

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Corporate Services

Audit and Performance Review Committee: 11 June 2014

Subject: Audit Scotland: Review of Governance Arrangements and Main Financial Systems Report – May 2014

1. Purpose

- 1.1** The purpose of this report is to provide Committee for information a report which has been received from our external auditors – Audit Scotland – and to provide information to Members as to management actions implemented following receipt of this report.

2. Recommendations

- 2.1** The Committee is invited to note the report and the agreed improvement actions.

3. Background

- 3.1** Part of the planned work of Audit Scotland as the Council's external auditors, which was described in their report to this Committee on 12 March 2014, is to produce on an annual basis a report on financial governance..
- 3.2** As part of the work required, the auditors undertook a high level review of the governance arrangements and the main financial systems operated by the Council. The purpose of this review was to evaluate whether the Council have sound governance arrangements in place and whether the key internal controls operating within the main financial systems are adequate.

4. Main Issues

- 4.1** Representation from the Audit Scotland team will be in attendance at the Committee to present the report and to answer questions.
- 4.2** The report states that the auditors are satisfied that the Council has adequate governance arrangements and control operating within the main financial systems.
- 4.3** The report identifies 15 areas where improvements could be made, identifying agreed management actions against these areas. These are listed, together with management responses, within the action plans detailed on pages 11 to 16 of the report.

- 4.4** Members will be aware that this is the third such report from the current external auditors, the previous report being reported to this Committee on 25 September 2013. In that report there were 13 improvement actions agreed and the report this year notes that 7 have been fully completed and 1 has been partially completed. The remaining 5 outstanding actions have been repeated in this new report as actions 4, 7, 9, 13, 14 and 16.

5. People Implications

- 5.1** The people issues arising from this report are in relation to implementing improved processes in a number of systems and can be implemented from within existing resources.

6. Financial Implications

- 6.1** There are no financial implications arising from this report.

7. Risk Analysis

- 7.1** Failure to address the recommendations outlined in the report could impact on the final audit opinion awarded to the Council in respect of the audit in future financial years.

8. Equalities Impact Assessment

- 8.1** There are no equalities issues arising from this report.

9. Consultation

- 9.1** The views of Legal Services have been requested on this report and no issues or concerns have been identified.

10. Strategic Assessment

- 10.1** The report is for noting and, therefore, does not directly affect any of the strategic priorities.

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Date: 28 May 2014

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Appendix: *Audit Scotland report: West Dunbartonshire Council
2013/14: Review of Governance Arrangements and Main
Financial Systems Report*

Background Papers: None

Wards Affected: All