

## **AUDIT & PERFORMANCE REVIEW COMMITTEE**

At a Meeting of the Audit & Performance Review Committee held in the Council Chambers, Clydebank Town Hall, Dumbarton Road, Clydebank on Wednesday, 8 March 2017 at 2.05 p.m.

**Present:** Councillors George Black, Jim Brown, Jonathan McColl, Ian Murray, Gail Robertson and Martin Rooney.

**Attending:** Joyce White, Chief Executive; Angela Wilson, Strategic Director – Transformation & Public Service Reform; Richard Cairns, Strategic Director – Regeneration, Environment & Growth; Stephen West, Strategic Lead – Resources; Vicki Rogers, Strategic Lead – People & Technology; Malcolm Bennie, Strategic Lead – Communications, Culture & Communities; Soumen Sengupta, Head of Strategy, Planning & Health Improvement; Colin McDougall, Audit and Risk Manager; Gillian McNeilly, Finance Manager; Amanda Coulthard, Corporate & Community Planning Manager; and Craig Stewart, Committee Officer.

**Also Attending:** Ms Fiona Mitchell–Knight, Assistant Director and Ms Karen Cotterell, Senior Auditor, Audit Scotland.

**Apologies:** Apologies for absence were intimated on behalf of Councillors Patrick McGlinchey and Tommy Rainey and Lay Members Mr Stevie J. Doogan and Ms Eilidh McKerry.

**Councillor Jonathan McColl 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 14 December 2016 were submitted and approved as a correct record.

**PRUDENTIAL INDICATORS 2016/17 TO 2025/26 AND TREASURY  
MANAGEMENT STRATEGY 2017/18 TO 2025/26**

A report was submitted by the Strategic Lead – Resources providing an update on:–

- (a) the proposed Prudential Indicators for 2016/17 to 2019/20;
- (b) Treasury Management Strategy (including the Investment Strategy) for 2017/18 to 2019/20; and
- (c) the indicative prudential indicators for the period from 2020/21 to 2025/26.

After discussion and having heard the Strategic Lead – Resources and the Finance Manager in further explanation and in answer to Members' questions, the Committee agreed to note that Council had approved the following at its meeting on 22 February 2017:–

- (1) The following Prudential Indicators and Limits discussed in Appendix 1 of the report and set out within Appendix 6 of the report for the period 2017/18 to 2019/20:–
  - (a) Capital Expenditure and Capital Financing Requirements (Tables A and B);
  - (b) Forecast and estimates of the ratio of financing costs to Net Revenue Stream (Table C);
  - (c) Incremental impact of capital investment decisions on the Band D Council Tax (Table D); and
  - (d) Incremental impact of capital investment decisions on Housing Rent levels (Table E).
- (2) The Treasury Management Strategy for 2017/18 to 2019/20 (including the Investment Strategy) contained within Appendices 2 to 6 of the report;
- (3) The following Treasury Prudential Indicators and Limits discussed in Appendix 2 of the report and set out within Appendix 6 for the period 2017/18 to 2019/20:–
  - (a) Operational Boundaries (Table G);
  - (b) Authorised Limits (Table H);
  - (c) Counterparty Limits (Table K); and
  - (d) Treasury Management Limits on Activity (Table M).

- (4) The draft Prudential and Treasury Management Indicators for the period 2020/21 to 2025/26 discussed in Appendices 1 and 2 and set out within Appendix 6 of the report; and
- (5) The statement by the Section 95 Officer regarding the gross debt level in comparison to the Capital Financing Requirement (Appendix 2 – Point 2.3).

### **AUDIT ACTION PLANS**

A report was submitted by the Strategic Lead – Resources advising of:–

- (1) recently issued Internal Audit action plans; and
- (2) progress made against action plans previously issued contained within Internal Audit and External Audit reports.

After discussion and having heard the Audit and Risk Manager, Strategic Lead – Resources and relevant officers in further explanation and in answer to Members' questions, the Committee agreed to note the contents of this report.

### **INTERNAL AUDIT PLAN 2017/18**

A report was submitted by the Strategic Lead – Resources advising of the planned programme of work for the Internal Audit section for the year 2017/18.

After discussion and having heard the Strategic Lead – Resources in further explanation of the report and in answer to Members' questions, the Committee approved the Audit Plan for 2017/18.

### **AUDIT SCOTLAND – REVIEW OF ADEQUACY OF INTERNAL AUDIT ARRANGEMENTS**

A report was submitted by the Strategic Lead – Resources advising of the External Auditor's assessment of the adequacy of the Council's Internal Audit arrangements.

After discussion and having heard Ms Mitchell-Knight, Assistant Director, Audit Scotland and relevant officers in further explanation and in answer to Members' questions, the Committee agreed:–

- (1) to thank the External Auditors for working so well with the Council's Internal Audit service, in this area; and
- (2) otherwise to note the contents of the report.

## **AUDIT SCOTLAND ANNUAL AUDIT PLAN 2016/17**

A report was submitted by the Strategic Lead – Resources presenting Audit Scotland's Audit Plan for the audit of financial year 2016/17 to Committee for information.

After discussion and having heard Ms Mitchell–Knight, Assistant Director, Audit Scotland and relevant officers in further explanation and in answer to Members' questions, the Committee agreed to note Audit Scotland's audit plan for the audit of financial year 2016/17.

## **ADJOURNMENT**

After hearing Councillor McColl, Chair, the Committee agreed to adjourn at 3.45 p.m. to allow for a short comfort break.

The meeting reconvened at 3.53 p.m. with all those Members shown on the sederunt in attendance.

## **REVISED LOCAL CODE OF GOOD GOVERNANCE**

A report was submitted by the Strategic Lead – Resources advising of the progress made in developing a revised local code of governance.

After discussion and having heard the Strategic Lead – Resources and Chief Executive in elaboration and in answer to Members' questions, the Committee agreed:–

- (1) the revised West Dunbartonshire Council Code of Good Governance, appended to the report; and
- (2) to note that a report would be submitted to a future Audit and Performance Review Committee meeting to advise on the outcome of the self–assessment process.

## **PUBLIC INTEREST DISCLOSURES FOR THE PERIOD 1 JULY TO 31 DECEMBER 2016**

A report was submitted by the Strategic Lead – Resources advising on public interest disclosures received during the period 1 July to 31 December 2016.

After discussion and having heard the Audit and Risk Manager, Strategic Lead – People & Technology and relevant officers in further explanation and in answer to Members' questions, the Committee agreed:–

- (1) to note the terms of the discussion that had taken place in respect of this matter;

- (2) to note that a Members' Briefing Note would be issued giving further information on public interest disclosures and the Council's Public Interest Disclosure Policy; and
- (3) otherwise to note the content of the report.

**ACCOUNTS COMMISSION REPORT: HOW COUNCILS WORK – FOLLOW UP  
MESSAGES FOR COUNCILS: ROLES AND WORKING RELATIONSHIPS IN  
COUNCILS: ARE YOU STILL GETTING IT RIGHT?**

A report was submitted by the Strategic Lead – Resources providing information regarding a report recently published by the Accounts Commission as prepared by Audit Scotland.

The Committee noted the terms of the report, along with the series of checklists contained therein and noted that it was planned to undertake development work with Members in relation to the report as part of a future Elected Members' development session.

**ACCOUNTS COMMISSION REPORT: LOCAL GOVERNMENT IN SCOTLAND  
FINANCIAL OVERVIEW 2015/16**

A report was submitted by the Strategic Lead – Resources providing information regarding a report recently published by the Accounts Commission as prepared by Audit Scotland.

The Committee noted the terms of the report, along with the checklist contained at Appendix 2 of the report and noted that it was planned to undertake development work with Members in relation to the report as part of a future Elected Members' development session.

**ACCOUNTS COMMISSION REPORT: A REVIEW OF HOUSING BENEFIT FRAUD  
INVESTIGATION LIAISON ARRANGEMENTS IN SCOTLAND**

A report was submitted by the Strategic Lead – Resources providing information regarding a report recently published by the Accounts Commission and prepared by Audit Scotland.

After discussion and having heard the Strategic Lead – Resources and the Chief Executive in further explanation and in answer to Members' questions, the Committee agreed:–

- (1) that in view of concerns raised in the report and at the meeting, a report be remitted to a future meeting of the Corporate Services Committee, on current arrangements, in order to enable further consideration to take place; and
- (2) otherwise to note the findings of the report.

**LOCAL GOVERNMENT BENCHMARKING FRAMEWORK 2015/16**

A report was submitted by the Strategic Lead – Communications, Culture & Communities providing the Committee with the West Dunbartonshire position in the recently published Local Government Benchmarking Overview report for 2015/16.

After discussion and having heard the Corporate & Community Planning Manager and relevant officers in further explanation and in answer to Members' questions, the Committee agreed:–

- (1) to note the publication of the national overview report; and
- (2) to note the relative position of West Dunbartonshire across the suite of indicators used in the benchmarking report

**STRATEGIC RISK – BI-ANNUAL UPDATE**

A report was submitted by the Strategic Lead – People & Technology providing the outcome of the latest assessment of Strategic Risks.

After discussion and having heard the Strategic Lead – People & Technology in further explanation and in answer to a Member's question, the Committee agreed to note the contents of the report.

The meeting closed at 4.47 p.m.