

WEST DUNBARTONSHIRE COUNCIL

Report by the Interim Executive Director of Corporate Services

Audit and Performance Review Committee: 15 February 2012

Subject: Audit Plan Overview 2011/12

1. Purpose

- 1.1 The purpose of this report is to present Audit Scotland's Annual Audit Plan 2011/12 to Committee for information.

2. Background

- 2.1 Audit Scotland have replaced KPMG LLP as the Council's External Audit partner. As is common practice for external auditors, Audit Scotland have produced an Annual Audit Plan which provides an overview of the audit approach to be adopted and describes the outputs the Council can expect to receive. The plan is appended to this report for noting.

3. Main Issues

- 3.1 The appended Annual Audit plan identifies the main areas of activity to be:-
- an audit of the financial statements;
 - reporting the findings of the shared risk assessment process in an Assurance and Improvement Plan Update. This will consist of the Local Area Network (LAN) examining new evidence in terms of its impact on existing risk assessments and will include updated scrutiny plans for the period 2012/13 to 2014/15 for the Council;
 - provision of the annual report on the audit addressed to the Council and the Controller of Audit;
 - a review and assessment of the Council governance and performance arrangements in a number of key areas including the review of: internal controls; the adequacy of internal audit; Statutory Performance Indicators; national study follow-up work; and ICT computer service reviews;
 - provision of an opinion on a number of grant claims and returns, including Whole of Government Accounts.
- 3.2 Page 12 of the Plan identifies the resources that will be deployed to undertake the report, and notes that they will place reliance on our own Internal Audit team to support the work of the plan.
- 3.3 A summary of the proposed audit timetable is given on page 11 of the appended plan.

3.4 The fee for the local audit is £288,275. This is a welcome reduction of 6% in comparison to the Council's External Audit fee for 2010/11 of £306,675.

3.5 The Audit Scotland Team have developed excellent working relationships with staff across the Council and are providing a valuable source of information and guidance on a variety of best practice matters.

4. **People Implications**

4.1 There are no people implications.

5. **Financial Implications**

5.1 The total fee quoted in paragraph 3.4 can be accommodated within the departmental budgetary provision.

6. **Risk Analysis**

6.1 Audit Scotland's assessment of the risks facing the Council is detailed in the appendix. An additional internal risk assessment was not required.

7. **Equalities, Health & Human Rights Impact Assessment (EIA)**

7.1 There are no issues.

8. **Strategic Assessment**

8.1 The report relates to fit for purpose services by improving service delivery models for continuous improvement.

9. **Conclusion and Recommendation**

9.1 Audit Scotland's Annual Audit Plan document for 2011/12 is appended to this report. It sets out the audit approach and outputs for the current year's audit. Members can expect to receive extracts of reports that are produced during the year as well as a final overall report.

9.2 It is recommended that Committee note the report and appendix and welcome the reduction in fee for 2011/12.

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Date: 09 February 2011

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Appendix: Audit Scotland Annual Audit Plan 2011/12

Background Papers: None

Wards Affected: All