







Appendix C External Audit Reports






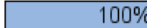

Generated on: 27 May 2014

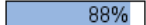






Action Status	
	Cancelled
	Overdue; Neglected
	Unassigned; Check Progress
	Not Started; In Progress; Assigned
	Completed

Project 14. WDC 2012/13 Review of Governance Arrangements and Main Financial Systems Report. Issued June 2013.

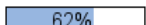


Recommendation	Agreed Action	Status	Progress Bar	Original Due Date of Action	Actual Due Date of Action	Assigned To	Note
<p><u>11. Information</u> <u>Communication Technology</u> <u>- Disaster Recovery Plan</u> The ICT department has recently produced a high level disaster recovery plan however further work is required to complete the supporting documentation which underpins the overall plan.</p> <p><u>Risk:</u> The Council might not be able to protect and/or recover their ICT infrastructure in the event of a disaster.</p>	ICT will continue to document and test DR plans for each critical system.		<div><div>25%</div></div>	31-Mar-2014	30-Jun-2015	Brian Miller	April 14. A change to the due date has been agreed with External Auditor as the underlying technical infrastructure will change as part of the ICT Modernisation project delivery.




Project 13. Annual Report on the 2011/12 Audit

Risk Identified	Action Status Progress Bar	Original Due Date of Action	Actual Due Date of Action	Sub-Action Code	Planned Management Action	Sub-Action Progress Bar	Sub-Action Status Icon	Sub-Action Due Date	Sub-Action Assigned To	Sub-Action Latest Note
4. Debt Levels: A comparative review of the draft financial statements of all 32 local authorities highlighted that the Council has some of the highest levels of debt per head of population, as a proportion of fixed assets and as a proportion of net spend. Risk: Servicing the debt may not represent value for money and may have a detrimental impact on service delivery.		31-Mar-2013	30-Nov-2013	CS/EAAP/092a	The Council's Treasury Policy is reviewed on an annual basis to ensure that the Council operates within Prudential limits and that the debt repayments are affordable.			31-Mar-2013	Stephen West	Treasury Strategy and Prudential Indicators for 2013/14 agreed by Council on 27 March 2013.
				CS/EAAP/092b	A financial plan has been developed identifying required rent increases in order to service the debt. This plan will remain under review in order to consider its ongoing affordability.			30-Sep-2013	Stephen West	Full review of the plan based on data from the 100% Housing Stock Condition Survey has been delayed - as officers are awaiting final survey outcomes from the surveyors. It is now anticipated that this will be available by 31 March 2014.
				CS/EAAP/092c	The General Fund debt includes future payments for PPP schools which a number of other Councils do not have. The cost of servicing these repayments will continue to be planned within the Council's financial strategy. Future options for new capital investment are under consideration in the long term capital plan and means of funding these which minimise effect on the revenue account are			06-Feb-2013	Stephen West	In setting the Council budget for 2013/14 the appropriate PPP costs were budgeted.

					under consideration.					
10. Scottish Housing Quality Standards: The Council have a duty to ensure 100% of housing stock complies with SHQS by 2015. Retention of the housing stock affords greater control over delivery of SHQS but also creates additional financial pressure on the Council. Risk: The Council may fail to meet the SHQS 2015 deadline.		31-Mar-2015	31-Mar-2015	CS/EAAP/098a	In agreeing to retain the Council's housing stock, members were presented with details as to the level of investment to fund the achievement of SHQS and the expected levels of rent increases required to pay for the borrowing required to fund the improvements. Progress towards achieving SHQS will be monitored by HEED and the Chief Executive.			31-Mar-2015	Helen Turley	The Council has reported 83% compliance with the SHQS which is 8% ahead of the target (75%) and is reflective of a proactive strategic approach to housing asset management.
				CS/EAAP/098b	In addition the HRA capital plan is aligned to the achievement of SHQS on time and linked to the expected performance improvement arising from the use of flexible framework contracts it is expected that SHQS will be attained on time.			31-Mar-2015	Helen Turley	Stock Condition Survey completed and incorporated into HRA Capital Plan to 6 February 2014 Council.
				CS/EAAP/098c	CMT monitors progress in relation to the capital plan on a regular basis and this is also regularly reported to HEED Committee and Council.			31-Mar-2015	Richard Cairns	Reports to SAMG/SMT and then to CMT.

Project 15. Annual Report on the 2012/13 Audit

Risk Identified	Action Status Progress Bar	Original Due Date of Action	Actual Due Date of Action	Sub-Action Code	Planned Management Action	Sub-Action Progress Bar	Sub-Action Status Icon	Sub-Action Due Date	Sub-Action Assigned To	Sub-Action Latest Note
4. Financial Pressure: The Council currently has an assumed		31-Aug-2016	31-Aug-2016	CS/EAAP/117a	The Long Term Financial Strategy going to Council on 30 October 2013 asks CMT to identify efficiencies for			30-Oct-2013	Stephen West	Updated Long Term Financial Strategy provided to and agreed by Council

<p>cumulative funding gap of £21.68 million over the period 2013/14 - 2016/17 and continues to face an increase in demand for services due to the current economic climate and changes in demography.</p> <p>Risk: The Council may not be able to generate efficiencies and savings to bridge the funding gap.</p>					forward planning to meet the anticipated gap.					on 30 October 2013.
				CS/EAAP/117b	Updates of the Long Term Financial Strategy will be presented to Council on at least an annual basis to update the projections as new information becomes available.	<div><div>25%</div></div>		31-Aug-2016	Stephen West	Long Term Financial Strategy provided to Council on 30 October 2013. Further updates will be provided on an ongoing annual basis.
<p>6. Rent Arrears: The Council have the fifth highest gross housing rent arrears as a proportion of HRA dwelling rents in Scotland. This is likely to be further impacted by welfare reform and the rent increases required to fund the capital programme designed to meet the SHQS by 2015.</p> <p>Risk: Escalation of rent arrears may lead to a significant loss of income and jeopardise delivery of the</p>	<div><div>66%</div></div>	04-Feb-2015	04-Feb-2015	CS/EAAP/119a	The position of rent collection will be monitored and reported as part of the regular budgetary control process.	<div><div>100%</div></div>		30-Nov-2013	Stephen West	Rent collection is reported to HEED Committee and Council as part of Budgetary Control report on HRA revenue account on a regular basis. The rent collection performance is considered in relation to the income and bad debt provision position.
				CS/EAAP/119b	The expected impact of welfare reform will be provided for within new revenue budgets for the HRA	<div><div>33%</div></div>		04-Feb-2015	Stephen West	Work on producing the HRA budget for 2014/15 and onwards has commenced and is progressing well. This process includes consideration of

HRA capital programme.										likely impact of welfare reform on ability to collect rents. This will continue into future years.
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