief Executive; Angela Wilson, Strategic Director – Transformation & Public Service Reform; Richard Cairns, Strategic Director – Regeneration, Environment & Growth; Stephen West, Strategic Lead – Resources; Julie Slavin, Chief Financial Officer, West Dunbartonshire Health & Social Care Partnership, Colin McDougall, Audit and Risk Manager; Amanda Coulthard, Performance & Strategy Manager; Jennifer Ogilvie, Finance Business Partner and Craig Stewart, Committee Officer.

Also Attending: Ms Fiona Mitchell-Knight, Assistant Director; Mr Richard Smith, Senior Audit Manager and Zahrah Mahmood, Senior Auditor, Audit Scotland.

Apologies: Apologies for absence were intimated on behalf of Councillors Karen Conaghan, Daniel Lennie and John Millar and Lay Member Ms Eilidh McKerry.

Councillor John Mooney in the Chair

DECLARATIONS OF INTEREST

It was noted that there were no declarations of interest in any of the items of business on the agenda.

MINUTES OF PREVIOUS MEETING

The Minutes of Meeting of the Audit Committee held on 20 March 2019 were submitted and approved as a correct record.

OPEN FORUM

The Committee noted that no open forum questions had been submitted by members of the public.

AUDIT SCOTLAND REVIEW OF INVESTIGATION INTO TENDERING AND CONTRACTING PRACTICES IN ROADS AND GREENSPACE SERVICES

A report was submitted by the Chief Executive providing an update on the outcome of the Audit Scotland review of the Council's internal audit investigation into Tendering and Contracting Practices in Roads and Greenspace Services and recommendations arising.

After discussion and having heard the Chief Executive, Audit and Risk Manager and the Strategic Director – Transformation & Public Service Reform in further explanation of the report and in answer to Members' questions, the Committee agreed:-

- (1) to note that the report had been considered by Council and was referred to the Audit Committee for scrutiny;
- (2) to note the contents of the report;
- (3) to note the report and recommendations from Audit Scotland at Appendix A to the report; and
- (4) to note the Council action plan outlining progress to date and further planned activity at Appendix B to the report.

PRUDENTIAL INDICATORS 2018/19 TO 2028/29 AND TREASURY MANAGEMENT STRATEGY 2019/20 TO 2028/29

A report was submitted by the Strategic Lead – Resources advising of the proposed Prudential Indicators for 2018/19 to 2021/22 and Treasury Management Strategy (including the Investment Strategy) for 2019/20 to 2021/22.

After discussion and having heard the Finance Business Partner in further explanation of the report and in answer to a Member's questions, the Committee noted that on 27 March 2019, Council:-

- (1) agreed the following Prudential Indicators and Limits discussed in Appendix 1 to the report and set out within Appendix 6 to the report for the period 2019/20 to 2021/22:-

Capital Expenditure and Capital Financing Requirements (Tables A and B);

Forecast and estimates of the ratio of financing costs to Net Revenue Stream (Table D);

- (2) approved the policy for loans fund advances discussed in Appendix 1 to the report in section 3;
- (3) approved the Treasury Management Strategy for 2019/20 to 2021/22 (including the Investment Strategy) contained within Appendices 2 to 6 to the report;
- (4) agreed the following Treasury Prudential Indicators and Limits discussed in Appendix 2 to the report and set out within Appendix 6 to the report for the period 2019/20 to 2021/22:-

Operational Boundaries (Table F);

Authorised Limits (Table G);

Counterparty Limits (Table J); and

Treasury Management Limits on Activity (Table L);

- (5) noted the draft Prudential and Treasury Management Indicators for the period 2022/23 to 2028/29 discussed in Appendices 1 and 2 to the report and set out within Appendix 6 to the report;
- (6) approved the statement by the Section 95 Officer regarding the gross debt level in comparison to the Capital Financing Requirement (Appendix 2 to the report – Point 2.3);
- (7) referred the report to the Audit Committee to ensure further scrutiny took place.

AUDIT ACTION PLANS

A report was submitted by the Strategic Lead - Resources advising of:-

- (a) recently issued Internal Audit action plans; and
- (b) progress made against action plans previously issued contained within Internal Audit and External Audit reports.

After discussion and having heard the Audit and Risk Manager, the Chief Executive, Ms Mitchell-Knight, Assistant Director, Audit Scotland and relevant officers in further explanation and in answer to Members' questions, the Committee agreed:-

- (1) to note the contents of the action plans; and
- (2) that, with effect from the Audit Committee meeting on 25 September 2019, onwards, that the following be approved:-

- (i) For planned audit assignments, include an executive summary of each audit report recently issued within the covering report along with action plan to form ongoing monitoring of progress in implementing agreed actions, with the full report being provided via a link to the website; and
- (ii) For investigation audits, include the executive summary with the addition of further information on the key findings, along with the action plan. Note: There may be occasions when the full investigation report is submitted to the Audit Committee, in which case this will be a redacted version, as appropriate.

INTERNAL AUDIT ANNUAL REPORT TO 31 MARCH 2018

A report was submitted by the Strategic Lead - Resources advising of the work undertaken by Internal Audit in respect of the Annual Audit Plan 2017/18 and advising Members of the contents of the Annual Assurance Statement given to the Section 95 Officer (Strategic Lead - Resources) in support of the Statement of Internal Financial Control/Governance Statement.

After discussion and having heard the Audit and Risk Manager, the Chief Executive and relevant officers in further explanation and in answer to Members' questions, the Committee agreed:-

- (1) that the table in Appendix 1 to the report (Audit Plan 2018/19: Completed Audits) be reformatted in future to include information with regard to the reference number of the key audit work; and
- (2) otherwise to note the contents of the report.

COUNTER FRAUD ANNUAL REPORT 2018/19

A report was submitted by the Strategic Lead - Resources advising of the Council's fraud prevention, detection and investigation activity.

After discussion and having heard the Audit and Risk Manager, the Strategic Lead and the Chief Executive in further explanation and in answer to Members' questions, the Committee agreed to note the contents of the report.

CODE OF GOOD GOVERNANCE AND ANNUAL GOVERNANCE STATEMENT

A report was submitted by the Strategic Lead – Resources:-

- (a) advising on the outcome of the annual self-evaluation undertaken of the Council's compliance with its Code of Good Governance; and
- (b) inviting the Committee to consider and approve the Annual Governance Statement that will be published in the Council's Abstract of Accounts.

After discussion and having heard the Strategic Lead, the Chief Executive and the Strategic Director – Transformation & Public Service Reform in further explanation of the report and in answer to Members' questions, the Committee agreed:-

- (1) to note the outcome of the recent self-evaluation process in considering how the Council currently met the agreed Code of Good Governance, together with the issues identified and improvement actions; and
- (2) to consider the detail of the Annual Governance Statement and approve the actions identified by management to improve the internal control environment.

THE AUDIT COMMITTEE ANNUAL REPORT

A report was submitted by the Strategic Lead – Resources providing an Annual Report on the Audit Committee for 2018/19.

After discussion and having heard the Audit and Risk Manager in further explanation of the report, the Committee agreed:-

- (1) to approve the Annual Report on the Audit Committee for 2018/19; and
- (2) that the report should thereafter be referred to Council for consideration.

WEST DUNBARTONSHIRE BEST VALUE ASSURANCE REPORT

A report was submitted by the Strategic Lead – Communications, Culture & Communities providing an update on progress towards delivery of the improvement plan agreed with the Accounts Commission following the 2018 Best Value Assurance process of West Dunbartonshire Council.

After discussion and having heard the Performance & Strategy Manager in further explanation of the report and in answer to Members' questions, the Committee agreed to note the progress made to date against the Best Value Assurance Report (BVAR) improvement plan for West Dunbartonshire Council.

AUDIT SCOTLAND REPORT: WEST DUNBARTONSHIRE COUNCIL: MANAGEMENT REPORT 2018/19 – MAY 2019

A report was submitted by the Strategic Lead - Resources providing, for information, a report which has been received from our external auditors – Audit Scotland – and to provide information to Members as to the management actions implemented following receipt of this report.

After discussion and having heard Mr Smith, Senior Audit Manager, Audit Scotland and the Strategic Lead in further explanation of the report and in answer to

Members' questions, the Committee agreed to note the report and the agreed improvement actions.

ACCOUNTS COMMISSION REPORT: *LOCAL GOVERNMENT IN SCOTLAND CHALLENGES AND PERFORMANCE 2019*

A report was submitted by the Strategic Lead - Resources on the above.

After discussion and having heard the Audit and Risk Manager and the Performance & Strategy Manager in further explanation of the report and in answer to Members' questions, the Committee agreed:-

- (1) to note the report and the position of the Council in terms of the report's recommendations as detailed at 4.2 of the report, along with the scrutiny tool for councillors contained at Appendix 2 to the report and the availability of an on line tool; and
- (2) that a future Elected Members' development session should take place in relation to this report.

ACCOUNTS COMMISSION REPORT: *HOW COUNCILS WORK – SAFEGUARDING PUBLIC MONEY: ARE YOU GETTING IT RIGHT?*

A report was submitted by the Strategic Lead - Resources providing information regarding a report recently published by the Accounts Commission as prepared by Audit Scotland.

After discussion and having heard the Audit and Risk Manager in further explanation of the report and in answer to Members' questions, the Committee agreed:-

- (1) note the attached report along with the series of checklists contained therein; and
- (2) that a future Elected Members' development session should take place in relation to this report.

The meeting closed at 11.32 a.m.

WEST DUNBARTONSHIRE COUNCIL

Report by Strategic Lead – People & Technology

Audit Committee: 25 September 2019

Subject: Strategic Risks 2017-22

1. Purpose

- 1.1** To provide an update on the strategic risks for 2017-22.

2. Recommendations

- 2.1** It is recommended that the Committee consider the report and the strategic risks as detailed at Appendix 1.

3. Background

- 3.1** As part of the agreed improvements arising from the report to the 12 December 2019 Audit Committee on “Audit Committee Self-Assessment and reporting on audit assignments” Committee agreed that it should receive reports on risk management. This is the first such report to be reported to Audit Committee on risk management following that decision. This report has already been reported to Members to the Corporate Services Committee on 21 August 2019.
- 3.2** Since the Council first developed and published strategic risks in 2008, they have been incrementally refined in line with strategic plans. The appended risks were reviewed in 2017 and are re-assessed bi-annually before being reported to this Committee..

4. Main Issues

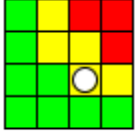

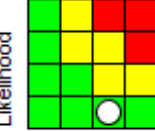

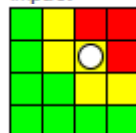



Strategic Risk

- 4.1** In line with the Council’s Risk Management Framework, a re-assessment of the strategic risks has taken place as detailed within Appendix 1. Each risk is managed through internal controls, linked actions and associated milestones with the objective being to reduce or stabilise the level of risk through completion of linked actions over a period of time and / or ensure mitigation factors are adequate should the risks actually materialise.
- 4.2** Table 1 represents a risk dashboard that includes information on the original, current and target ratings for each strategic risk, as well as an assessment of the current risk status. Each strategic risk is identified and supported by more

detailed information available on a “drill-down” basis in Appendix 1. Nine Strategic Risks, associated actions and milestones are progressing as expected and likely to reach their assigned targets. SR001 is significantly off target and is not likely to reach its intended risk outcome of low.

Table 1 Key Strategic Risk Information

Strategic Risk	Original Risk 2017	Current Risk 2019	Target Risk 2022	Risk Status Rationale
SR 001 Financial Funding.	 Likelihood Impact	 Likelihood Impact	 Likelihood Impact	
SR 002 School improvements.	 Likelihood Impact	 Likelihood Impact	 Likelihood Impact	
SR 003 Council Assets.	 Likelihood Impact	 Likelihood Impact	 Likelihood Impact	
SR 004 Information Technology.	 Likelihood Impact	 Likelihood Impact	 Likelihood Impact	
SR 005 Partnerships.	 Likelihood Impact	 Likelihood Impact	 Likelihood Impact	
SR 006 Citizens and Communities.	 Likelihood Impact	 Likelihood Impact	 Likelihood Impact	
SR 007 Health and Safety of Employees and Others	 Likelihood Impact	 Likelihood Impact	 Likelihood Impact	
SR 008 Cyber Attack.	 Likelihood Impact	 Likelihood Impact	 Likelihood Impact	

SR 009 Early Years Agenda.				
SR 010 Resourced Workforce.				

Risk Methodology and Reporting

4.3 Each strategic risk is populated in Pentana in terms of the following template:

- Risk title and code;
- Description;
- Ownership;
- Potential effect;
- Measures of impact;
- Risk factors;
- Internal controls;
- Risk opportunity; and
- Linked actions.

4.4 Each risk has been scored using a “4 x 4” matrix for likelihood and impact in relation to:

- Current risk (with review dates set at pre-determined intervals); and
- Target risk (i.e. 31 March 2022 - the duration of the Strategic Plan).

The risk descriptors used in the “4 x 4” matrix are as follows:

Likelihood

<u>Score</u>	<u>Descriptor</u>
1	Unlikely
2	Likely
3	Very likely
4	Certain

Impact

<u>Score</u>	<u>Descriptor</u>
1	Minor
2	Moderate
3	Significant
4	Critical

- 4.5** For ownership, each strategic risk is “Managed By” a Strategic Lead and “Assigned To” a Service Manager. Strategic risks are reported on a bi-annual basis to the Performance & Monitoring Review Group and Corporate Services Committee.

Service Risk

- 4.6** Following the methodology in 4.3 to 4.4 above, each service has service owned operational risk registers in Pentana; these will be further developed and updated through the current strategic plan.
- 4.7** The Section Head – Risk & Health and Safety is currently working with the Civil Contingencies Service (CCS) in exploring the risks associated with Britain’s exit from the EU and potential impact on services, developing the Council Brexit Contingency Plan which will be further developed as a strategic risk once exit takes place.

Strategic Risk Management Training

- 4.8** As part of the Management Development Programme risk management training has been delivered to new and middle managers, another session is being planned for Regulatory Services.
- 4.9** A commitment has also been made to deliver risk management training, through Gallagher Basset, to members of Community Planning West Dunbartonshire. This will be built into the 2019/20 schedule for the partnership.
- 4.10** Through discussion with the procurement and insurance sections and the council’s insurance brokers, a more tailored session will be developed and delivered on procurement and insurance risk for the procurement teams by November 2019.

5. People Implications

- 5.1** There are no people implications associated with this report.

6. Financial and Procurement Implications

- 6.1** There are no financial and/or procurement implications.

7. Risk Analysis

- 7.1** Failure to progress on risk management is likely to result in the Council being criticised by External Audit for not having an integrated approach to embedding risk management within the authority with the result that a “no scrutiny required” status will not be achieved.

7.2 Progressing with risk management will demonstrate that the Council is taking ownership of risk management so that effective measures will be put in place for the management of risk. The ability to demonstrate risk ownership should benefit the Council in terms of:

- Understanding risk and its potential impact on the Council's priorities and objectives;
- Reducing insurance premiums going forward by recognising that a mature approach to risk management will contribute to a reduction in the number and value of claims across a range of insurance classifications;
- Contributing towards incident prevention based upon post-incident investigation;
- Meeting statutory/regulatory requirements; and
- Ensuring better partnership working with external and internal partners.

8. Equalities Impact Assessment (EIA)

8.1 An equalities screening was undertaken that identified no impact on a particular protected group.

9. Consultation

9.1 The strategic risks have been discussed with the Strategic Leads and Directors.

10. Strategic Assessment

10.1 At its meeting on 25 October 2017, the Council agreed that its five main strategic priorities for 2017 - 2022 are as follows:

- A Strong local economy and improved employment opportunities;
- Supported individuals, families and carers living independently and with dignity;
- Meaningful community engagement with active empowered and informed citizens who feel safe and engaged;
- Open, accountable and accessible local government; and
- Efficient and effective frontline services that improve the everyday lives of resident

10.2 The strategic risks in 4.1 have been identified to complement the main strategic priorities.

Name: Victoria Rogers
Designation: Strategic Lead People & Technology
Date: 27 August 2019

Person to Contact: John Duffy (Section Head) Risk and Health & Safety.
Telephone 01389 737897

john.duffy2@wdc.gcsx.gov.uk

Appendices:

Appendix 1: Detailed Strategic Risk List


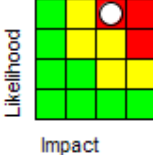
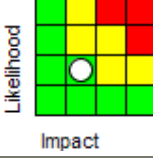


Background Papers:


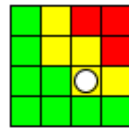
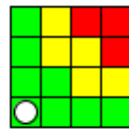

Report to Council on 25 October 2017 - West
Dunbartonshire Council Strategic Plan 2017-22
Risk Management Framework


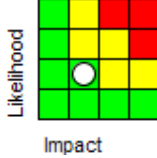
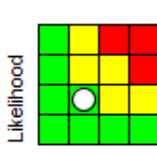







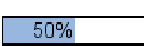
Strategic Risk Report August 2019


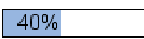

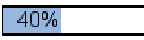
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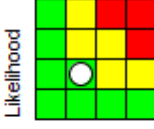
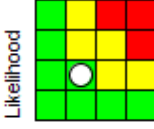
SR 001












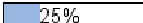










	SR 001 Significant financial funding reductions from Scottish Government	Current Risk Matrix	Current Rating	Last Review Date
Description	The Council is faced with significant ongoing funding reductions from the Scottish Government. Austerity is expected to continue for a number of years into the future and likely to result in funding reductions. This coincides with a period where costs are expected to rise in relation to Social Care due to aging population and capped powers to raise funds through Council Tax.		12	25-Jun-2019
Potential Effect	Shortfall in finances and therefore the Council is unable to provide all services as intended.		4	31-Mar-2022
Measures of Impact	<ul style="list-style-type: none"> - Reduction in government grant - Demographic change (population decline/growth, aging population) - Savings required including cutting level and/or quality of service provision - Increased Debt (collection of Council Tax, HRA rents, etc) 	Latest Note	Following assessment, this risk remains significant. We continue to monitor and update projections.	
Risk Factors	<ul style="list-style-type: none"> - Level of government grant - Lack of time to plan for changes in the level of grant funding - Welfare reform - General inflationary factors - Significant additional burdens - Capital receipts 			
Internal Controls	<ul style="list-style-type: none"> - 10 year Financial Strategy subject to regular review - Monitor and maintain General Services and Housing Revenue Account prudential targets - Reporting and monitoring of Treasury Management Strategy - Budgetary control process - Regular budgetary control and savings monitoring reports provided to CMT and Council / committees - Rigorous debt collection processes - Annual Internal Audit Plan - Work of External Auditors (external control) - Annual Governance Statement - Procurement Improvement Plan 	Managed By	Stephen West	
		Assigned To	Gillian McNeilly	
Progress of Linked Actions	RES/1819/009 Review and update long term finance strategy			Stephen West
Risk Opportunity	<ul style="list-style-type: none"> - Annual exercise to identify efficiencies - Projects to implement new ways of working (e.g. commercialisation, asset management) - Enhance the reputation of the Council as an organisation which manages its finances soundly 			

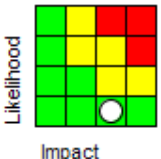
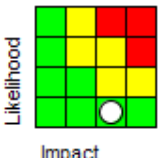






	SR 002 Failure to implement broad-ranging school improvement to raise attainment and achievement	Current Risk Matrix	Current Rating	Last Review Date
Description	This risk concerns the delivery of excellence and equity for our young people to support them to attain and achieve at the highest level. In particular, it is aimed at bridging the attainment gap and breaking the cycle of disadvantage. This also includes the focus on intervention at early years to improve life chances at all points on the learning journey. A key driver is the Council's participation in the Scottish Attainment Challenge which will be delivered over 4-years from 2015. Year 3 commenced in April 2017 and will bring together the workstreams to deliver a self improving school system programme.	 Likelihood Impact	6	26-Aug-2019
Potential Effect	The national expectation for education would not be delivered. Improved outcomes for young people would not be attained and achieved. The Council would fail to meet the needs of individual learners. The Service would fail to bridge the attainment gap and break the cycle of disadvantage. The Council would fail in its legal duty for the education of young people within West Dunbartonshire. There would be reputational damage to the service and the wider Council. There would be a lack of income generation from external funding sources.	 Likelihood Impact	1	31-Mar-2022
Measures of Impact	Examination results - HMIE inspection reports - validation reports - stakeholder feedback - local learning community attainment data - control group model - small test of change model - risk matrix model - bespoke model of intervention for young people and families at early stages to improve on attendance/lateness; social and emotional health; supports for mental health issues; parenting/behaviour management skills and early linguistic & cognitive development - pre/post intervention assessment - increased expectation of raising attainment being the responsibility of all - school to school collaboration with locally initiated bottom-up enquiry - higher level of STEM subject uptake in secondary schools - increased numbers of learners entering STEM related career pathways - standardised literacy and numeracy tests	Latest Note	Attainment has improved and the poverty-related attainment gap is narrowed in the majority of key areas.	
Risk Factors	Staff resources - adequate funding for projects - workforce development - effective leadership - accurate and timely data collection - accurate and timely reporting - effective communication with partners and external agencies			
Internal Controls	Raising Attainment Strategy Project management by Service Manager Raising Attainment Project Board (led by Chief Education Officer) Termly progress reports submitted as part of Educational Service committee reports Relevant CPD programme to support education staff Meetings between WDC and Education Scotland/HMIE BGE Attainment and Performance Data School Improvement Literacy, Numeracy and HWB Steering Group National Improvement Framework (NIF)	Managed By	Laura Mason	
		Assigned To	Julie McGrogan	
Progress of Linked Actions	E/1920DP/02DEI Develop and Deliver Educational Improvement Across West Dunbartonshire		3%	Andrew Brown; Julie McGrogan
Risk Opportunity	Improved attainment - improved attendance - reduced exclusions - reduced violent incidents - reduction requirement for targeted support over time - reduction requirement for specialist placements over time - improved learning & community engagement - children/pupils at risk identified earlier and more effectively - more empowered community providing self-sustaining peer support - increase in the percentage and range of positive destinations over time			

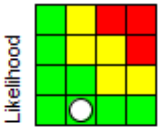
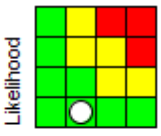



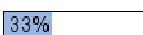
	SR 003 Councils Assets	Current Risk Matrix	Current Rating	Last Review Date
Description	Risk: That the Council's assets and facilities are not fully fit for purpose with consequent adverse impact on our ability to deliver efficient and effective services. Assets included in this assessment are; the Council's property portfolio, housing stock, roads and lighting, fleet and open space		4	03-Jul-2019
Potential Effect	<ul style="list-style-type: none"> - Assets are not utilised in the most effective and efficient manner - Service cannot be properly delivered to the satisfaction of service users - Service users seek alternative service provision - Increase in reactive maintenance costs - Roads assets in poor conditions - Assets fail to meet relevant standards 		4	31-Mar-2022
Measures of Impact	<ul style="list-style-type: none"> - Condition surveys - Suitability surveys - Road Condition SPI - Customer perceptions of service delivery - Investment levels in upkeep and improvement of asset base and facilities - Staff satisfaction - Operating costs and savings 	Latest Note		Risk matrix score should remain unchanged at this time. Additional planned maintenance funds for buildings have been allocated within 2019/20 and the impact of this will be monitored.
Risk Factors	<ul style="list-style-type: none"> - Adequacy of funding available to improve asset base - Adequacy of staff resources allocated to the area of asset management - Council buildings deemed to be unfit for existing purpose - Economic conditions may reduce level of potential capital receipts from surplus property sales - Over one third of the road network is in need of repair and the current long term capital funding only sustains a steady state condition of the road network - Increased public liability claims due to poor condition of roads network 			
Internal Controls	<ul style="list-style-type: none"> - Corporate Asset Management Strategy - Schools Estate Strategy - Capital Investment Team - Existence of Asset Management Group with meetings held on a regular basis - Property Asset Management Plan - HRA Capital Investment Programme - Capital plan - Roads and Lighting Asset Implementation Plan - Fleet Asset Implementation - Open Space Asset Implementation Plan - Detailed asset database that shows relevant information on a property by property basis - Sustainability Policy - Housing Improvement Board - Housing Improvement Plan - Housing Asset Management Strategy 	Managed By	Richard Cairns	
		Assigned To	Craig Jardine; Gail Macfarlane; Jim McAloon; Alan Young	
Progress of Linked Actions	Regen/1819/AM/01 Make further progress towards implementation of the Strategic Plan for the regeneration of the remaining schools estate.			Jim McAloon
	Regen/1819/AM/03 Deliver the allocated General Services investment programme projects for 2019/20			Jim McAloon
	Regen/1819/HAI/02 Deliver the HRA Capital Investment programme for 2018/19.			Jim McAloon
	Regen/1920/AM/01 Review the Strategic Plan for the regeneration of the remaining schools estate including the production of a new Schools Estate Management Plan.			Jim McAloon

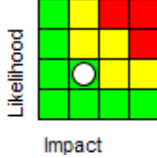
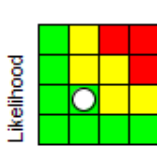
	Regen/1920/AM/03 Deliver the allocated General Services investment programme projects for 2019/20			Jim McAloon
	Regen/1920/HAI/02 Deliver the HRA Capital Investment programme for 2019/20.			Jim McAloon
Risk Opportunity	<ul style="list-style-type: none"> -Enhance reputation of Council by being able to improve Council -Estate, assets and service delivery (e.g. new school buildings, operational building upgrades, office and depot rationalisation projects, housing investment programme to meet SHQS/ESSH, roads upgrade programme, vehicle replacement programme, greenspace upgrade projects) - Enhance employee "feel good" factor by providing modern office accommodation equipped with up to date IT facilities - Secure external funding for development of assets (e.g. EC, lottery, Historic and Environment Scotland) - Prioritised Building Upgrade Plan - The continued implementation of the energy efficient street lighting project will both improve the asset and reduce costs significantly through reduced maintenance, energy consumption and carbon output. - The effect of these energy efficiencies has demonstrated that significant savings and environmental benefit can be achieved through the utilisation of developing technology. 			









	SR 004 Information Technology	Current Risk Matrix	Current Rating	Last Review Date
Description	Failure to keep pace with changing technology environment during periods of austerity and supplier rather than business led change		4	20-Jun-2019
Potential Effect	A lack of consistent, sufficiently robust planning in respect of ICT arrangements is likely to result in the Council being ill prepared to meet future demands in key service areas and lacking the capacity to respond effectively to changing need.		4	31-Mar-2022
Measures of Impact	<ul style="list-style-type: none"> - Degree of compliance with security controls to prevent data loss through poor o/s patching, cyber attack, firewall configurations etc - Extent of wireless connections in the Council network – all schools and refurbished Office accommodation complete - Number of ICT Help Desk calls resolved within half day - exceeding target of 35%. Target was increased. - Extent of functionality development in key Council systems (i.e. lack of development beyond base system leading to ineffective management information) – several channel shift projects delivered and more are in progress Workforce mgmt self service, increased volume of web and intranet traffic, streamlined financial and purchasing processes, document management. - Fit for purpose Council website, delivering information and services to a significant percentage of the Council's customers. - Provide efficient desktop services to meet changing workforce flexibility and property rationalisation requirements. Thin client deployment complete in corporate estate and started in Education. 5-year Device replacement programme in place. - Implementation of mobile and flexible working, enabling a downsizing of required office accommodation through enabling people to work more efficiently and to adopt a more flexible policy towards office accommodation and desk provision. Bridge St, Aurora, CTCO, Municipal, Church St complete. - Broadband speed in the Council area - WDC has 2nd highest broadband speeds in Scotland. Investigating funding options for fibre network. 	Latest Note	Continued investment in corporate and service-specific improvement projects and technologies such as the annual device replacement programme; 365 pilot; 'follow you' printing; and extending the functionality available via HR and Housing Management systems demonstrate the Council's commitment to maximising and leading on technology based improvements.	
Risk Factors	<p>Insufficient resourcing of ICT developments so that benefits and opportunities identified are not realised</p> <ul style="list-style-type: none"> - poor network security controls implemented. lack of intrusion detections alerts, failure to respond to audit / PSN test findings and recommendations, insufficient resources allocated to security tasks. Service redesigned and resources aligned to security tasks and improved monitoring processes and tools implemented. - Poor project and programme change management arrangements. - Poor quality of mobile communication provision. - Poor uptake on channel shift 			
Internal Controls	<ul style="list-style-type: none"> - - Information & Communication Technology (ICT) Policy - Governance structures to support integrated planning and decision making in relation to ICT - Use of both internal IT resources from across the Council and skilled specialist advisers in key areas - Fit for purpose data centre (with remote back up site). New shared data centre went live in Dec 2014 and new WDC data 			
		Managed By	Victoria Rogers	
		Assigned To	James Gallacher; Patricia Kerr; Brian Miller	


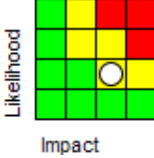
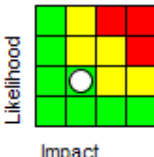
	centre live January 2018. WDC and EDC are taking a lead role on data centre sharing across Scotland			
Progress of Linked Actions	P&T/1819/ICT/01 Transformation & Channel Shift - Providing IT Support for Service Transformation Projects			Patricia Kerr
	P&T/1819/ICT/02 Continue to review and develop business case for shared IT services			Patricia Kerr; Victoria Rogers
	P&T/1819/ICT/03 Continue to deliver ICT tasks to support Property Rationalisation and Improvement Projects			Patricia Kerr; Victoria Rogers
	P&T/1819/ICT/04 Continue to review and deliver ICT service improvements aligned to business needs			Patricia Kerr
	P&T/1819/ICT/11 Deliver projects and changes required to continue to improve the overall security, compliance and resilience of the Councils IT Infrastructure.			Patricia Kerr; Victoria Rogers
	P&T/1920/ICT/01 Transformation & Channel Shift			Patricia Kerr
	P&T/1920/ICT/02 Explore Sharing Opportunities			Patricia Kerr; Victoria Rogers
	P&T/1920/ICT/03 Deliver a secure and resilient IT Infrastructure			Patricia Kerr; Victoria Rogers
	P&T/1920/ICT/04 Implement ICT Service Improvements			Patricia Kerr
	PT/1718/ICT/004 Support corporate and strategic transformation and channel shift projects.			Patricia Kerr
	PT/1718/ICT/008 Investigate shared infrastructure components			Patricia Kerr
Risk Opportunity	<ul style="list-style-type: none"> - annual network penetration tests - Annual PSN compliance audit - Annual External Audit on ICT Controls - Continued investment and Modernisation of ICT infrastructure and its focus on network security and resilience. - Provide 21st century state of the art technology for employees and service users - Rationalise IT systems - Use of innovative IT linked service delivery models to effect change - Provide Council employees with secure access to email and supporting systems at times and locations of choice Increased use of mobile devices eg tablet devices and mobile phones. - Provide self service style systems to employees and the local community 			
























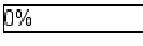
SR 005 Partnerships				
Description	The Council fails to engage adequately with partnership bodies	Current Risk Matrix	Current Rating	Last Review Date
			3	03-Jul-2019
Potential Effect	failure of partnership impacts on Councils obligations under Community Empowerment Act	Target Risk Matrix	Target Rating	Target Date
			3	31-Mar-2022
Measures of Impact	Successful delivery of LOIP and supporting plans positive partnership inspections	Latest Note	CPWD strengthened through publication of LOIP and strong DIGs	
Risk Factors	<ul style="list-style-type: none"> - inability to deliver improved outcomes which require strong partnership activity - Council's reputation is adversely affected through a failed partnership arrangement 			
Internal Controls	<ul style="list-style-type: none"> - Robust partnership arrangements through community planning partnership - Align the Council's strategic plan with the Local Outcome Improvement Plan (LOIP) - Ensure that partners have signed up to deliver on the outcomes and targets set in the LOIP - Develop data sharing protocols with partner agencies - Participate in reform agenda as it impacts on Council area 	Managed By	Malcolm Bennie	
		Assigned To	Amanda Coulthard	
Progress of Linked Actions	CCC/1819/P&S/03 Ensure citizens are supported to engage and participate in service design and delivery		<div><div>100%</div></div>	Malcolm Bennie
	CCC/1819/P&S/04 Support Community Planning West Dunbartonshire to further develop locality planning and involvement in line with the Community Empowerment Act		<div><div>100%</div></div>	Malcolm Bennie
	CCCF/1920/P&S/01 Support Community Planning West Dunbartonshire to further develop locality planning and involvement in line with the Community Empowerment Act		<div><div>50%</div></div>	Malcolm Bennie
	CCCF/1920/P&S/04 Ensure robust data and analysis is available to support decision making across all services		<div><div>50%</div></div>	Malcolm Bennie
	CCCF/1920/P&S/06 Review and embed frameworks which support continuous improvement and best value across the organisation		<div><div>0%</div></div>	Malcolm Bennie
	GOV-18-008 8. Partnership risk		<div><div>100%</div></div>	Malcolm Bennie
Risk Opportunity	- Position West Dunbartonshire as a modernising Council			


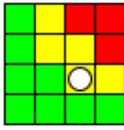
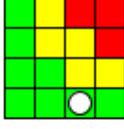

SR 006 citizens and communities				
Description	The risk is that the Council does not establish or maintain positive communications with local residents and the communities it represents	Current Risk Matrix	Current Rating	Last Review Date
		 Likelihood Impact	2	03-Jul-2019
Potential Effect	- Tensions develop with citizens and local community groups	Target Risk Matrix	Target Rating	Target Date
		 Likelihood Impact	2	31-Mar-2022
Measures of Impact	- informed and engaged citizens participating in consultation activity	Latest Note	Actions to mitigate this risk are progressing as planned.	
Risk Factors	Lack of appropriate staff development / skills may be lacking to support new model of service delivery inequity of engagement across the partnership on key local issues council seen as unresponsive to community if feedback from engagement not acted upon apathy within communities leads to little or no engagement some community groups feel their voices are not being heard			
Internal Controls	<ul style="list-style-type: none"> - Ensure robust mechanisms for public feedback (Embedding the Strategic Engagement Framework) - Annual budget consultation events - Citizens Panel - Open Forum questions at Council meetings - continue to deliver 4 issues of housing news each year - delivery of effective communications and public information through social media - use of telephone survey 	Managed By	Malcolm Bennie	
		Assigned To	Amanda Coulthard; Amanda Graham	
Progress of Linked Actions	CCC/1819/P&S/03 Ensure citizens are supported to engage and participate in service design and delivery			Malcolm Bennie
	CCCF/1920/COT/03 Increase social media audience (to 40%) and engagement (to 1.5m) across each platform through continually evaluating our approaches to social media and responding to social media trends and evolution			Malcolm Bennie
Risk Opportunity	Community Empowerment Act participation requests asset transfer			


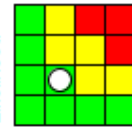
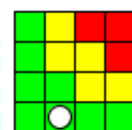








✓	SR 007 Health and Safety of Employees and Others	Current Risk Matrix	Current Rating	Last Review Date
Description	Failure to meet the Council's duty to protect the health, safety and welfare of its employees and other people who might be affected by its business, either in the provision of an effective health and safety management system or in ensuring adherence to that system as part of an embedded health and safety culture.		4	20-Jun-2019
Potential Effect	Risk of an employee, service user, pupil (young person) or member of the public being seriously / fatally injured by fault of the Council. There are various risks associated with the outcome: reputational risk regarding negative publicity; financial risk in terms of claims management compensation to the injured party; risk of prosecution by the HSE resulting in a fine or, , Strategic Leads/Directors / Chief Executive being subject to criminal charges.		4	31-Mar-2022
Measures of Impact	Time and cost associated with in-house/HSE investigation. Service delivery impact in terms of injury-related absence and potentially enforced cessation of work activities. Impact of legal proceedings, in terms of costs, potential reputational damage and, worst case, risk of criminal charges.	Latest Note	Actions to mitigate this risk are progressing as planned.	
Risk Factors	Resources, robust policies and practices, adequate H&S strategy.			
Internal Controls	<ul style="list-style-type: none"> • Council has in place a robust H&S policy and strategy (and separate Fire Risk Management Strategy) that includes service specific health and safety plans, duties and responsibilities for Strategic Directors, Strategic Leads, managers and employees. • Adequate H&S resources in place to fulfil statutory obligations in terms of the Health and Safety at Work etc. Act and the Management of Health and Safety at Work Regulations. • Embedded H&S culture that discusses H&S issues at a top level and cascades throughout the organisation through the health and safety committee system. • Monthly reports to PaMG on organisational safety performance. • Each link H&S Officer attends Service Strategic Lead meeting to report on service safety performance • Services have H&S committees at Service and Directorate level. • Workplace inspection and audit programme. • Service risk profiling. • H&S training needs analysis for every employee group. • Toolbox talks take place at directorate level. • The Council has in place a Trade Union Health and Safety Partnership Agreement. 	Managed By	Victoria Rogers	
		Assigned To	John Duffy; Alison McBride	







	<ul style="list-style-type: none"> Council promotes health and safety training for TUs to diploma level. 			
Progress of Linked Actions	P&T/1819/H&S/01 Continue to embed an organisational health and safety culture		<div><div>100%</div></div>	Alison McBride
	P&T/1819/H&S/02 Further develop and implement the Council health and safety management software system (Figtree)		<div><div>100%</div></div>	Alison McBride
	P&T/1819/H&S/03 Develop and implement the Council's Health & Safety management system to reflect new ISO 45001 (Occupational Health and Safety) standard.		<div><div>100%</div></div>	Alison McBride
	P&T/1819/H&S/04 Develop and implement a Council Fire Risk Management Strategy.		<div><div>100%</div></div>	Alison McBride
	P&T/1819/H&S/05 Review effectiveness of Council approach to risk management and implement improvement action as appropriate.		<div><div>75%</div></div>	Alison McBride
	P&T/1920/H&S/01 Embed an organisational health and safety culture though extending organisational use of Figtree and understanding of health & safety		<div><div>57%</div></div>	Alison McBride
	P&T/1920/H&S/02 Increase understanding of Council Fire Risk Management Strategy.		<div><div>25%</div></div>	Alison McBride
	P&T/1920/H&S/03 Undertake a review of the effectiveness of Council approach to risk management and implement improvement action as appropriate.		<div><div>25%</div></div>	Alison McBride
Risk Opportunity	Demonstrate to committees, elected members, Trade Unions, employees, the community and other external partners of robust H&S culture.			






	SR 008 Threat of Cyber-attack	Current Risk Matrix	Current Rating	Last Review Date
Description	Data, systems and/or infrastructure are impacted as result of security attacks which are increasing in number at a time when this threat is already placing demands on resources to deliver increased levels of security controls.		6	20-Jun-2019
Potential Effect	<ul style="list-style-type: none"> • Disruption of Services impacting service delivery to citizens • Loss of Data • Staff and Citizen data loss with the potential for misuse such as identity fraud • Mis-information being delivered to the public via WDC communication channels • Potential for significant fines currently under the Data Protection Act and from May 2018 under the provisions of the General Data Protection Regulations • Reputational damage • Redirection of resources to deal with the effects of an attack and away from BAU work 		4	31-Mar-2022
Measures of Impact	<ul style="list-style-type: none"> • Recorded attempts from external sources to breach council cyber defences • Recorded cyber related incidents in the Cyber incident log • Quantity of breaches/incidents reported to the Information Commissioners Office • Fines levied for breaches 	Latest Note	Cyber attacks are a daily occurrence and the continued and increased focus on regular device and system security patching, firewall and network perimeter controls are helping to minimise and reduce the likelihood of a threat. The Council continues to raise employee awareness as well as ensuring business continuity plans are in place should our defences be compromised.	
Risk Factors	<ul style="list-style-type: none"> • Inappropriate Cyber defences at the perimeter of the council networks • Inappropriate delivery of security patches to desktop and server estates • Compliance with security standards such as PSN, PCI, Public Sector Action Plan on Cyber resilience for Scotland • Continually changing threat landscape • Maintaining relevant skill sets among staff group/cost of securing expert resources 			
Internal Controls		Managed By	James Gallacher;	

	<ul style="list-style-type: none"> Implementation of internal Policies on Patching and hardware/software hardening Annual PSN compliance audit including a comprehensive IT Health Check Governance structure in place, ICT Board consisting of senior management and relevant stakeholders meeting once per month or as required in response to incidents/events Programme of Internal and External ICT audits PCI working group Information Security/Data Protection forum Multiple layers of Cyber defences Network Segregation Rolling programme of security awareness sessions Interagency and cross Council working groups and sharing. National Digital Office / Scottish Government Public Sector Security programme and guidance 			Patricia Kerr; Brian Miller
		Assigned To	Iain Kerr	
Progress of Linked Actions	CS/IAAP/519 1. Underlying Technical Controls required to facilitate automatic failover to DR site still to be configured/tested			Patricia Kerr
	CS/IAAP/520 2. DR Plans for the main telephony delivery systems have yet to be implemented/tested			Patricia Kerr
	CS/IAAP/521 3. Systems without parallel DR arrangements are not fully tested			Patricia Kerr
	CS/IAAP/525 7. Lack of formal DR testing schedule at primary DR site			Patricia Kerr
	P&T/1819/ICT/01 Transformation & Channel Shift - Providing IT Support for Service Transformation Projects			Patricia Kerr
	P&T/1819/ICT/02 Continue to review and develop business case for shared IT services			Patricia Kerr; Victoria Rogers
	P&T/1819/ICT/04 Continue to review and deliver ICT service improvements aligned to business needs			Patricia Kerr
	P&T/1819/ICT/11 Deliver projects and changes required to continue to improve the overall security, compliance and resilience of the Councils IT Infrastructure.			Patricia Kerr; Victoria Rogers
	P&T/1920/ICT/01 Transformation & Channel Shift			Patricia Kerr
	P&T/1920/ICT/02 Explore Sharing Opportunities			Patricia Kerr; Victoria Rogers
	P&T/1920/ICT/03 Deliver a secure and resilient IT Infrastructure			Patricia Kerr; Victoria Rogers
	P&T/1920/ICT/04 Implement ICT Service Improvements			Patricia Kerr
Risk Opportunity	<ul style="list-style-type: none"> Increase Cyber resilience and awareness for staff, members and citizens Contribute to Scottish Government Public Sector Action Plan on Cyber resilience for Scotland Upskill staff to address current and emerging threats Increased staff awareness across Council 			

	SR 009 Failure to deliver the Early Years Agenda	Current Risk Matrix	Current Rating	Last Review Date
Description	This risk concerns an increase in entitled hours which the Scottish Government is planning to provide for early years children, from 600 to 1140 hours by 2020. In project management terms this is a complex piece of work of products, demanding timescales and dependencies across its duration.	 Likelihood Impact	6	25-Jun-2019
Potential Effect	Reputational damage Failure to meet the Scottish Governments delivery plan to increase free ELC hours Children would not receive the best start in life Failure to meet our statutory duties Partner providers may be adversely affected	 Likelihood Impact	3	31-Mar-2022
Measures of Impact	Care Inspectorate standards Key project milestones Scottish Government requirements Parental expectations Key personnel positions	Latest Note	The key risks are delays and delivery of infrastructure, recruiting and developing a committed workforce and ensuring all the ELCC's meet the criteria for the National Standard.	
Risk Factors	Maintaining level of Scottish Government investment Availability of contractors within project timescales Recruitment of suitable staffing for centres Creation of flexible delivery model Staff engagement with the Early Years Strategy Quality of communication with parents and staff Successful transition to new delivery model			
Internal Controls	Reports to Education Services Committee Early Learning and Childcare Strategy 2016 - 20 Care Inspectorate Children and Young Peoples Act (S) 2014 Education Governance Board Early Years Implementation Board Financial reports - budget monitoring and review Inter departmental working Partnership SLA's Workforce Development Change Board updates	Managed By	Laura Mason	
		Assigned To	Kathy Morrison	
Progress of Linked Actions	E/1920DP/11EYS Deliver the Early Years Strategy		<input type="text" value="0%"/>	Andrew Brown
Risk Opportunity	Parents and children will receive a more flexible childcare service Greater opportunities to tackle the impacts of inequalities on the very young and vulnerable children Improvement in quality assessment and moderation and interactive play-based methodologies across the Early Level Accessible provision will play a vital role in reducing the poverty related attainment gap through high quality early learning and childcare Opportunities for professional learning to meet the standard required			

	SR 010 Ensure an appropriately resourced workforce.	Current Risk Matrix	Current Rating	Last Review Date
Description	Failure to ensure that there is an appropriately resourced workforce in place to meet future organisational needs, either in effectively executing the Council's 2017-22 Workforce Plan, or in ensuring that the Plan is adapted over time if and when earlier assumed circumstances change.	 Likelihood Impact	4	03-Jul-2019
Potential Effect	<ul style="list-style-type: none"> - Low staff morale - Inability to deliver services effectively - Reduced level of service - Lack of improvement or increase in staff absences - Council underachieves as an organisation - Employee conflict 	 Likelihood Impact	2	31-Mar-2022
Measures of Impact	<ul style="list-style-type: none"> - Access to and participation of employees in learning and development activities - Absence rate and trends - Employee turnover - Grievance, discipline and other monitoring information - Employee survey results and associated actions - Reports from external scrutiny bodies and award bodies - Benchmarking with appropriate comparators 	Latest Note		Whilst risk rating remains as per last review in May 2018, relevant internal controls are in place and linked Delivery Plan actions are being progressed in line with identified timescales
Risk Factors	<ul style="list-style-type: none"> - Lack of appropriate development / shortage of skills may pose a risk to new models of service delivery - Lack of capability to deliver - Workforce unable to adapt to change 			
Internal Controls	<ul style="list-style-type: none"> - HR processes designed to meet service delivery needs - Develop new structures to reflect strategic priorities and aligned to Future Operation Model (FOM) - Align workforce plan to the Council's strategic planning processes (i.e. have the right people available at the right time with the right skills to fulfil properly all of the Council's strategic priorities) - Periodic review of pay arrangements in accordance with EHRC guidance (currently every 3 years) - Incorporation of succession planning into workforce planning framework - Identify training programmes to reskill staff as identified by training needs analysis - Effective use of SWITCH to support alternative careers - Flexible HR policies, in particular recruitment & selection, learning & development (including elearning), continuous improvement / development flexible working, attendance management, employee wellbeing related policies - Effective use of Occupational Health Service - Robust Be the Best Conversations process - Effective leadership and management behaviours and practice 	Managed By	Victoria Rogers	
		Assigned To	Alison McBride	
Progress of Linked Actions	P&T/1819/OD/01 Continue to deliver a variety of development opportunities such as Lean/Six Sigma, New Managers Induction, build digital literacy workforce knowledge & skills and relaunch the Coaching & mentoring Programme			Alison McBride
	P&T/1819/OD/03 Continue to embed Be The Best Conversations council wide.			Alison McBride
	P&T/1819/SHR/01 Continue to provide HR support to inform and implement organisational change projects.			Victoria Rogers
	P&T/1819/SHR/02 Continue to implement the Council's Employee Wellbeing Strategy.			Victoria Rogers

	P&T/1819/SHR/04 Continue to embed the Council's Strategic Workforce Planning Framework.		<div><div>100%</div></div>	Victoria Rogers
	P&T/1920/OD/01 Continue to progress and deliver a variety of development opportunities such as Lean/Six Sigma, New Managers Induction, build digital literacy workforce knowledge & skills and relaunch the Coaching & mentoring Programme		<div><div>0%</div></div>	Alison McBride
	P&T/1920/OD/03 Monitor the impact of Be The Best Conversations council wide.		<div><div>25%</div></div>	Alison McBride
	P&T/1920/SHR/01 Address workforce equalities objectives		<div><div>0%</div></div>	Alison McBride
	P&T/1920/SHR/02 Review and relaunch the Council's Employee Wellbeing Strategy.		<div><div>40%</div></div>	Alison McBride
	P&T/1920/SHR/04 Continue to embed the Council's Strategic Workforce Planning Framework with a particular focus on the impact of digital skills		<div><div>20%</div></div>	Alison McBride
Risk Opportunity	<ul style="list-style-type: none"> - Identity previously unknown skills and talents in the workforce - Realise the potential of staff 			

Risk Status	
	Alert
	High Risk
	Warning
	OK
	Unknown

West Dunbartonshire Council
Report by the Strategic Lead - Resources
Audit Committee: 25 September 2019

Subject : Treasury Management Annual Report 2018/19

1. Purpose

- 1.1** The purpose of this report is to provide Members with an update on treasury management during 2018/19.

2. Recommendations

- 2.1** Members are requested to further consider the information provided within the Annual Report as appended to this report.

3. Background

- 3.1** In accordance with the Treasury Policy governing the Council's treasury management activities during 2018/19, the Strategic Lead - Resources is required to provide an Annual Report to Members regarding the Treasury function. Council considered the attached Annual Report at its meeting on 28 August 2019.
- 3.2** One of the key clauses is that a responsible body is required to ensure effective scrutiny of the treasury management strategy and policies. Within West Dunbartonshire Council the body identified to fulfil this role is the Audit Committee.

4. Main Issues

Treasury Management Stewardship Report

- 4.1** A copy of the report is attached (Appendix 1).
- 4.2** The report gives details of loans borrowed and loans repaid during the course of the year, interest rates and debt rescheduling which was undertaken.
- 4.3** The Council undertook new borrowing of £201.337m for the approved capital plans and the replacement of naturally maturing debt during 2018/19.
- 4.4** Consideration was given to available interest rates, and mainly short term borrowing has been utilised in the short term to finance the current capital programme.
- 4.5** External borrowing has increased from £425.291m at the beginning of the year to £441.370m at the end of the year. This is due to new borrowing required to fund the capital programmes. As stated above maturing debt has been renewed and overall there was a reduction in the average interest rate on long-term debt from 2.56% to 2.51%.

- 4.6** Investments have decreased from £25.407m at the beginning of the year to £19.389m at the year-end. The average interest rate on these investments as at 31 March 2019 increased from 0.36% to 0.64% due to market conditions and is slightly higher than anticipated within the 2018/19 budget.
- 4.7** All year end actual indicators advised within Appendix 1 of this report are within the limits previously agreed by Council.
- 5. Option Appraisal**
- 5.1** No option appraisal was required for this report.
- 6. People Implications**
- 6.1** There are no personnel issues.
- 7. Financial and Procurement Implications**
- 7.1** There are no financial or procurement implications.
- 8. Risk Analysis**
- 8.1** Although this report provides a historic position in relation to treasury management there are three main risks associated with the formulation of prudential indicators and the treasury management strategy as detailed in Appendix 1. These risks are noted below; however the Council has robust monitoring processes in place and provides regular reports to Council and ensures further scrutiny by elected Members at the Audit Committee:
- (a) Capital receipts which affect the capital financing and borrowing requirement may not materialise and if this occurs then additional borrowing will be required in order to fund the financing requirement;
 - (b) The risk of Counterparties default (i.e. loss of principal sum invested) must also be taken into account; however the Council has robust controls included within its treasury management and investment strategies that will assist in mitigating this risk; and
 - (c) Capital inflation may increase capital expenditure levels, which in turn may affect the capital financing and borrowing requirement leading to an increase in borrowing, assuming no additional capital receipts are available.
- 9. Equalities Impact Assessment**
- 9.1** No equalities impact assessment was required in relation to this report.

10. Environmental Sustainability

10.1 No assessment of environmental sustainability was required in relation to this report

11. Consultation

11.1 The views of Legal Services have been requested on this report and have advised there are neither any issues nor concerns.

12. Strategic Assessment

12.1 Proper budgetary control and sound financial practice are cornerstones of good governance and support Council and officers to pursue the 5 strategic priorities of the Council's Strategic Plan.

12.2 Treasury management contributes to the Financial Strategy via the interdependency that exists between pro-active treasury management and the formulation of long term financial plans.

Stephen West
Strategic Lead - Resources
Date: 12th September 2019

Person to Contact:	Jackie Allison, Finance Business Partner - Strategic Finance (Treasury & Capital) and Regeneration Services Council Offices, Church Street Telephone (01389) 737322 Email: jackie.allison@west-dunbarton.gov.uk
Appendices:	Appendix 1 - Annual Report 2018/19 Treasury Management and Actual Prudential Indicators
Background Papers:	Loans register and portfolio; Debt rescheduling schedules; Prudential Indicators 2018/19 to 2028/29 and Treasury Management Strategy 2019/20 to 2028/29 (Council 27 March 2019); and Treasury Management Annual Report 2017/18 (Council 27 September 2018)
Wards Affected:	No wards directly affected.

Annual Report 2018/19

Treasury Management and Actual Prudential Indicators

1. Introduction

- 1.1** The Council's treasury management activities are regulated by a variety of professional codes and statutes and guidance:
- The Local Government in Scotland Act 2003 (the Act), provides the powers to borrow and invest as well as providing controls and limits on this activity. The Act permits the Scottish Ministers to set limits either on the Council or nationally on all local authorities restricting the amount of borrowing which may be undertaken (although no restrictions were made in 2018/19);
 - Statutory Instrument (SSI) 29 of 2004, requires the Council to undertake any borrowing activity with regard to the CIPFA Prudential Code for Capital Finance in Local Authorities, and therefore to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services; and the treasury activity with regard to the CIPFA Code of Practice for Treasury Management in Local Authorities; and
 - Statutory Instrument (SI) 2016 No 123 requires the Council to document its policy on the prudent repayment of loans fund advances.
- 1.2** This Council has adopted both the CIPFA Code of Practice for Treasury Management in the Public Sector and the Prudential Code and operates its treasury management service and capital programme in compliance with these Codes and the above requirements. These require that the prime objective of the treasury management activity is the effective management of risk, and that its borrowing activities are undertaken in a prudent, affordable and sustainable basis.
- In December 2017, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued a revised Treasury Management Code and a revised Prudential Code.
- A particular focus of these revised codes was how to deal with local authority investments which are not treasury type investments e.g. by investing in purchasing property in order to generate income for the Authority at a much higher level than can be attained by treasury investments. One recommendation was that local authorities should produce a new report to members to give a high level summary of the overall capital strategy and to enable members to see how the cash resources of the Authority have been apportioned between treasury and non-treasury investments. A Capital Strategy was reported and approved by Council on 27 March 2019.
- 1.3** During 2018/19 the minimum reporting requirements were that the Council should receive the following reports:

- an annual treasury strategy in advance of the new financial year (Council 05 March 2018);
- a mid-year treasury update report (28 November 2018); and
- an annual report following the financial year-end describing the activity compared to the strategy (this report).

1.4 This report sets out:

- A summary of the strategy agreed for 2018/19;
- The Council's treasury position at 31 March 2019;
- The main Prudential Indicators and compliance with limits;
- A summary of the economic factors affecting the strategy over 2018/19;
- The Treasury activity during 2018/19;
- Performance indicators set for 2018/19;
- Disclosure regarding the repayment of loan Fund advances for 2018/19; and
- Risk and Performance.

2. A Summary of the Strategy Agreed for 2018/19

- 2.1** The Monetary Policy Committee (MPC) delivered a 0.25% increase in Bank Rate at its meeting on 2 August 2018. This removed the emergency cut in August 2016 after the EU referendum. The MPC also gave forward guidance that they expected to increase Bank rate only twice more by 0.25% by 2020 to end at 1.00%. At its February 2018 meeting, there was no change in Bank Rate but the forward guidance changed significantly to warn of “earlier, and greater than anticipated” rate of increases in Bank compared to their previous forward guidance. Our Treasury advisors forecast includes increases in Bank Rate of 0.25% in November 2019 and August 2020.

In this scenario, the treasury strategy was to postpone borrowing (and in particular longer term borrowing) to avoid the cost of holding higher levels of investments and to reduce counterparty risk.

3. The Council's Treasury Position at 31 March 2019

- 3.1** During 2018/19, the Strategic Lead – Resources, in line with the Treasury Strategy to postpone borrowing, managed the debt position with the use of internal funds as well as a mix of short term and long term external borrowing, and the treasury position at 31 March 2019 compared with the previous year was:

Table 1

Treasury position	31 March 2019		31 March 2018	
	Principal	Average Rate	Principal	Average Rate
Fixed Interest Rate Debt	£441.370m	2.51%	£425.291m	2.56%
Variable Interest Rate Debt	£0.000m	0.00%	£0.000m	0.00%
Total Debt	£441.370m	2.51%	£425.291m	2.56%
Total Investments	£19.389m	0.64%	£25.407m	0.36%
Net borrowing position	£421.981m		£399.884m	

- 3.2** From the above table, it can be seen that the average interest rate on debt held on 31 March 2019 has reduced from 2.56% to 2.51%. At the same time the average interest rate has increased on the investments held on 31 March 2018 to 2019 from 0.36% to 0.64%.
- 3.3** The external debt figures included within Table 1 includes both short term and long term debt. This is due to a strategy of using short term borrowing to fund long term capital investment enabling the Council to take advantage of lower interest rates.
- 3.4** There are four treasury prudential indicators which cover the activity of the treasury function. Complying with these indicators reduces the risk of an adverse movement in interest rates impacting negatively on the Council's overall position:
- Upper limits on variable rate exposure;
 - Upper limits on fixed rate exposure;
 - Maturity structures of borrowing; and
 - Total principal funds invested for greater than 365 days.
- 3.5** Table 2 shows the actual upper limits set per debt type and maturity as at 31 March 2019.

Table 2

	2018/19 Actual	2018/19 Indicator	
Upper limits on variable interest rates	0%	50%	
Upper limits on fixed interest rates	100%	100%	
Maturity structure fixed rate borrowing (%)	Year end	Max	Min
Under 12 months	47.8%	50%	0%
12 months to 2 years	3.4%	50%	0%
2 years to 5 years	6.4%	50%	0%
5 years to 10 years	3.1%	50%	0%
10 years to 20 years	0.7%	50%	0%
20 years to 30 years	8.5%	50%	0%
30 years to 40 years	5.1%	50%	0%
40 years to 50 years	17.9%	100%	0%
50 years to 60 years	7.1%	100%	0%
60 years to 70 years	0.0%	100%	0%
Maximum principal funds invested >365 days	£0.547m	£7m	Nil

4. The Main Prudential Indicators and Compliance with Limits

- 4.1** The Council is required by the Prudential Code to report the actual prudential indicators after the year end.

4.1.1 Capital Expenditure and its Financing

This indicator shows total capital expenditure for the year and how this was financed. The decrease in capital expenditure between revised estimate and actual as noted below in Table 3 is due to expenditure which slipped from 2018/19 into the 2019/20 capital programme, together with resources. The indicators for 2019/20 will be revised in line with this.

Table 3

	2018/19 Actual	2018/19 Revised Estimate
Capital expenditure:	£71.997m	£86.648m
Resourced by:		
Capital receipts and grants	£21.034m	£40.783m
Revenue	£13.349m	£7.704m
Capital expenditure - additional need to borrow	£37.614m	£38.161m

4.1.2 Gross Borrowing and the Capital Financing Requirement (CFR)

In order to ensure that borrowing levels are prudent, over the medium term the Council's gross borrowing must only be used for capital purposes. Gross borrowing should not therefore, except in the short term, exceed the total of the capital financing requirement in the preceding year (2018/19) plus the estimates of any additional capital financing requirement for the current (2019/20) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allowed the Council some flexibility to borrow in advance of its immediate capital needs in 2018/19.

- 4.1.3 While the Strategic Lead - Resources reports that the Council has complied with this indicator over the medium term (as can be seen by comparing the gross debt figure at 31 March 2018 with the anticipated CFR at 31 March 2022 as detailed in Table 4 below), though in the short term the adjusted gross borrowing position exceeds the CFR as at 31 March 2019. This is due to: the Council undertaking long term PWLB borrowing at the year end at competitive interest rates and final capital expenditure being less than forecast once accounting adjustments have been taken into account.

Table 4

	2018/19 Actual	2018/19 Revised Indicator
Gross borrowing position per Table1	£441.370m	£436.253m
Long term liability	£103.101m	£103.301m
Adjusted gross borrowing position	£544.472m	£539.554m
Capital Financing Requirement	£537.931m	£539.454m

	2018/19 Actual
CFR at 31 March 2019	
2018/19 Actual	£537.931m
Estimated Movement in CFR	
2019/20	£54.087m
2020/21	£49.629m
2021/22	£20.820m
Anticipated CFR at 31 March 2022	£662.467m
Gross Debt at 31 March 2019	£544.472m

4.1.4 The Authorised Limit

The Authorised Limit is the “Affordable Borrowing Limit” required by Section 35 of the Local Government in Scotland Act 2003. The Council does not have the power to borrow above this level. The information in Table 5 demonstrates that during 2018/19 the Council has maintained gross borrowing within its Authorised Limit.

4.1.5 The Operational Boundary

The Operational Boundary is the borrowing position that the Council expects to work around during the year, and periods where the actual position is either below or over the Boundary is acceptable subject to the Authorised Limit not being breached. The information in Table 5 demonstrates that during 2018/19 the Council has maintained gross borrowing within its Operational Boundary.

4.1.6 Actual financing costs as a proportion of net revenue stream

This indicator shows the actual impact of capital expenditure in 2018/19 compared to the projected impact of the General Services Capital Plan Refresh and the HRA Capital Plan Update as approved by Members on 27 March 2019. The cost of capital is described as loan charges within the revenue budgets

Table 5

	2018/19	
Revised Indicator - Authorised Limit	£647.344m	
Revised Indicator - Operational Boundary	£593.399m	
Maximum gross borrowing position during 2018/19	£544.471m	
Minimum gross borrowing position during 2018/19	£500.400m	
	Estimated	Actual
Financing costs as a proportion of net revenue stream:		
Non housing	4.91%	4.78%
Housing	26.01%	24.41%

5. Summary of the Economic Factors affecting Interest Rates over 2018/19

5.1 Interest Rates

After weak economic growth, growth picked up before cooling off and given all the uncertainties over Brexit, this weak growth in the final quarter was as to be expected. However, some recovery in the rate of growth is expected going forward.

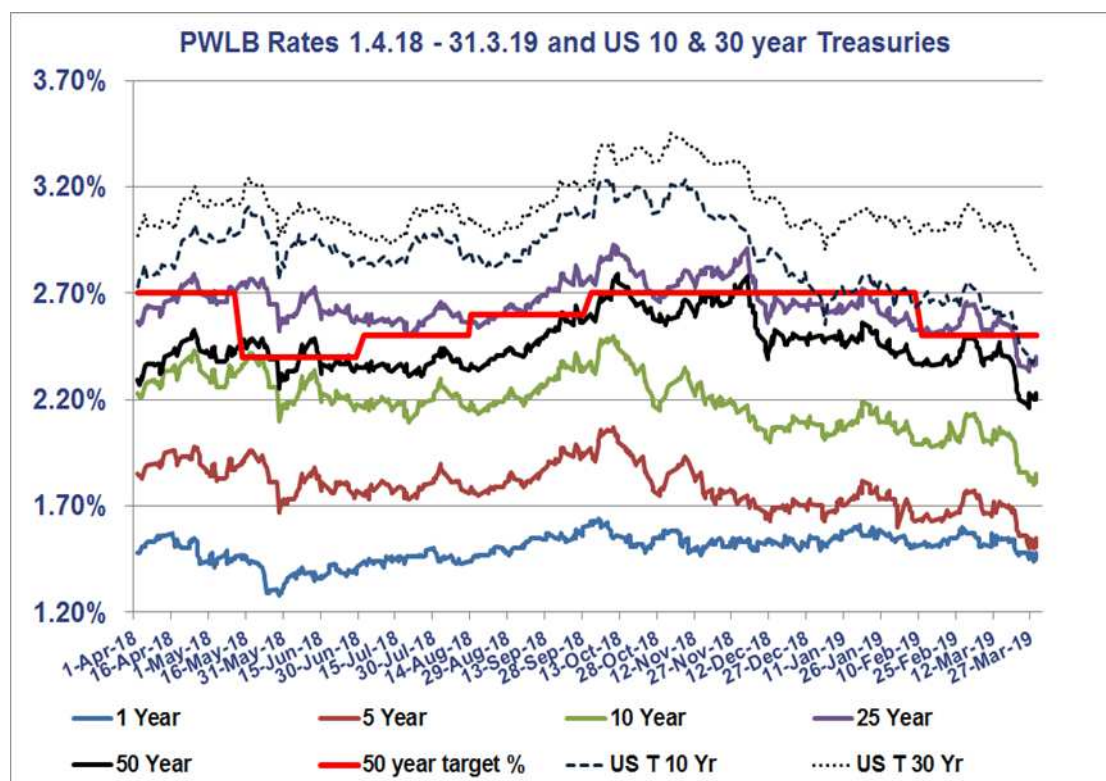
After the Monetary Policy Committee raised Bank Rate from 0.5% to 0.75% in August 2018, they have abstained from any further increases since then. There is unlikely to be any further action from the MPC until the uncertainties over Brexit clear. If there were to be a disorderly exit, it is likely that Bank Rate would be cut to support growth.

The economic outlook will continue to depend significantly on the nature and timing of EU withdrawal, in particular the new trading arrangements between the European Union and the United Kingdom; whether the transition to them is abrupt or smooth; and how households, businesses and financial markets respond. The appropriate path of monetary policy will depend on the balance of these effects on

demand, supply and the exchange rate. The monetary policy response to Brexit, whatever form it takes, will not be automatic and could be in either direction.

5.2 Borrowing Rates in 2018/19

The graph for PWLB rates below shows rates peaked during October 2018, most PWLB rates have been on a general downward trend, though longer term rates did spike upwards again during December, and, (apart from the 1 year rate), reached lows for the year at the end of March.



6. Treasury Activity during 2018/19

- 6.1 Borrowing** – The Council raised new long term loans of £0.331m and new short term loans of £201.006m during 2018/19 for the replacement of naturally maturing debt and to finance the Council's capital programme.
- 6.2 Rescheduling** – In February 2019 the Council rescheduled a £10m market loan paying interest at 3.99% with a £10m PWLB loan at an interest rate of 2.37% resulting in total savings of £0.070m over the period to 31 March 2031.
- 6.3 Repayment** – The Council repaid naturally maturing debt of £185.258m.
- 6.4 Summary of Debt Transactions** – The overall position of the debt activity resulted in the average interest rate at 31 March year on year falling to 2.51%.
- 6.5 Investment Policy** – The Scottish Government issued The Local Government Investments (Scotland) Regulations 2010 on 1 April 2010.

- 6.6** The regulations applied from 1 April 2010 and the Council's policy was first included in the annual Treasury Strategy approved by Council on 24 March 2010 with updates being included in the policy as and when required. The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.
- 6.7** The Council's short term cash investments decreased from £25.407m at the beginning of the year to £19.389m at the end of the year with an average balance of £16.765m and received an average return of 0.64% over the year. In addition to the short term cash investments the Council also had 2 long term investments in Clydebank Property Company and Hub West Scotland with a total value of £0.547m as at 31 March 2019 as detailed in table 2 above (investments over 364 days).

7. Performance Indicators set for 2018/19

- 7.1** The treasury strategy defined a set of performance indicators covering the following areas:
- 7.1.1 Security** - In the context of benchmarking, assessing security is a very subjective area. Security is currently evidenced by the application of minimum quality criteria to financial institutions that the Council may choose to invest in, primarily through the use of credit ratings supplied by the three main credit rating agencies (Fitch, Moody's and Standard & Poors). The Council has benchmarked security risk by assessing the historical likelihood of default for investments placed with any institution with a long term credit rating of A- (this is the minimum long term credit rating used in the Council's investment strategy). The Council's maximum security risk is that 0.09% of investments placed with financial institutions could theoretically default based on global historical data. During the year all investments within the Council's portfolio were repaid on their due dates with no defaults of the principal sums recorded.
- 7.1.2 Liquidity** – As required by the CIPFA Treasury Management Code of Practice the Council has stated that it will “ensure that it has adequate, though not excessive, cash resources, borrowing arrangements, overdrafts or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives”. In respect to liquidity as defined above the liquidity arrangements during the year were maintained in line with the facilities and benchmarks previously set by the Council as follows:
- Bank overdraft - £1.000m; and
 - Liquid short term deposits of at least £5.000m available overnight.
- 7.1.3 Return** – For the financial year the investment return averaged 0.64% which is an increase of 0.28%. Table 6 illustrates that the Council's average return identified of 0.64% was below the average return from the Council's bankers investment account (0.75%), but higher than the LIBID rates (noted in table 6) which are the local measures of return investment benchmarks approved in March 2012.

The Council's bankers (and therefore the bank with which the investment account is held) are currently the Clydesdale Bank plc which falls within the Category 3 Investment Category approved in the investment strategy approved in February 2017. Due to the credit rating of this bank this category specified a maximum limit £5million which may be held on an overnight basis only thus limiting the ability to attract interest on this account.

Table 6

Benchmark	Benchmark Return	Average Return
Internal returns above the 7 day LIBID rate	0.51%	0.64%
Internal returns above the 1 month LIBID rate	0.54%	0.64%

8. Disclosure regarding the repayment of loans fund advances for 2018/19

8.1 The policy on the prudent repayment of loans fund advances was detailed in the Mid-Year Monitoring Report 2018/19 - Treasury Management and Prudential Indicators reported to Council on 19 December 2018. The Strategic Lead - Resources can report that the policy has been complied within during 2018/19.

8.2 Table 7 shows the movement in the level of loan fund advances between 1 April 2017 and 31 March 2018.

Table 7

	Non Housing	Housing
Opening Balance at 1 April 2018	£226.301m	£178.333m
New Advances in 2018/19	£30.720m	£6.894m
Repayments in 2018/19	£4.925m	£6.295m
Closing Balance at 31 March 2019	£252.096m	£178.932m

8.3 Table 8 details the anticipated repayment profile of the balance on the loans fund advance accounts for both non housing and housing held at 31 March 2019.

Table 8

Future Repayment Profile at 31 March 2019	Non Housing	Housing	Total
Under 12 months	£5.571m	£6.719m	£12.290m
2 years to 5 years	£23.178m	£28.990m	£52.168m
6 years to 10 years	£23.420m	£36.068m	£59.488m
11 years to 15 years	£22.612m	£34.405m	£57.017m
16 years to 20 years	£23.837m	£30.760m	£54.597m
21 years to 25 years	£26.979m	£23.907m	£50.885m
26 years to 30 years	£27.580m	£14.911m	£42.492m
31 years to 35 years	£22.128m	£3.158m	£25.286m
36 years to 40 years	£15.439m	£0.002m	£15.441m
41 years to 45 years	£8.623m	£0.003m	£8.626m
46 years to 50 years	£12.639m	£0.004m	£12.643m

51 years to 55 years	£18.406m	£0.005m	£18.411m
56 years to 60 years	£16.090m	£0.000m	£16.090m
61 year +	£5.595m	£0.000m	£5.595m
Total	£252.096m	£178.932m	£431.028m

9. Risk and Performance

- 9.1** The Council has complied with all relevant statutory and regulatory requirements which require the Council to identify and, where possible, quantify the levels of risk associated with its treasury management activities. In particular its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means both that its capital expenditure is prudent, affordable and sustainable, and its treasury practices demonstrate a low risk approach. Ongoing consideration of future affordability and sustainability are reported and considered by Members each year when setting the Council's General Fund and HRA capital and revenue budgets.
- 9.2** The Council is aware of the risks of passive management of the treasury portfolio and, with the support of the Council's treasury advisers, has proactively managed its treasury position within the current economic climate taking advantage of lower interest rates where it is deemed appropriate. The Council has complied with its internal and external procedural requirements. There is little risk of volatility of costs in the current debt portfolio as the interest rates are predominantly fixed, with the majority of debt comprised of long-term loans.
- 9.3** Shorter-term rates and likely future movements in these rates predominantly determine the Council's investment return. These returns can therefore be volatile and, whilst the risk of loss of principal is minimised through the annual investment strategy, accurately forecasting future returns can be difficult.

WEST DUNBARTONSHIRE COUNCIL

Report by Strategic Lead - Resources

Audit Committee: 25 September 2019

**Subject: Public Interest Disclosures and other Internal Audit Investigations
1 January to 30 June 2019**

1. Purpose

- 1.1** The purpose of this report is to advise Committee of the outcome of investigations into allegations and disclosures in line with public interest disclosure and business irregularities policies received by Internal Audit between 1 January to 30 June 2019.

2. Recommendations

- 2.1** It is recommended that Members note the content of this report.

3. Background

- 3.1** A disclosure in the public interest is where a concern is raised by a Council employee about a danger or illegality that has a public interest aspect to it. A confidential reporting facility is managed by Internal Audit as part of the WDC Public Interest Disclosure Policy. Internal Audit maintains a central record of all concerns raised under the Public Interest Disclosure Policy. All such disclosures are investigated by Internal Audit, including liaising with Services and HR as appropriate
- 3.2** Members of the public can also contact Internal Audit to raise issues of concern and such matters are investigated as appropriate, although they are not regarded as public interest disclosures in terms of legislation.

4. Main Issues

Public Interest Disclosure Cases

- 4.1** Two cases recorded as outstanding in the previous report, submitted to committee on 20 March 2019, have been progressed as detailed below:

Ref	Date Received	Detail	Status
1.	27.10.18	Allegation of inappropriate working practices.	Investigation in progress – report being finalised with management.
2.	12.11.18	Allegation of inappropriate behaviour by an employee.	Complete - investigation by management and HR concluded that the allegations

			were founded and the employee was dismissed.
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4.2 Five disclosures were received during the period January 2019 to June 2019 as follows:

Ref	Date Received	Detail	Status
1.	11.1.19	Allegation of inappropriate behaviour by an employee.	Investigation by management and HR concluded that the allegations were founded and the employee was dismissed.
2.	5.3.19	Allegation that employee is making improper use of Council materials and assets.	Investigation in progress.
3.	9.4.19	Alleged concealment of client information by service.	Complete – unfounded. All relevant processes were being followed.
4.	12.4.19	Allegation that excessive and unnecessary repair works were carried out at a Council house.	Complete – unfounded.
5.	9.5.19	Allegations about the provision and serving of school meals at a Council school.	Complete – unfounded.

4.3 Activity relating to public interest disclosure for recent reporting periods is as follows:

Period	No. of Cases
1 st January 2016 to 30 th June 2016	4
1 st July 2016 to 31 st December 2016	6
1 st January 2017 to 30 th June 2017	1
1 st July 2017 to 31 st December 2017	7
1 st January 2018 to 30 th June 2018	2
1 st July 2018 to 31 st December 2018	3
1 st January 2019 to 30 th June 2019	5

Other investigations

4.4 One case recorded as outstanding in the previous report, submitted to committee on 20 March 2019, has been progressed as detailed below:

Ref	Date Received	Detail	Status
1.	28.11.18	Ordering / Invoicing error	Complete – report issued and

		in Building Services.	the agreed actions are included within the papers for this Audit Committee.
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4.5 A total of 14 cases were received by Internal Audit during the period January 2019 to June 2019 as follows:

Ref	Date Received	Detail	Status
1.	30/1/19	Allegations of theft from Council clients.	Complete - allegations were founded and the employee was dismissed.
2.	15.2.19	Allegations in relation to inappropriate disposal of generators from the Garshake site.	Complete - specific allegations unfounded, though one improvement action agreed with management - see further Audit Action Plans report.
3.	20.2.19	Allegations in relation to the purchase and development of land by WDC and the misuse of materials.	Complete – unfounded.
4.	25.2.19	Allegations in relation to drug taking whilst at work.	Complete – unfounded.
5.	27.2.19	Allegations of mismanagement of staffing issues within a Council service.	Complete – unfounded.
6.	3.4.19	Allegations that Council vehicle was being used to dispose of non-Council materials.	Complete – founded. Employee warned as to future conduct.
7.	3.5.19	Allegations of malpractice by a teacher in relation to a SQA exam syllabus.	Complete – unfounded.
8.	7.5.19	Allegations of misuse of Council vehicle and inappropriate behavior towards a member of the public.	Investigation in progress.
9.	8.5.19	Allegations that the value of Council works were improperly increased to cover for works done at an employee's property.	Complete – unfounded.
10.	16.5.19	Allegations that an employee is indulging in	Complete – unfounded.

		anti social behaviour.	
11.	30.5.19	Allegations that an elected member has not declared an interest relation to an association with a company and being given preferential treatment for business related with WDC.	Complete – unfounded.
12.	9.5.19	Allegations that a contractor is overpricing jobs and materials by up to 100%, with Council employees involved.	Complete – unfounded.
13.	3.6.19	Concerns re non adherence to financial guidelines by a Community Council.	Investigation still in progress.
14.	3.6.19	Missing cash at a Council school.	Investigated by management, unfounded.

4.6 Activity relating to other investigation cases for recent reporting periods is as follows:

Period	No. of Cases
1 st January 2017 to 30 th June 2017	3
1 st July 2017 to 31 st December 2017	5
1 st January 2018 to 30 th June 2018	5
1 st July 2018 to 31 st December 2018	4
1 st January 2019 to 30 th June 2019	14

5. People Implications

5.1 There are no personnel implications with this report.

6. Financial and Procurement Implications

6.1 There are neither financial nor procurement implications with this report.

7. Risk Analysis

7.1 There are risks to the Council in financial, legal, operational and reputational terms of not providing a service to enable a disclosure in the public interest and to ensure that all public interest disclosure and other concerns raised with Internal Audit are properly investigated.

8. Equalities Impact Assessment (EIA)

8.1 There is no requirement to undertake an equality impact screening.

9. Consultation

9.1 This report has been subject to consultation with appropriate Strategic Leads.

10. Strategic Assessment

10.1 The Public Interest Disclosure Policy and Business Irregularity Procedures contribute to the Council's strategic priorities by ensuring that early warnings of malpractice may mitigate the extent of financial losses to the Council, contribute to better asset management by utilising employees to manage risks to the organisation's reputation and support fit for purpose services through the continuation and promotion of robust employment practice.

.....
Stephen West
Strategic Lead - Resources
Date: 11 September 2019

Person to Contact: Colin McDougall, Audit Manager,
Telephone (01389-737436).
Email: colin.mcdougall@west-dunbarton.gov.uk

Appendix: None

Background Papers: Public Interest Disclosure Policy agreed by the
Corporate Services Committee on 13 August 2014;
Business Irregularity Procedures

Wards Affected: All