

AUDIT & PERFORMANCE REVIEW COMMITTEE

At a Meeting of the Audit & Performance Review Committee held in Committee Room 3, Council Offices, Garshake Road, Dumbarton on Wednesday, 12 March 2014 at 2.05 p.m.

Present: Councillors George Black, Jim Brown, Michelle McGinty, *Jim Finn, Ian Murray, Tommy Rainey, Gail Robertson, Martin Rooney, Mr Stevie J. Doogan and Mr Edward Haynes.

* Attended later in the meeting.

Attending: Joyce White, Chief Executive; Angela Wilson, Executive Director of Corporate Services; Richard Cairns, Executive Director of Infrastructure and Regeneration; Terry Lanagan, Executive Director of Educational Services; Stephen West, Head of Finance and Resources; Gillian McNeilly, Finance Manager; Colin McDougall, Audit and Risk Manager; Joe Gillespie, Section Head, Internal Audit; William Pook, Performance and Information Manager, West Dunbartonshire Community Health & Care Partnership; Craig Stewart, Committee Officer, Legal, Democratic and Regulatory Services.

Also Attending: Mr David McConnell, Assistant Director, Ms Elaine Boyd, Senior Audit Manager, and Mr Laurence Slavin, Senior Auditor, Audit Scotland.

Councillor Ian Murray in the Chair

CHAIR'S REMARKS

Prior to commencing with the business of the meeting, Councillor Murray, Chair, informed the Committee of the recent resignation of Mr Francis McNeill, as a Lay Member, due to personal commitments. The Chair passed on the Committee's thanks to Mr McNeill for his service to the work of the Committee.

DECLARATIONS OF INTEREST

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

MINUTES OF PREVIOUS MEETING

The Minutes of Meeting of the Audit & Performance Review Committee held on 11 December 2013 were submitted and approved as a correct record.

INTERNAL AUDIT PLAN 2014/15

A report was submitted by the Executive Director of Corporate Services advising on the planned programme of work for the Internal Audit Section for the year 2014/15.

After discussion and having heard the Audit and Risk Manager, the Chief Executive and relevant officers in elaboration and in answer to Members' questions, the Committee agreed to approve the Audit Plan for 2014/15.

Note: Councillor Finn entered the meeting at this point in the proceedings.

INTERNAL AUDIT PLAN 2013/14 PROGRESS REPORT TO 31 DECEMBER 2013

A report was submitted by the Executive Director of Corporate Services advising on the work undertaken by the Internal Audit Section against the Audit Plan 2013/14.

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

AUDIT ACTION PLANS

A report was submitted by the Executive Director of Corporate Services advising of:-

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

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

- (1) to note that certain of the projects (*progress timescale, narrative etc.*) under the HEED Directorate would be reviewed by the Executive Director of Infrastructure and Regeneration, prior to a further report on this matter being submitted to the Committee;

- (2) to note that a Members Briefing Note would be prepared and issued on the Housing Allocations process; and
- (3) otherwise to note the contents of the report.

PUBLIC INTEREST DISCLOSURES FOR THE PERIOD 1 JULY 2013 TO 31 DECEMBER 2013

A report was submitted by the Executive Director of Corporate Services advising on public interest disclosures received during the period 1 July 2013 to 31 December 2013.

After discussion and having heard the Executive Director of Corporate Services in further explanation and in answer to a Member's questions, the Committee agreed to note the contents of the report.

PRUDENTIAL INDICATORS 2013/14 TO 2016/17 AND TREASURY MANAGEMENT STRATEGY 2014/15 TO 2016/17

A report was submitted by the Executive Director of Corporate Services providing an update on:-

- (a) Prudential Indicators for 2013/14 to 2016/17; and
- (b) Treasury Management Strategy (including the Investment Strategy) for 2014/15 to 2016/17.

After discussion and having heard the Finance Manager and the Head of Finance and Resources in further explanation and in answer to Members' questions, the Committee agreed to note that Council approved the following at its meeting on 6 February 2014:-

- (1) The Prudential Indicators and Limits set out within Appendix 1:
 - Capital Expenditure and Capital Financing Requirements (Tables A and B);
 - Actual and estimates of the ratio of financing costs to Net Revenue Stream (Table C);
 - Incremental impact of capital investment decisions on the Band D Council Tax (Table D); and
 - Incremental impact of capital investment decisions Housing Rent levels (Table E);
- (2) The Treasury Management Strategy for 2014/15 to 2016/17 (including the Investment Strategy) contained within Appendix 2;

- (3) The Treasury Prudential Indicators and Limits set out in Appendix 2:
 - Operational Boundaries (Table G);
 - Authorised Limits (Table H);
 - Counterparty Limits (Table K); and
 - Treasury Management Limits on Activity (Table M); and
- (4) The statement by the Section 95 Officer regarding the gross debt level in comparison to the Capital Financing Requirement (Appendix 2 - Point 2.2).

AUDIT SCOTLAND ANNUAL AUDIT PLAN 2013/14

A report was submitted by the Executive Director of Corporate Services presenting Audit Scotland's Audit Plan for the audit of financial year 2013/14 to Committee for information.

At this point, Councillor Murray, Chair, welcomed the Members of the Audit Team of Audit Scotland to the meeting. After discussion and having heard Mr Slavin, Senior Auditor and the Chief Executive in further explanation and answer to Members' questions, the Committee agreed:-

- (1) to note the thanks and appreciation of Audit Scotland to staff for their valued assistance and input; and
- (2) otherwise to note Audit Scotland's audit plan for the audit of financial year 2013/14.

AUDIT SCOTLAND – REVIEW OF ADEQUACY OF INTERNAL AUDIT ARRANGEMENTS

A report was submitted by the Executive Director of Corporate Services advising of the External Auditor's assessment of the adequacy of the Council's Internal Audit arrangements.

Having heard Ms Boyd, Senior Audit Manager, in answer to a Lay Member's question, the Committee agreed to note the contents of the report.

AUDIT SCOTLAND REPORT – *CHARGING FOR SERVICES: ARE YOU GETTING IT RIGHT?*

A report was submitted by the Executive Director of Corporate Services providing information on a report recently published by Audit Scotland in relation to the above.

After discussion and having heard Mr McConnell, Assistant Director, the Chief Executive and Executive Director of Corporate Services in further explanation and in answer to a Member's questions, the Committee agreed note the contents of the report.

The meeting closed at 3.52 p.m.

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