

AUDIT & PERFORMANCE REVIEW COMMITTEE

At a Meeting of the Audit & Performance Review Committee held in Meeting Room 3, Council Offices, Garshake Road, Dumbarton on Wednesday, 23 September 2009 at 10.00 a.m.

Present: Councillors George Black, Margaret Bootland, Jim Brown, Geoff Calvert, Jonathan McColl, Craig McLaughlin, John Millar and Martin Rooney and Mr Francis McNeil Representative, Community Councils.

Attending: David McMillan, Chief Executive; Joyce White, Executive Director of Corporate Services; David Connell, Head of Finance and ICT; Gillian McNeilly, Manager of Accounting; Lorraine Coyne, Manager of Audit; Colin McDougall, Section Head, Internal Audit; Joe Gillespie, Section Head (Operations); David Webster, Performance and Improvement Manager; Patricia Marshall, Manager of ICT; Jack Stevenson, Section Head, Property Management and Craig Stewart, Committee Officer, Legal, Administrative and Regulatory Services.

Also

Attending: Grant Macrae (Director) and Keith Macpherson (Manager), KPMG LLP.

Apologies: Apologies for absence were submitted on behalf of Mr John Corcoran, Representative, Business Community and Selina Ross, Representative, Voluntary Sector.

Councillor Martin Rooney in the Chair

DECLARATIONS OF INTEREST

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

MINUTES OF PREVIOUS MEETING

The Minutes of Meeting of the Audit & Performance Review Committee held on 13 May 2009 were submitted and approved as a correct record.

In relation to the item under the heading "Internal Audit Action Plans to 31 March 2009 and Review of Progress in Actioning Recommendations contained within Internal Audit and External Audit Reports", it was noted that the report on the bar coding system had been drafted but was not complete and that it would be submitted to the next meeting of the Committee.

The Minutes of Special Meeting of the Audit & Performance Review Committee held on 10 June 2009 were submitted and approved as a correct record.

VARIATION IN ORDER OF BUSINESS

After hearing Councillor Rooney, the Committee agreed to vary the order of business as hereinafter recorded in these minutes.

DRAFT ANNUAL ACCOUNTS 2008/2009

In terms of remit from the meeting of West Dunbartonshire Council held on 26 August 2009, the relevant excerpt minute was submitted along with a report by the Chief Executive providing a copy of the draft Annual Accounts for 2008/09 and highlighting matters of interest.

After discussion and having heard the Executive Director of Corporate Services and Mr. Macrae, Director, KPMG LLP, the Committee agreed:-

- (1) to note the contents of the report and the draft accounts for 2008/09; and
- (2) to note that the concerns highlighted by Members in relation to the recommended 2% prudential level of reserves would be incorporated into the feedback from the External Auditor to the Accounts Commission.

AUDIT OF FINAL ACCOUNTS 2008/2009

A report was submitted by the Executive Director of Corporate Services advising of KPMG's findings in relation to the audit of the Financial Statements for 2008/09.

After discussion and having heard Mr. Macrae, Director, KPMG LLP and the Executive Director of Corporate Services in further explanation and in answer to Members' questions, Councillor McLaughlin, seconded by Councillor McColl, moved:

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That the Committee agrees

- (1) to note the findings of the audit of the financial statements as detailed in KPMG's report dated 9 September 2009;
- (2) to thank the Auditors and staff for their efforts in compiling the Annual Accounts;

- (3) to note with concern the flagrant attack on the professionalism of officers involved in drafting the annual accounts by the Chair of the Audit & Performance Review Committee in his recent press release;
- (4) to call on the Chair of the Audit & Performance Review Committee to publicly apologise in writing via the press to officers for printing misleading and inaccurate statements regarding the final accounts; and
- (5) to note that our Annual Accounts received a positive unqualified recommendation from the auditors and had less recommendations than in previous years.

As an amendment, Councillor Rooney, seconded by Councillor Calvert, moved:-

That the Committee agrees to note the findings of the audit of the financial statements as detailed in KPMG's report dated 9 September 2009.

On a vote being taken, 4 Members voted for the amendment, 4 for the motion and 1 Member abstained. There being an equality of voting, the Chair exercised his casting vote in favour of the amendment which was accordingly declared carried.

TREASURY MANAGEMENT ANNUAL REPORT 2008/2009

A report was submitted by the Executive Director of Corporate Services providing an update on treasury management during 2008/09.

Having heard the Manager of Accounting in further explanation the Committee agreed:-

- (1) to note the treasury management stewardship information within the report;
- (2) to note the 2008/09 actual prudential indicators as advised within the report (Tables 2, 3, 4 and 5 refer); and
- (3) to note that a briefing session was currently being planned which aimed at giving Members a more detailed understanding of treasury management.

INTERNAL AUDIT ACTION PLANS TO 31 AUGUST 2009 AND REVIEW OF PROGRESS IN ACTIONING RECOMMENDATIONS CONTAINED WITHIN INTERNAL AUDIT AND EXTERNAL AUDIT REPORT

A report was submitted by the Chief Executive:-

- (a) presenting the Internal Audit Section system action plans issued to the directorates from 1 April to 31 August 2009; and

- (b) advising of the progress being made in actioning recommendations contained within key Internal Audit and External Audit reports which management have committed to implementing.

After discussion and having heard the Manager of Audit and the Chief Executive in further explanation and in answer to Members' questions, the Committee agreed:-

- (1) to note that in relation to Energy Management, 5 of the 15 outstanding actions had been completed and that the remaining 10 would be dealt with when the report on the Carbon Management Plan was submitted to a future meeting of the Corporate and Efficient Governance Committee for consideration;
- (2) that a report be prepared by the Executive Director of Housing, Environmental and Economic Development providing an update in relation to the Systems Review Action Plan for Housing 08-09 Repairs & Maintenance (contained in Action Plan 2 of Appendix A to the report) for consideration at a future meeting of the Housing, Environmental and Economic Development Committee; and
- (3) otherwise to note the report.

INTERNAL AUDIT ANNUAL REPORT TO 31 MARCH 2009

A report was submitted by the Chief Executive:-

- (a) advising of the work undertaken by Internal Audit in respect of the Annual Plan 2008/09 and planned programme of work for the Internal Audit Section for the year 2009/10; and
- (b) advising of the contents of the Assurance Statement given to the Executive Director of Corporate Services in support of the Statement of Internal Financial Control.

Having heard the Manager of Audit in further explanation the Committee agreed to note the contents of the report.

INTERNAL AUDIT PROGRESS REPORT TO 30 JUNE 2009

A report was submitted by the Chief Executive advising of the work undertaken by the Internal Audit Section against the Audit Plan 2009/2010.

Having heard the Manager of Audit in answer to Members' questions, the Committee agreed to note the report.

NATIONAL FRAUD INITIATIVE 2008/2009

A report was submitted by the Chief Executive advising of the progress being made in investigating matched datasets provided by the Council as a result of the National Fraud Initiative 2008/09.

After discussion and having heard the Manager of Audit in further explanation and in answer to Members' questions, the Committee agreed to note the contents of the report.

ACTIVITY ON WHISTLEBLOWING HOTLINE TO 30 JUNE 2009

A report was submitted by the Chief Executive advising of the level of activity on the whistleblowing Hotline.

After discussion and having heard the Manager of Audit in elaboration and in answer to Members' questions, the Committee agreed:-

- (1) to welcome the further information giving more detail as to the nature of the complaints to the Whistleblowing Hotline during the period concerned; and
- (2) otherwise to note the contents of the report.

CORPORATE PLAN 2008/12 – PROGRESS IN 2008/9

A report was submitted by the Chief Executive setting out the Council's progress in meeting the corporate objectives in the first year of the Corporate Plan 2008/12, that is, 2008/9.

After discussion and having heard the Performance and Improvement Manager and the Chief Executive in further explanation and in answer to Members' questions, the Committee agreed to note the Corporate Plan progress report for 2008/9.

SICKNESS ABSENCE REPORTING – QUARTER 1 (2009/2010)

A report was submitted by the Executive Director of Corporate Services advising on the levels of employee sickness absence for the first quarter (April, May and June) of 2009/2010.

After discussion and having heard the Executive Director of Corporate Services in further explanation, the Committee agreed to note the contents of the report.

STATUTORY PERFORMANCE INDICATORS

A report was submitted by the Chief Executive reviewing the performance of the Statutory Performance Indicators (SPIs) for the year 2008/09.

After discussion and having heard the Performance & Improvement Manager in elaboration and in answer to Members' questions, the Committee agreed to note the contents of the report.

The meeting closed at 12.19 p.m.