

WEST DUNBARTONSHIRE COUNCIL**Report by Executive Director of Corporate Services****Audit and Performance Review Committee: 24 September 2014**

Subject: Audit of Final Accounts 2013/14**1. Purpose**

- 1.1** To advise Committee of Audit Scotland's findings in relation to the audit of the Council's Financial Statements for 2013/14 and the Financial Statements for the Charities managed by the Council.

2. Recommendations

- 2.1** Committee is invited to note the findings of the audit of these financial statements as detailed in Audit Scotland's reports dated September 2014.

3. Background

- 3.1** In accordance with the International Standard on Auditing 260 (ISA260), auditors are required to communicate matters relating to the audit of the financial statements to those charged with governance of a body in sufficient time to enable appropriate action, if required, to be taken.

4. Main Issues

- 4.1** Audit Scotland has issued a report dated September 2014 which details the main issues arising from the audit of the financial statements of the Council. The full report is appended to this report (Appendix 1).
- 4.2** The report identifies a number of improvement recommendations together with management responses ("resolutions" in the report).
- 4.3** The report also appends the proposed independent auditor's report and the draft letter of representation (ISA 580) which the Head of Finance and Resources is required to sign and submit to Audit Scotland.
- 4.4** The Audit Opinion is detailed on page 5 of the report which advises that Audit Scotland expect to issue an unqualified opinion on the Council's annual financial statements.
- 4.5** The draft (unaudited) single entity financial statements for 2013/14 were reported to Council on 25 June 2014, with a full copy of the financial statements being sent to members at that time.

- 4.6** A number of presentational and monetary adjustments were identified within the draft financial statements during the course of the audit, the effect of which results in a net decrease in the Council's General Fund of £0.06 million and net increase to the Housing Revenue Account balance of £0.06 million. Net assets as recorded in the balance sheet have decreased by £35.9 million.
- 4.7** It is anticipated that a full report on the 2013/14 audit will be presented to Council on 29 October 2014.
- 4.8** Audit Scotland has also issued a report dated September 2014 which details the main issues arising from the audit of the financial statements of the Charities. The full report is appended to this report (Appendix 2).
- 4.9** The report identifies three significant findings, together with management responses
- 4.10** The report also appends the proposed independent auditor's report and the draft letter of representation (ISA 580) which the Head of Finance and Resources is required to sign and submit to Audit Scotland. The Audit Opinion is detailed on page 5 (paragraph 13) of the report which advises that Audit Scotland expect to issue an unqualified opinion on the Council's annual financial statements.

5. People Implications

- 5.1** There are no people implications.

6. Financial Implications

- 6.1** There are no financial implications.

7. Risk Analysis

- 7.1** There was no requirement to carry out a risk analysis.

8. Equalities Impact Assessment

- 8.1** As this report presents the findings of Audit Scotland, another public body, there is no requirement to carry out an equality impact assessment. However, any actions required to address any concerns raised in the Audit report may require to be subject to Equalities Impact Assessment.

9. Consultation

- 9.1** The views of Legal Services have been requested on this report and have advised there are neither any issues nor concerns.
- 9.2** The draft Financial Statements 2013/14 has followed the required procedure for advertising and public inspection.

10. Strategic Assessment

10.1 Good financial governance is essential to the delivery of each of the Council's Strategic Priorities.

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Executive Director of Corporate Services
Date: 18 September 2014

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Appendix: Appendix 1 – Audit Scotland's report 2013/14 to those
charged with Governance (Council)
Appendix 2 – Audit Scotland's report 2013/14 to those
charged with Governance (Registered Charities)

Background Papers: Council report – 25 June 2014: Draft Annual Accounts 2013/2014

Wards Affected: All