

WEST DUNBARTONSHIRE COUNCIL**Report by Executive Director of Corporate Services****Audit and Performance Review Committee: 10 June 2015**

Subject: Audit Scotland report: West Dunbartonshire Council: Review of Key Internal Controls 2014/15 - June 2015

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 11 March 2015, 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 at paragraph 3 that the auditors are satisfied that the Council's governance arrangements and internal control systems are operating as planned.
- 4.3** The report identifies 10 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 7 to 11 of the report.

- 4.4** At paragraph 3 of the report, Audit Scotland acknowledged that the Council has made good progress in implementing the actions agreed in their “2013/14 Review of Governance Arrangements and Main Financial Systems” report.

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 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 (EIA)

- 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: 3 June 2015

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Appendices: Audit Scotland report: West Dunbartonshire Council:
Review of Key Internal Controls 2014/15

Background Papers: None

Wards Affected: All Wards