Agenda

West Dunbartonshire COUNCIL

Audit Committee

Date: Wednesday, 4 September 2024

Time: 10:00

Venue: Council Chambers, Clydebank Town Hall, 5 Hall Street, Clydebank G81 2NR

Contact: Lynn Straker, Committee Officer

lynn.straker@west-dunbarton.gov.uk

committee.admin@west-dunbarton.gov.uk

Dear Member

Please attend a meeting of the **Audit Committee** as detailed above.

The business is shown on the attached agenda.

Yours faithfully

PETER HESSETT

Chief Executive

Distribution:

Councillor Ian Dickson
Councillor Jonathan McColl (Vice Chair)
Councillor James McElhill
Councillor Michelle McGinty
Councillor John Millar
Councillor Karen Murray Conaghan (Chair)
Councillor Martin Rooney
Councillor Hazel Sorrell
Mr C Johnstone

All other Councillors for information

Chief Executive
Chief Officers

Date of issue: 22 August 2024

AUDIT COMMITTEE

WEDNESDAY, 4 SEPTEMBER 2024

AGENDA

1   APOLOGIES

2   DECLARATIONS OF INTEREST

Members are invited to declare if they have an interest in any of the items of business on this agenda and the reasons for such declarations.

3   MINUTES OF PREVIOUS MEETING   **5 - 7**

Submit for approval, as a correct record, the Minutes of Meeting of the Audit Committee held on 21 February 2024.

4   OPEN FORUM

The Committee is asked to note that no open forum questions have been submitted by members of the public.

5   STRATEGIC RISKS 2022-2027: BI-ANNUAL UPDATE REPORT   **9 - 30**

Submit report by Chief Officer – People and Technology providing the bi-annual update on the strategic risks for 2022-27.

6   BEST VALUE THEMATIC REPORT: WORKFORCE INNOVATION   **31 - 59**

Submit report by Chief Officer – People and Technology setting out the findings of the external audit analysis of the Council's approach to workforce innovation.

7   INTERNAL AUDIT PLAN 2023/24 – PROGRESS TO 12 AUGUST 2024   **61 - 87**

Submit report by Chief Officer – Resources advising Members of progress to 12 August 2024 against the Internal Audit Plan for 2023/24.

8   FORVIS MAZARS - 2023/24 ANNUAL AUDIT PLAN   **89 - 139**

Submit report by Chief Officer – Resources presenting to Members for information the Forvis Mazars Annual Audit Plan for the year ending March 2024.

AUDIT COMMITTEE

At a Meeting of the Audit Committee held in the Civic Space, 16 Church Street, Dumbarton, on Wednesday, 12 June 2024 at 2.00 p.m.

Present: Councillors Ian Dickson, Jonathan McColl, John Millar, Karen Murray Conaghan, Martin Rooney and Sophie Traynor.

Attending: Peter Hessett, Chief Executive; Laurence Slavin, Chief Officer – Resources: Amanda Graham, Chief Officer – Citizen, Culture and Facilities; Julie Slavin, Chief Finance Officer – Health and Social Care Partnership (HSCP); Claire Cusick, Senior Education Officer; Lesley McCabe, Lead Internal Auditor; Fiona Taylor, Head of Health and Community Care; Carol Alderson, Finance Manager; and Lynn Straker, Committee Officer.

Apologies: Apologies for absence were intimated on behalf of Councillors Michelle McGinty and Hazel Sorrell; Andi Priestman, Internal Audit Manager and Tom Reid, Forvis Mazars.

Councillor Karen Murray Conaghan 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 Meetings of the Audit Committee held on 21 February 2024 were submitted and approved as a correct record.

OPEN FORUM

The Committee noted that no open forum questions had been submitted by members of the public.

INTERNAL AUDIT PLAN 2023-2024 – PROGRESS TO 10 MAY 2024

A report was submitted by the Chief Officer – Resources advising of progress at 10 May 2024 against the Internal Audit Plan for 2023/24.

After discussion and having heard from the Chief Officer – Resources and relevant officers in further explanation and in answer to Members' questions, the Committee agreed to note the content of the report.

INTERNAL AUDIT ANNUAL REPORT TO 31 MARCH 2024

A report was submitted by the Chief Officer – Resources advising of the work undertaken by Internal Audit in respect of the 2023/24 Annual Audit Plan and of the contents of the Assurance Statement given to Members of West Dunbartonshire Council, the Chief Executive and the Section 95 Officer (Chief Officer – Resources) in support of the Annual Governance Statement.

After discussion, the Committee agreed to note the content of the report.

ANNUAL REPORT ON THE AUDIT COMMITTEE – 2023/24

A report was submitted by the Chief Officer – Resources providing the Audit Committee Chair's 2023/24 Annual Report on the Audit Committee.

After discussion, the Committee agreed to note the content of the report.

TREASURY MANAGEMENT STRATEGY AND ANNUAL INVESTMENT STRATEGY

A report was submitted by Chief Officer – Resources providing Members with the opportunity to further scrutinise the Prudential Indicators and Treasury Management Strategy (including the Investment Strategy) for 2023/24 to 2032/33.

After discussion, the Committee agreed to note that at its meeting on 27 March 2024, Council had:-

(1)   approved the proposed Treasury Management Strategy Statement and Annual Investment Strategy and the indicators contained within;

(2)   approved the continued use of the asset life method (using either annuity or equal instalment) for the repayment of loan fund advances with the exception of spend to save schemes where the funding/income profile method could be used;

(3)   approved the ability to continue to use countries with a sovereign rating of AA and above;

(4)   (i) added the recommendation that the short-term debt profile be capped at 30% and recognised that transitioning from current short-term levels to longer term would take some time and invited the S95 officer to manage the timeline of this change which should be reported on at the next review of the Treasury

management strategy; and (ii) decided to seek to strike off lender option borrower option (LOBO's) as an approved source of long or short term borrowing from our borrowing and debt strategy; and

(5)   to note that the report would be referred to the Audit Committee for further scrutiny.

REVIEW OF LOCAL CODE OF GOVERNANCE AND ANNUAL GOVERNANCE STATEMENT

A report was submitted by the Chief Officer – Resources regarding the Review of Local Code of Governance and Annual Governance Statement.

After discussion, the Committee agreed:-

(1)   to note the outcome of the recent self-evaluation process in considering how the Council currently meets the agreed Code of Good Governance, together with the issues identified and improvement actions; and

(2)   to note the detail of the Annual Governance Statement and approve the actions identified by management to improve the internal control environment.

The meeting closed at 2.23 p.m.

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Officer – People & Technology

Audit Committee: 4 September 2024

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Subject: Strategic Risks 2022-2027: Bi-annual update

1.   Purpose

1.1   To provide the bi-annual update on the strategic risks for 2022-27.

2.   Recommendations

2.1   It is recommended that the Committee note:

- The strategic risks as detailed at Appendix 1 and progress reported.

3.   Background

3.1   The Council's 2022 – 2027 strategic risks were agreed by the Corporate Services and Audit Committees in November 2022. The appended risks have been reviewed with re-assessment undertaken before being reported to this committee. This report is submitted as agreed to Audit Committee on a bi-annual basis.
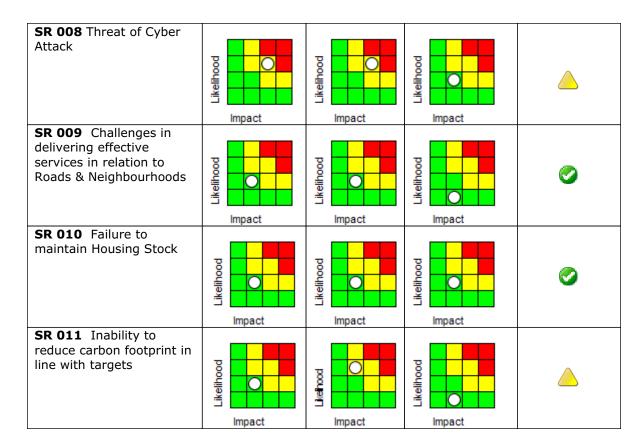
4.   Main Issues

Strategic Risk

4.1   In line with the Council's Risk Management Framework, a re-assessment of the Strategic Risks has taken place as detailed within Appendix 1. Each risk is managed through internal controls, linked actions and associated milestones with the objective being to reduce or stabilise the level of risk through completion of linked actions over a period and/or ensure mitigation factors are adequate should the risks materialise.

4.2   Table 1 represents a risk dashboard that includes information on the original, current and target rating for each strategic risk, as well as an assessment of the current risk status. Each strategic risk is identified and supported by more detailed information available on a "drill-down" basis in Appendix 1.
Four strategic risks, associated actions and milestones are met, a further three are progressing as expected and closer to reaching their assigned targets and SR001, SR007, SR008, and SR011 are currently off target, which is explained in further detail below.

Table 1 Key Strategic Risk Information

Strategic Risk	Original Risk October 2022	Current Risk August 2024	Target Risk March 2027	Risk Status Rationale
SR 001 Significant financial funding reductions/limitations from Scottish Government				
SR 002 Challenges in implementing broad-ranging school improvement to raise attainment and achievement				
SR 003 Maintaining Council Assets that are fit for purpose				
SR 004 Keeping abreast of developments in the innovative use of Information Technologies				
SR 005 Engaging positively with Residents, Communities & Partnerships				
SR 006 Challenges in protecting the Health and Safety of Employees and Others				
SR 007 Complexities in ensuring an appropriately resourced and resilient workforce				

SR 008 Threat of Cyber Attack	Likelihood / Impact matrix	Likelihood / Impact matrix	Likelihood / Impact matrix	⚠
SR 009 Challenges in delivering effective services in relation to Roads & Neighbourhoods	Likelihood / Impact matrix	Likelihood / Impact matrix	Likelihood / Impact matrix	✅
SR 010 Failure to maintain Housing Stock	Likelihood / Impact matrix	Likelihood / Impact matrix	Likelihood / Impact matrix	✅
SR 011 Inability to reduce carbon footprint in line with targets	Likelihood / Impact matrix	Likelihood / Impact matrix	Likelihood / Impact matrix	⚠

Risk Methodology and Reporting

4.3 As a reminder, each strategic risk is populated in Pentana (the Council's performance management recording system) in terms of the following template:
- Risk title and code;
- Description;
- Ownership;
- Potential effect;
- Measures of impact;
- Risk factors;
- Internal controls;
- Risk opportunity; and
- Linked actions.

4.4 Each risk has been scored using a "4 x 4" matrix for likelihood and impact in relation to:

- Current risk (with review dates set at pre-determined intervals); and
- Target risk (i.e. 31 March 2027 - the duration of the Strategic Plan).

The risk descriptors used in the "4 x 4" matrix are as follows:

Likelihood

Score	Descriptor
1	Unlikely
2	Likely
3	Very likely
4	Certain

Impact

Score	Descriptor
1	Minor
2	Moderate
3	Significant
4	Critical

4.5 For ownership, each strategic risk is "Managed By" a Chief Officer and "Assigned To" a Senior Officer. Strategic risks are also reported on a bi-annual basis to the Performance & Monitoring Review Group.

Service Risk

4.6 Following the methodology in 4.3 to 4.4 above, each service has owned operational risk registers in Pentana, reviewed as part of the 2024/25 service planning process.

4.7 Significant financial funding reductions/limitations from Scottish Government

SR001 is currently off target and is currently scored as sixteen compared to a target rating of four. Whilst the target rating is desirable, the Council is limited in its influence over the likelihood of it crystallising. COSLA continue to lobby the Scottish Government for fairer funding for Local Government. This includes contributions from the Council Leader and Chief Executive, supported by information provided by the Council's Chief Officer Resources (S95 Officer) but ultimately, decisions over levels of local government funding are made by the Scottish Government. The likelihood of this risk is not expected to decrease in the medium-term with assumptions over future funding levels incorporated into projected budget gaps as reported in Financial Update reports presented to Council.

4.8 Threat of Cyber Attack

It is anticipated that SR008 will continue to be ranked highly due to the nature of the risk. The ever-changing digital landscape coupled with the current global socioeconomic and geopolitical climate has significantly increased the risk of cyber-attacks and attacks specifically targeted against UK public sector are now common-place.

The emphasis remains the need for proactive measures to protect the confidentiality, integrity and availability of our data, critical infrastructure, and overall business operations.

Key risks and continual threats remain the same:

- Ransomware attacks – surged in recent years, potential for significant financial loss and operational disruption.
- Advanced Persistent Threats (APT's) – sophisticated stealthy attacks conducted by well-resourced groups, targets include critical infrastructure, government bodies and large corporations.
- User awareness – Phishing attempts on the rise with more sophisticated techniques being deployed including voice and text phishing. Targeted threats tailored to specific areas of the Council are being observed/monitored.
- Third Party Risks – The Council often relies on third party vendors and suppliers, increasing the risk of cyber-attacks through the supply chain.

Mitigations:

- Continual improvement of vulnerability/patch management systems and processes.
- Continual promotion of Cyber awareness through simulated phishing campaigns supported by online security training and awareness platform.
- The use of machine learning tools to baseline "normal" systems and highlight any deviation which could indicate potential compromise.
- Improving Email security with enhanced Phishing/Spam identification.
- Improved and more secure remote access solution now implemented.
- Implementing stricter access controls with zero trust technology and policies.
- Continual assessment of the Cyber Security posture.
- Risk Assessments such as Incident Response Readiness review, Security Gap Analysis, DPIA and regular audits.
- Creation of dedicated Cyber Security team (by re-aligning existing resources) and providing industry standard training.
- Improvements to perimeter and internal firewall estates with enhanced threat prevention capabilities.
- Robust Business Continuity and Disaster Recovery plans.

Progress continues to improve the security posture in line with the national Public Sector Action plan (PSAP) and Public Sector Network (PSN) compliance. Continued vigilance of the National Cyber Security Centre (NCSC) Cyber Security guidance.

The cyber security landscape continues to evolve rapidly requiring ICT to adopt proactive measures to protect assets and maintain business continuity. By understanding the current threat landscape, complying with relevant regulations and guidelines, managing third party risks, and establishing robust incident response and business continuity plans the Council is reducing exposure to cyber security risks and building a resilient cyber security posture.

Recent focus has centred on strengthening email security with enhanced user training capabilities and improving remote access with a more secure robust solution. Progress has been made to improve M365 security posture, enhancing firewall defence in addition to a review of disaster recovery planning and incident management procedures.

4.9   Complexities in ensuring an appropriately resourced and resilient workforce

The risk rating remains at 6. The difficult financial position means that an impact on the workforce is expected however the severity of this remains unclear. Services are reviewing structures and service delivery models considering the council's financial challenges.

The Workforce Planning Strategy is in place for 2022-2027. Additionally, the People First Strategy covers the same period and consolidates several areas: well-being, employee engagement, workforce planning, learning and development and digital. A robust package of wellbeing resources is currently available, the council is recognised as a leading employer in terms of adapting flexible working practices, attendance levels are closely monitored, with personal stress and minor ailment absences currently prevalent.

Digital Skills approach has been refreshed with a matrix cascade planned across the organisation to support 365 Share point rollout utilising digital leads and champions. To further support this the Digital Transformation Board has been restructured to focus more on innovation and with a view to achieving more pragmatic outcomes such as understanding service skills gaps, better use of data and dashboards and more using of digital tools to improve processes.

4.10   Inability to reduce carbon footprint in line with targets

The risk of non-delivery of carbon emissions targets remains moderate. Progress is being made through the delivery of the Climate Change Action Plan; however, pace of delivery has been, and will continue to be, impeded due to lack of internal resource and additional funding to deliver.

5. People Implications

5.1 There are no people implications associated with this report, other than in relation to the mitigation of risk.

6. Financial and Procurement Implications

6.1 There are no financial and/or procurement implications directly associated with this report however there are in relation to any expenditure linked to mitigation.

7. Risk Analysis

7.1 Failure to ensure robust risk management is likely to result in the Council being criticised by External Auditors for not having an integrated approach to embedding risk management within the authority with the result that a "no scrutiny required" status would not be achieved.

7.2 Progressing with a robust risk management approach will demonstrate that the Council is taking ownership of risk management and ensuring effective measures are in place. The ability to demonstrate risk ownership should benefit the Council in terms of:

- Understanding risk and its potential impact on the Council's priorities and objectives;
- Reducing insurance premiums going forward by recognising that a mature approach to risk management will contribute to a reduction in the number and value of claims across a range of insurance classifications;
- Contributing towards incident prevention based upon post-incident investigation;
- Meeting statutory/regulatory requirements; and
  Ensuring better partnership working with external and internal partners.

8. Equalities Impact Assessment (EIA)

8.1 EIA 548 notes the positive impacts of an approach to risk that integrates considerations on equalities, human rights health and social and economic impacts that is aligned with the content of the new Strategic Plan.

9. Consultation

9.1 The strategic risks have been discussed with the Chief Officers and senior management. The reports to committee are available to the Trades Union and consultation undertaken as required.

10.   Strategic Assessment

10.1 At its meeting on 26 October 2022, the Council agreed that its five main strategic priorities for 2022 - 2027 are as follows:

- Our Communities - Resilient and Thriving
- Our Environment - A Greener Future
- Our Economy - Strong and Flourishing
- Our Council - Inclusive & Adaptable

10.2 The strategic risks have been identified to complement and underpin all strategic priorities.

Name: Victoria Rogers
Designation: Chief Officer People & Technology
Date: 6 August 2024

Person to Contact: Anna Murray, Risk & Health and Safety Officer
                                     Anna.Murray@west-dunbarton.gov.uk

Appendices: Appendix 1: Detailed Strategic Risk List

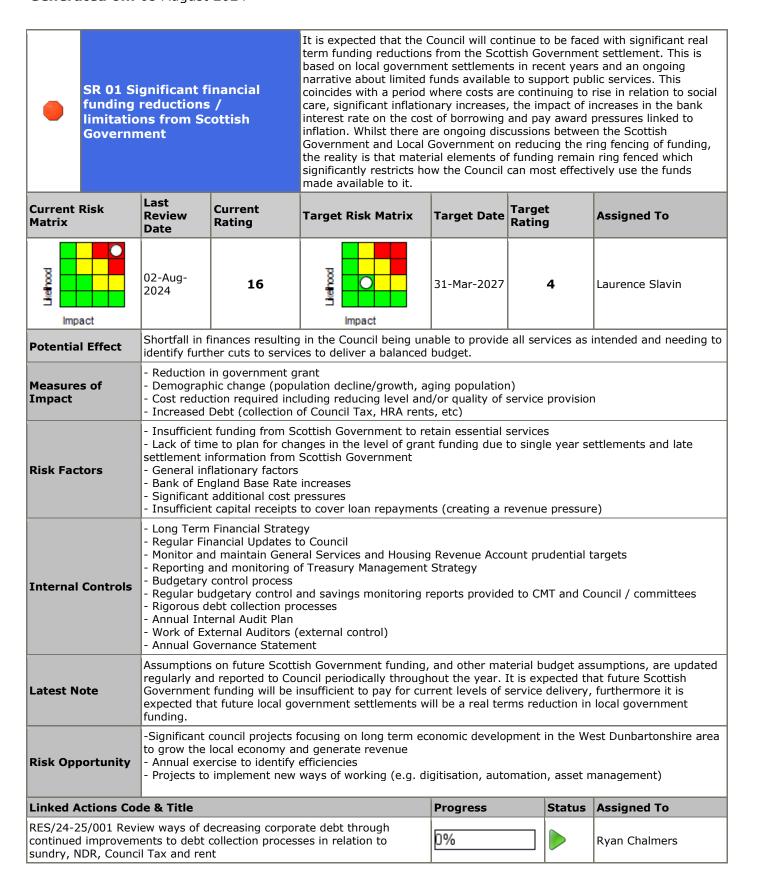**Background Papers:**   West Dunbartonshire Council Strategic Plan 2022-2027
                                     Risk Management Framework
                                     EIA screening

Strategic Risk Report

Generated on: 05 August 2024

🔴	**SR 01 Significant financial funding reductions / limitations from Scottish Government**	It is expected that the Council will continue to be faced with significant real term funding reductions from the Scottish Government settlement. This is based on local government settlements in recent years and an ongoing narrative about limited funds available to support public services. This coincides with a period where costs are continuing to rise in relation to social care, significant inflationary increases, the impact of increases in the bank interest rate on the cost of borrowing and pay award pressures linked to inflation. Whilst there are ongoing discussions between the Scottish Government and Local Government on reducing the ring fencing of funding, the reality is that material elements of funding remain ring fenced which significantly restricts how the Council can most effectively use the funds made available to it.

Current Risk Matrix	Last Review Date	Current Rating	Target Risk Matrix	Target Date	Target Rating	Assigned To
(risk matrix grid)	02-Aug-2024	**16**	*(risk matrix grid)*	31-Mar-2027	**4**	Laurence Slavin

Potential Effect	Shortfall in finances resulting in the Council being unable to provide all services as intended and needing to identify further cuts to services to deliver a balanced budget.
Measures of Impact	- Reduction in government grant - Demographic change (population decline/growth, aging population) - Cost reduction required including reducing level and/or quality of service provision - Increased Debt (collection of Council Tax, HRA rents, etc)
Risk Factors	- Insufficient funding from Scottish Government to retain essential services - Lack of time to plan for changes in the level of grant funding due to single year settlements and late settlement information from Scottish Government - General inflationary factors - Bank of England Base Rate increases - Significant additional cost pressures - Insufficient capital receipts to cover loan repayments (creating a revenue pressure)
Internal Controls	- Long Term Financial Strategy - Regular Financial Updates to Council - Monitor and maintain General Services and Housing Revenue Account prudential targets - Reporting and monitoring of Treasury Management Strategy - Budgetary control process - Regular budgetary control and savings monitoring reports provided to CMT and Council / committees - Rigorous debt collection processes - Annual Internal Audit Plan - Work of External Auditors (external control) - Annual Governance Statement
Latest Note	Assumptions on future Scottish Government funding, and other material budget assumptions, are updated regularly and reported to Council periodically throughout the year. It is expected that future Scottish Government funding will be insufficient to pay for current levels of service delivery, furthermore it is expected that future local government settlements will be a real terms reduction in local government funding.
Risk Opportunity	-Significant council projects focusing on long term economic development in the West Dunbartonshire area to grow the local economy and generate revenue - Annual exercise to identify efficiencies - Projects to implement new ways of working (e.g. digitisation, automation, asset management)

Linked Actions Code & Title	Progress	Status	Assigned To
RES/24-25/001 Review ways of decreasing corporate debt through continued improvements to debt collection processes in relation to sundry, NDR, Council Tax and rent	0%	▶	Ryan Chalmers

RES/24-25/002 Review ways to improve rent collection rates in conjunction with Housing and W4U	0%	▶	Ryan Chalmers

✓	**SR 02 Challenges in implementing broad-ranging school improvement to raise attainment and achievement**	This risk concerns delivering excellence and equity for children and young people. National and local indicators have been set to monitor progress with outcomes relating to attainment and achievement with a key focus on making progress to narrow the poverty related attainment gap. Scottish Equity funding devolved to local authorities aims to deliver on priorities between 2023-26. This funding will end in 2026.

Current Risk Matrix	Last Review Date	Current Rating	Target Risk Matrix	Target Date	Target Rating	Assigned To
[risk matrix: Likelihood vs Impact]	05-Aug-2024	**4**	*[risk matrix: Likelihood vs Impact]*	31-Mar-2027	**2**	Julie McGrogan

Potential Effect	Improved outcomes for young people would not be attained and achieved. The Council would fail to meet the needs of individual learners particularly those children and young people most disadvantaged by poverty. Risk of reputational damage to the service and the wider Council if outcomes and targets not as education as a statutory service is subject to close scrutiny of local authority performance with outcomes for children and young people by the local community and by the national agencies.
Measures of Impact	Stretch Aims and Targets for attainment and achievement 3-18 et to be achieved by 2026. The Stretch Aims are scrutinised annually by Scottish Government and Education Scotland. West Dunbartonshire Performance Targets for attainment and narrowing the poverty related attainment gap in Early Years, Broad General Education and Senior Phase West Dunbartonshire Improvement Board Quality Indicator Evaluations National Qualifications Attainment and Achievement Results Broad General Education Achievement of Level Results West Dunbartonshire Scottish National Standardised Assessment Data Positive Destination Data West Partnership Attainment , Equity and Destination Performance Measures Her Majesty's Inspectors of Education inspection reports Stakeholder Feedback
Risk Factors	Reduced funding 2022 -2026; no confirmation of future funding from 2026: This Strategic Priority has been supported by Scottish Government Attainment Challenge Funding since 2015 and since 2022 Strategic Equity Funding. Also, schools in West Dunbartonshire have received Pupil Equity Funding since 2016. The national funding streams are committed to until 2026 – there is uncertainty as to future funding provision. From 2022 – 2026 the Strategic Equity Fund is being tapered with annual reductions in the funding the local authority receives. This will reduce resources available to deliver work streams related to SEF.
Internal Controls	-Strategy for Excellence and Equity 2023 – 2026 (developed to embed improvements achieved and support an exit strategy from Strategic Equity Funding by 2026). -Project management by Senior Education Officer -Education Improvement Board chaired by Chief Education Officer -Scrutiny by Scottish Government and Education Scotland (progress reports produced and submitted) -WDC Improvement Framework -Termly progress reports submitted as part of Educational Service committee reports -Relevant Continuous Professional Development programme to support education staff -Meetings between WDC and Education Scotland/Her Majesty's Inspectors of Education -BGE Attainment and Performance Data -Literacy, Numeracy and HWB Steering Group -National Improvement Framework (NIF) -Education Recovery Plan
Latest Note	The key risk to ongoing progress still remains the SG's plan for a tapered SAC funding model between 2022 to 2026. The service has maintained a strong record of progress with young people in quintile 1 attaining in the broad general education above the national average; and in 2022 an increase was achieved in the number of young people finding a positive destination moving WDC to 20th position out of the 32 local authorities. West Dunbartonshire is one of the top 5 performing authorities with progress to narrow the attainment gap since 2022 (national data December 2023)

Risk Opportunity	Improved attainment - improved attendance - reduced exclusions - reduced violent incidents - reduction requirement for targeted support over time - reduction requirement for specialist placements over time - improved learning & community engagement - children/pupils at risk identified earlier and more effectively - more empowered community providing self-sustaining peer support - increase in the percentage and range of positive destinations over time - increased access to digital learning resources

Linked Actions Code & Title	Progress	Status	Assigned To
ELA/23-24/003 Narrow the attainment gap between the most and least disadvantaged children and young people	50%	▶	Julie McGrogan
ELA/23-24/004 Improve skills and sustained, positive school leaver destinations for all young people	50%	▶	Andrew Brown
ELA/23-24/005 Improve attainment, particularly in literacy and numeracy	50%	▶	Julie McGrogan

✅	**SR 03 Maintaining Council Assets that are fit for purpose**	The risk that the Council's assets and facilities are not fully fit for purpose with consequent adverse impact on our ability to deliver efficient and effective services. Assets included in this assessment are; the Council's property portfolio.

Current Risk Matrix	Last Review Date	Current Rating	Target Risk Matrix	Target Date	Target Rating	Assigned To
	02-Aug-2024	**2**		31-Mar-2027	**2**	Michelle Lynn

Potential Effect	- Assets are not utilised in the most effective and efficient manner - Service cannot be properly delivered to the satisfaction of service users - Service users require to seek alternative service provision -Increase in reactive maintenance costs/ demand/ volume -Council assets in poor conditions -Council assets fail to meet relevant standards which are reported to either Scottish Government and/or Care Inspectorate.
Measures of Impact	- Condition surveys - Suitability surveys - Customer perceptions of service delivery - Investment levels in upkeep and improvement of asset base and facilities -Asset user satisfaction - Operating costs and savings
Risk Factors	- Adequacy of funding available to improve asset base - Adequacy of staff resources allocated to the area of asset management - Council buildings/assets deemed to be unfit for existing purpose - Economic conditions may reduce level of potential capital receipts from surplus property sales - Increase public liability claims
Internal Controls	- Corporate Asset Framework - Learning Estate Strategy 2020-2030 - Property Asset Plan 2023-2028 - Property and Land Disposal Strategy - Capital project meetings are carried out regularly in addition to project specific meetings and Building Services/Asset Management monthly meetings - Capital Programme - Strategic Asset Management Group - Learning Estate Project Board - Detailed asset database that shows relevant information on a property by property basis in relation to operational, non-operational - Sustainability Policy
Latest Note	Risk score remains low due to capital programme of works on operational building ongoing.
Risk Opportunity	-Enhance reputation of Council by being able to improve Council assets. -Estate, assets and service delivery (e.g. new school buildings, operational building upgrades, office and depot rationalisation projects) - Enhance employee "feel good" factor by providing modern office accommodation equipped with up to date IT facilities -Improved satisfaction from public building users

Linked Actions Code & Title	Progress	Status	Assigned To
- Secure external funding for development of assets (e.g. EC, lottery, Historic and Environment Scotland) - Prioritised Building Upgrade Plan			
RES/24-25/012 Progress the disposal of key strategic sites	50%	➤	Michelle Lynn
RES/24-25/016 Develop and implement plans and support services to achieve the asset related options agreed by Council	50%	➤	Michelle Lynn

SR 004 Keeping abreast of developments in the innovative use of Information Technologies

Failure to keep pace with changing technology environment

Current Risk Matrix	Last Review Date	Current Rating	Target Risk Matrix	Target Date	Target Rating	Assigned To
(Likelihood / Impact matrix)	02-Aug-2024	2	(Likelihood / Impact matrix)	31-Mar-2027	2	James Gallacher; Patricia Kerr; Dorothy Nicolson

Potential Effect	A lack of consistent, sufficiently robust service planning in respect of ICT arrangements is likely to result in the Council being ill prepared to meet future demands in key service areas and lacking the capacity to respond effectively to changing need such as increased requirement for remote working as identified during covid pandemic.
Measures of Impact	• Close relationship and working practices with council Asset Management Service regarding property rationalisation. • Implementation of mobile and flexible working, enabling a downsizing of required office accommodation as people to work more efficiently and to adopt a more flexible policy towards office accommodation and desk provision. • Number of systems that have supplier maintenance contracts. – annual process. • Invocation of Service Business Continuity Plans and ICT Disaster Recovery plan • Degree of compliance with security controls to prevent data loss through poor o/s patching, cyber-attack, firewall configurations, switch replacements/upgrades etc • Fit for purpose primary and secondary data centres • Modern Wi-Fi technology in all council locations. • Broadband speed in the Council area - WDC has 2nd highest broadband speeds in Scotland. Investigating funding options for fibre network. • Number of ICT Service Desk incidents resolved within half day - exceeded the target and higher target set. • Extent of functionality development in key Council systems (i.e., lack of development beyond base system leading to ineffective management information) – several channel shift projects delivered, and more are in progress. PSN/Risk/challenging. Support service areas. • Fit for purpose Council website, delivering information and services to a significant percentage of the Council's customers. • Provide efficient desktop services supporting laptops, Chromebooks, PCs, Thin client terminals to meet changing workforce flexibility and property rationalisation requirements. 5-year Device replacement programme in place.
Risk Factors	• Insufficient resourcing of ICT developments so that benefits and opportunities identified are not realised • Lack of network security controls implemented. I. e Lack of intrusion detections alerts • failure to respond to audit / PSN test findings and recommendations, • insufficient resources allocated to security tasks. However, Service redesign and ICT resources aligned to security tasks and improved monitoring processes and tools as well as additional tools purchased to help support remote working environment all help to mitigate this risk. • Insufficient Service Business Continuity Plans and/or Disaster Recovery Capability. • Lack of project and programme change management arrangements. • Poor quality of mobile communication provision. • Lack of uptake on channel shift.
Internal Controls	- Ongoing Capital programme established for technology refresh projects - Information & Communication Technology (ICT) Policies such as ICT Security Framework - Governance structures such as ICT Steering Board, Education ICT Steering Board, Digital Transformation Board in place to support governance, integrated planning and decision making in relation to ICT -Use of both internal IT resources from across the Council and skilled specialist consultants in key areas - Fit for purpose primary and secondary data centres

Latest Note	WDC is continuing to implement several technology transformation projects with a focus on delivering an improved and secure digital workplace experience for council employees. Delivery of a new secure remote access solution is now complete for employees and additional tasks are ongoing to provide separate access for suppliers and 3rd party users. Modern Desktop projects are progressing well with end of life storefront technology being replaced with improved and consistent local access to the latest desktop applications for users. Laptop devices are now secured and controlled via the Microsoft cloud and are also imaged offsite by our supplier. A project to redesign the process to updates devices with windows updates and security patching is ongoing with the aim to reduce disruption to employees. ICT continue to embrace and research new technologies and also maximise our existing investments. MS SharePoint is now in phase 1 deployment for pilot services with the aim to extend deployment to remaining council services during 24/25. All corporate email mailboxes have now migrated to the cloud with Education/VJB being scheduled for completion during summer 24. ICT in conjunction with NHS are progressing cross organisation projects with access to WDC Wi-Fi now available in 3 NHS buildings. We are currently installing new Cisco hardware in Church St which will allow NHS employees to access NHS wi-fi in our site. Further sites will be added during 24/25. New firewall technology has been ordered and installation being planned, this project will increase data capacity throughput at our data center and also provide enhanced security. This new technology will ensure we are secure and allow increased bandwidth speeds to be delivered as part of our Scottish Wide Area Network project to improve bandwidth at all council sites.
Risk Opportunity	-365. Provide Council employees with secure access to email and supporting systems from anywhere. -Opportunity to redesign infrastructure and introduce new tools and security measures to support hybrid working environments. – - Annual network penetration tests and for PSN compliance audit - Annual External Audit on ICT Controls - Continued investment in ICT infrastructure and its focus on network security and resilience. - Provide appropriate technology for employees, pupils, and service users as well as for ICT support teams - Rationalise IT systems - Increased use of mobile devices e.g., laptop/tablet devices and Chromebooks - Review of device strategy and efficient/effective approach. - Provide self-service style systems to employees and citizens

Linked Actions Code & Title	Progress	Status	Assigned To
P&T/24-25/ICT/03 Enable an improved digital workplace experience for council employees	20%	▶	James Gallacher
P&T/24-25/ICT/04 Review and implement MS SharePoint and One Drive	0%	▶	James Gallacher
P&T/24-25/ICT/05 Coordinate ICT device replacement programme.	66%	▶	James Gallacher

✅	**SR 05 Engaging positively with Residents, Communities & Partnerships**	The risk that the Council fails to adequately engage, establish and maintain positive relationships with local residents and communities in addition to partnership bodies.

Current Risk Matrix	Last Review Date	Current Rating	Target Risk Matrix	Target Date	Target Rating	Assigned To
	02-Aug-2024	3		31-Mar-2027	2	Colin Smith; Elaine Troup

Potential Effect	Potential for tensions to develop with residents and local community groups Reputational damage to council services Degradation of trust in service provision A failure of strong partnerships could impact on the Councils obligations under Community Empowerment Act
Measures of Impact	Successful delivery of Local Outcome Improvement Plan (LOIP) and supporting plans positive partnership inspections Informed and engaged residents participating in consultation activity Telephone survey monthly, quarterly and annual measures Increased social media engagement and reach
Risk Factors	Inability to deliver improved outcomes which require strong partnership activity Council's reputation is adversely affected through a failed partnership arrangement

| | Lack of appropriate staff development / skills may be lacking to support new model of service delivery
Team restructure, post reductions and team overall budget savings challenges the viability of the team to deliver against strategic plan and community needs.
Inequity of engagement across the partnership on key local issues
Council seen as unresponsive to community if feedback from engagement not acted upon
Apathy within communities leads to little or no engagement Some community groups feel their voices are not being heard |
|---|---|
| **Internal Controls** | Robust partnership arrangements through community planning partnership
Align the Council's strategic plan with the Local Outcome Improvement Plan (LOIP)
Ensure that partners have signed up to deliver on the outcomes and targets set in the LOIP
Develop data sharing protocols with partner agencies
Participate in reform agenda as it impacts on Council area
Ensure robust mechanisms for public feedback (Embedding the Strategic Engagement Framework)
Annual budget consultation events
Citizens Panel
Open Forum questions at Council meetings |
| **Latest Note** | This risk level remains unchanged. The work to engage with residents, communities and partners is on-going and continues to be a key focus for the Communities Team. Work continues to build on our partnership working to deliver effective Youth Learning and Community Development services. |
| **Risk Opportunity** | Position West Dunbartonshire as a modernising Council
Residents are more comfortable with the digital platform as a result of the enforced cessation of face to face services - this presents an opportunity to modernise communication
Community Empowerment Act
Participation requests Asset transfer |

Linked Actions Code & Title	Progress	Status	Assigned To
CCF/24-25/COM/01 Develop Strategic Communications Strategy	20%	▶	Lauren Crooks
CCF/24-25/C&D/03 Review accessibility of the website and intranet.	0%	▶	Jonathan Muir
CCF/24-25/C&D/05 Explore telephony self-serve options	0%	▶	Stephen Daly
CCF/24-25/COM/02 Develop a communication plan to support budget savings initiatives	0%	▶	Lauren Crooks

✅	**SR 06 Challenges in protecting the Health and Safety of Employees and Others**	Failure to meet the Council's duty to protect the health, safety and welfare of its employees and other people who might be affected by its business

Current Risk Matrix	Last Review Date	Current Rating	Target Risk Matrix	Target Date	Target Rating	Assigned To
	02-Aug-2024	4		31-Mar-2027	4	Alison McBride

| **Potential Effect** | Poor health and safety culture within the organisation leading to;
Risk of an employee, service user, pupil (young person) or member of the public being seriously / fatally injured by fault of the Council; reputational risk regarding negative publicity; financial risk in terms of claims management compensation to the injured party; increase in insurance premiums; risk of prosecution by the HSE resulting in a fine and/or a Council Employee being subject to criminal charges, poor employee morale, high staff turnover leading to diminished service delivery. |
|---|---|
| **Measures of Impact** | Resources associated with in-house/HSE investigation. Incident statistics. Service delivery impact in terms of injury-related absence and potentially enforced cessation of work activities. Impact of injury on employees/members of the public, legal proceedings, financial penalties, potential reputational damage and risk of criminal charges. Hazard reporting. Actions at health and safety committees. Implementation of Corporate health and safety plan. |
| **Risk Factors** | Lack of resources, inadequate Safety Management Standards and H&S strategy. Poor health and safety culture. Under reporting of incidents. Blame culture. Poor communication between management and employees. Competent advice. |
| **Internal Controls** | •Competent health and safety advice readily available from the Corporate H&S team.
•Corporate health and safety plan developed and monitored via Pentana.
•Robust health and safety management system, FIGTREE. |

	• Council has in place a robust H&S policy, Safety Management Standards and Fire Risk Management Strategy that includes service specific health and safety plans, duties and responsibilities for Chief Officers, managers and employees. • Adequate H&S resources in place to that will allow statutory obligations in terms of the Health and Safety at Work etc. Act and supporting legislation. • Embedded H&S culture that discusses H&S issues at senior level and cascades throughout the organisation through the health and safety committee system. • Monthly reports to PMRG on organisational safety performance and issues. •Chief Officers attend service H&S committees on a quarterly basis. • Workplace inspection and audit programme. • Service risk profiling. • H&S training needs analysis for every employee group. • The Council has in place a Trade Union Health and Safety Partnership Agreement. • Council promotes health and safety training for TUs to diploma level. • Hazard reporting module via FIGTREE. • Health & safety e-learning package. • Risk assessment working groups for service areas and review process.
Latest Note	Corporate H&S are actively reviewing and optimising key service areas, including Safety Management Standards and training. Going forward the H & S / Insurance management system, Figtree, will be hosted by Figtree's own servers platform replacing WDC ICT servers. Advice has been taken form ICT and our Information Officer on this and a Data Protection Impact Assessment carried out that identified no significant concerns or any adverse risk. The use of Figtree host servers will improve efficiency and reduce turnaround times for enhancements to the system. Work is also being carried out to refine and simplify the health surveillance process in collaboration with OH and line managers. Other recent activities carried out to enhance the management of H & S within the Council include management workplace inspections, noise monitoring, H & S auditing, a review of the Corporate Warning Marker System and significant work on the management of HAVS. Furthermore, fire safety management remains a priority across the authority, with the fire risk assessment programme, fire safety training and support to services to ensure compliance with regulatory requirements.
Risk Opportunity	Demonstrate to committees, elected members, Trade Unions, employees, the community and other external partner's evidence of robust H&S culture. Good knowledge and awareness of health and safety throughout all services. Positive relationship with Corporate health & safety team and all services. Reduced incidents, costs and absence rates.

Linked Actions Code & Title	Progress	Status	Assigned To
P&T/24-25/P&C/02 Continue to embed sound H&S practice	20%	▶	Anna Murray

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⚠️	**SR 07 Complexities in ensuring an appropriately resourced and resilient workforce**	Failure to ensure that there is an appropriately resourced and resilient workforce in place to meet future organisational needs, in effectively executing the Council's 2022-27 Strategic Plan.

Current Risk Matrix	Last Review Date	Current Rating	Target Risk Matrix	Target Date	Target Rating	Assigned To
	02-Aug-2024	**6**		31-Mar-2027	**2**	Alison McBride

Potential Effect	Inability to deliver services effectively Reduced level of service Lack of improvement or increase in staff absences Council underachieves as an organisation Low staff morale Employee conflict Increased turnover Inability to attract/recruit
Measures of Impact	- Access to and participation of employees in learning and development activities - Absence rate and trends

	- Employee turnover - Grievance, discipline and other monitoring information - Employee voice and associated actions - Reports from external scrutiny bodies and award bodies - Benchmarking with appropriate comparators
Risk Factors	- Inability to attract/recruit - Lack of appropriate development - inadequate skills -risk to new models of service delivery - Lack of resource/capability to deliver - Workforce unable to adapt to change
Internal Controls	- HR processes designed to meet service delivery needs - Develop new structures to reflect strategic priorities and aligned to Standard Operation Model (SOM) - Align workforce plan to the Council's strategic planning processes (i.e. have the right people available at the right time with the right skills to fulfil properly all of the Council's strategic priorities) - Periodic review of pay arrangements in accordance with EHRC guidance (currently every 3 years) - Incorporation of succession planning into workforce planning framework - Identify training programmes to upskill staff - Effective use of SWITCH to support alternative careers - Flexible HR policies, in particular People First covering workforce planning, learning & development (including elearning), digital/continuous improvement, employee wellbeing & engagement. - Effective use of Occupational Health Service - Robust Be the Best Conversations process - Effective leadership and management behaviours, practice and programmes
Latest Note	Workforce Planning Strategy in place for 2022-2027. People First Strategy is in place covering 2022-2027 and this is a consolidation of a number of areas: well-being, employee engagement, workforce planning, learning and development and digital. WDC are recognised as leading in terms of adapting flexible working practices. A robust package of wellbeing resources continue to be available, absence levels are closely monitored, with personal stress and minor ailments absences prevalent. Trickle relaunch is ongoing across the whole of the organisation to ensure this tool is better used for employee feedback and engagement with the recent issue of a Chief Officers pack. Digital Skills approach has been refreshed with a matrix cascade planned across the organisation to support 365 Share point rollout utilising digital leads and champions. To further support this the digital transformation board has been restructured to focus more on innovation and with a view to achieving more pragmatic outcomes such as understanding service skills gaps, better use of data and dashboards and more using of digital tools to improve processes. Services are currently working on structures and service delivery whilst considering the difficult financial funding position and the impact of this will be closely supported and monitored.
Risk Opportunity	- Identify previously unknown skills and talents in the workforce - Realise the potential of staff

Linked Actions Code & Title	Progress	Status	Assigned To
P&T/24-25/P&C/03 Implement improvements in recruitment life cycle processes	20%	▶	Lisa MacGregor
P&T/24-25/P&C/05 Review and enhance employee skills and learning programme	20%	▶	Lisa MacGregor
P&T/24-25/P&C/04 Maintain and monitor employee wellbeing, engagement and workforce planning	0%	▶	Leeanne Galasso; Louise Hastings; Lisa MacGregor

⚠	SR 08 Threat of Cyber-attack	Data, systems and/or infrastructure are impacted as result of security attacks which are increasing in number at a time when this threat is already placing demands on resources to deliver increased levels of security controls.				

Current Risk Matrix	Last Review Date	Current Rating	Target Risk Matrix	Target Date	Target Rating	Assigned To
(risk matrix graphic, Likelihood vs Impact)	02-Aug-2024	9	*(risk matrix graphic, Likelihood vs Impact)*	31-Mar-2027	4	Andrew Cameron; James Gallacher

Potential Effect	• Remote working could be impacted by loss of internet services. • Disruption to services impacting service delivery to citizens • Employee and Citizen data loss with the potential for misuse such as identity fraud • Misinformation being delivered to the public via WDC communication channels • Potential for significant fines currently under the Data Protection Act and from May 2018 under the provisions of the General Data Protection Regulations • Reputational damage • Redirection of resources to deal with the impact of an attack and away from BAU work
Measures of Impact	• Obligation to secure Cabinet Office PSN compliance certification. • Obligation to comply with DWP MOU • Monitor remote access usage to capacity plan • Recorded attempts from unauthorised sources to breach council cyber defences • Recorded cyber related incidents in the Cyber incident log • Quantity of breaches/incidents reported to the Information Commissioners Office • Fines levied for breaches
Risk Factors	• Potential for attacks out of normal working hours /days • Inappropriate Cyber defences at the perimeter of the council networks • Inappropriate delivery of security patches to desktop, network switches and server estates • Compliance with security standards such as PSN, PCI, Public Sector Action Plan on Cyber resilience for Scotland • Continually changing threat landscape • Maintaining relevant skill sets among employee group / cost of securing expert resources • Increased targeted attacks and risks due to Remote working. •Remote access technology may not remain fit for purpose in a Smart working environment
Internal Controls	Robust backup strategy in place on premise and cloud backup for 365 with immutable capability. • Service Continuity Plans • ICT Disaster Recovery Plan • Continually review and update internal policies on patching and system hardening to ensure we keep abreast of emerging threats and trends • Annual PSN compliance audit including a comprehensive IT Health Check • Governance structure in place, ICT Steering Board consisting of senior management and relevant stakeholders meeting bi-monthly or as required in response to incidents/events • Programme of Internal and External ICT audits • Information Security/Data Protection forum. Project specific forums • Multiple layers of Cyber defences • Network Segregation • Rolling programme of security awareness sessions • Interagency and cross Council working groups and sharing. • National Digital Office / Scottish Government Public Sector Security programme and guidance • Continually review technologies in line with new working practices to ensure security and assurance is integral. • Monthly device and server patching regime.
Latest Note	Cyber strategy and technologies are continually being improved, reviewed and monitored, ICT continues to follow NCSC guidance where applicable. A new Cyber Security team and lead is now in place with the focus on promoting employee awareness to cyber risk from both a professional and personal perspective. This is including development of a dedicated security intranet page to provide guidance and advise to employees. Recent focus has strengthened email mail security with posture scoring improvements. Progress continues to further improve our M365 security posture in addition to a review of our DR planning and incident management procedures.

Incident response readiness, security gap analysis and M365 security review has been completed by our 3rd party security partner. Results are currently being reviewed with the aim to agree an improvement action plan.

Enhanced online email security training is in progress with continuous phishing campaigns to raise employee awareness.

There is a continual review of the process to apply security updates, patches, and software deployments. Recent improvements and investment have been implemented to automate the update processes where possible.

Geo-blocking to GB remains in place and the geo-political situation continues to be monitored. We have now implemented additional 365 security policies to align with these security restrictions. This will be further extended to our new remote access solution.

Risk Opportunity	• Increase Cyber resilience and awareness for employees, members and citizens, this can be done through existing training and awareness platform • Contribute to Scottish Government Public Sector Action Plan on Cyber resilience for Scotland and potential to become involved in a national/shared security operations centre • Upskill employees to address current and emerging threats • Increased employee awareness across Council

Linked Actions Code & Title	Progress	Status	Assigned To
P&T/24-25/ICT/01 Further secure the Council's Technology Infrastructure	0%	▶	James Gallacher

	SR 09 Challenges in delivering effective services in relation to Roads & Neighbourhoods	The risk that the Council's fails to deliver on the three service areas within Roads & Neighbourhood: Roads & Transportation, Waste & Greenspace and Capital Projects & Fleet. These areas provide services across a range of areas including managing and maintaining roads, footpaths and associated infrastructure, managing flood risk, winter gritting, grounds maintenance, street cleaning, burial and cremation, outdoor facilities, waste and recycling, vehicle fleet management and management, Compliance, consultancy services and delivery of capital projects Failing to ensure these services are not fully fit for purpose could result in adverse consequences in relation to delivering efficient and effective services.

Current Risk Matrix	Last Review Date	Current Rating	Target Risk Matrix	Target Date	Target Rating	Assigned To
	02-Aug-2024	4		31-Mar-2027	2	Gail Macfarlane

Potential Effect	- Assets are not utilised in the most effective and efficient manner - Service cannot be properly delivered to the satisfaction of service users - Service users seek alternative service provision -Increase in reactive maintenance costs/ demand/ volume -Council assets in poor conditions -Council assets fail to meet relevant standards - Council projects are not delivered on time or on budget - Required legionella and asbestos checks are not undertaken -Failure to comply with Transport (Scotland) Act 2019 -Failure to comply with Waste (Scotland) Regulations 2012
Measures of Impact	- Condition surveys - Defect inspection and management - Suitability surveys - Road Condition SPI -Customer perceptions of service delivery -Legionella and asbestos inspections, - Investment levels in upkeep and improvement of asset base and facilities -Asset user satisfaction -Operating costs and savings -Housing adaptations not undertaken timeously -Local Government Benchmarking Framework (LGBF) -Association for Public Service Excellence (APSE) -Waste Managers Network Group
Risk Factors	-Adequacy of funding available to improve asset base

	- Adequacy of funding to maintain asset base ie roads at a steady state - Adequacy of staff resources allocated to the area - Council assets deemed to be unfit for existing purpose - Economic conditions may reduce level of potential capital receipts -Over one third of the road network is in need of repair and the current long term capital funding only sustains a steady state condition of the road network - Increased public liability claims due to poor condition of roads network - Increase public liability claims due to poor condition of footpaths and roads which are not part of our adopted network. -buildings such as schools closed for safety if legionella etc present -Poor customer engagement for recycling, deposit return scheme, refuse transfer station -Financial challenges - Budget Sensitivity Analysis (fuel costs, waste refuse disposal tonnage costs, bitumen availability and costs)
Internal Controls	-Strategic Asset Management Group - Corporate Asset Management Strategy (scheduled refresh in 2nd half of 2021/22 year) - Learning Estate Strategy - Capital Investment Team - Capital project meetings are carried out monthly in addition to project specific meetings. - Capital plan - Roads and Lighting Asset Implementation Plan - Fleet Asset Implementation - Open Space Asset Implementation Plan - Sustainability Policy -User feedback – complaints data, Citizens' Panel and monthly telephone survey -Fit for future service reviews -Deposit Return Scheme -Climate Change Strategy -Community Empowerment Strategy -Food Growing Strategy and Allotments -Equality Outcomes
Latest Note	Service continues to provide full service, monitoring in place to ensure any adverse issues are highlighted and appropriate actions taken. No change to Risk Matrix.
Risk Opportunity	-Enhance reputation of Council -Ensure services are fit for the future and are compliant with legislation changes -Estate, assets and service delivery (e.g. office and depot rationalisation projects, roads upgrade programme, vehicle replacement programme, greenspace upgrade projects) - Secure external funding for development of assets (e.g. EC, lottery, Historic and Environment Scotland) - The continued implementation of the energy efficient street lighting project will both improve the asset and reduce costs significantly through reduced maintenance, energy consumption and carbon output. - The effect of these energy efficiencies has demonstrated that significant savings and environmental benefit can be achieved through the utilisation of developing technology.

Linked Actions Code & Title	Progress	Status	Assigned To
R&N/24-25/GS/04 Develop Ash die back action plan	0%	⚠️	Ian Bain
R&N/24-25/CI/02 Develop Strategy for transition to electric fleet	33%	▶️	Craig Jardine

✅ **SR 10 Failure to maintain Housing Stock**		The risk that Council's Housing Stock are not fully fit for purpose with consequent adverse impact on our ability to deliver efficient and effective housing for Council tenants.				
Current Risk Matrix	**Last Review Date**	**Current Rating**	**Target Risk Matrix**	**Target Date**	**Target Rating**	**Assigned To**
[risk matrix grid]	23-Jul-2024	**4**	*[risk matrix grid]*	31-Mar-2027	**4**	Alan Young
Potential Effect	- Housing stock is not utilised in the most effective and efficient manner - Service cannot be properly delivered to the satisfaction of service users					

	-Increase in reactive maintenance costs/ demand/ volume -Housing stock in poor condition -Housing stock fail to meet relevant standards - Non-compliance with Scottish Housing Quality Standard
Measures of Impact	- Condition surveys - Suitability surveys - Customer perceptions of service delivery - Investment levels in upkeep and improvement of housing stock -User satisfaction -Operating costs and savings - Local Government Benchmarking Framework (LGBF)
Risk Factors	- Adequacy of funding available to improve housing stock - Adequacy of staff resources allocated to the management of housing stock - Housing stock deemed to be unfit for existing purpose -Increasing issues relating to supply of labour and materials, due to increased energy, transport and raw material costs, impacted on supply chains, and third parties and our ability to carry out works within budget and on time.
Internal Controls	- Housing Capital Investment Programme (refreshed and delivered annually) - Housing Capital Improvements - WDC Local Housing Strategy 2021-25 - The Housing Capital Investment Team - The Planned Maintenance Section - Housing Asset Management Strategy - Detailed asset database that shows relevant information on a property by property basis in relation to HRA properties. - More Homes Better Home Project Board. - Telephone Survey feedback - Fit for future reviews -Other benchmarking/ feedback - Climate Change Strategy
Latest Note	No change to risk score, programme for investment and upgrades to council housing continues into 24-25 and a further five year programme to 28-29.
Risk Opportunity	-Enhance reputation of Council by being able to improve Council housing stock -Estate, assets and service delivery (housing investment programme) -Improved satisfaction from tenants - The effect of these energy efficiencies has demonstrated that significant savings and environmental benefit can be achieved through the utilisation of developing technology. -Improvement of SHQS & EESSH compliance performance and points, and reduced SHQS abeyance numbers through the strategic planning and management of housing assets. - Increase in environmental improvements including bin stores - Increase in internal (e.g kitchens, bathrooms, showers, special needs adaptations, central heating, smoke detectors, windows and doors) and external updates (e.g new roof coverings, external insulated render and tenement structural refurbishments) - Increase in number of New Build Homes as part of the Strategic Housing Investment Programme (SHIP) -Achieve energy efficiency standard for social housing

Linked Actions Code & Title	Progress	Status	Assigned To
H&E/24-25/HAI/01 Ensure the Council's Housing stock maintains compliance with the Scottish Housing Quality Standard and reduce the number of properties held in abeyance.	25%	▶	Alan Young
H&E/24-25/HAI/02 Ensure the Council's Housing stock progresses towards the achievement of the energy efficiency standard for social housing.	25%	▶	Alan Young
H&E/24-25/HDH/04 Deliver new Housing Asset Management Strategy	25%	▶	John Kerr

	SR 11 Inability to reduce carbon footprint in line with targets	The risk that the Council will be unable to achieve net zero emissions by 2045, both in relation to mitigating carbon emissions and adapting to the impacts of climate change. Net zero refers to achieving an overall balance between emissions produced and emissions taken out of the atmosphere. This target has been developed in a way that mirrors the emission reduction trajectory set by the Scottish Government in light of the Climate Emergency.

Current Risk Matrix	Last Review Date	Current Rating	Target Risk Matrix	Target Date	Target Rating	Assigned To
	23-Jul-2024	6		31-Mar-2027	2	Gillian McNamara

Potential Effect	. Failure to meet mandatory national and international policy drivers Failure to meet duties placed on Council by The Climate Change (Scotland) Act 2009 . Failure to meet duties placed on Council by The Climate Change (Emissions Reduction Targets) (Scotland) Act 2019 . Failure to meet duties placed on the Council by The Heat Networks (Scotland) Act 2021 and Local Heat and Energy Efficiency Strategies (Scotland) Order 2022. . Failure to meet the provisions set out in Waste (Scotland) Regulations 2012 which help Scotland move toward the objectives and targets set out in the Scotland's Zero Waste Plan to help transition toward a circular economy. . Reputational damage. . Financial burden of responding to adverse events such as extreme weather (including, but not limited to, flooding, heat waves, wind driven storm events, etc.) resulting in action. Impacts to Council operations and supply chains as a result of adverse climate/extreme weather events. This also impacts residents, local businesses and wider infrastructure across West Dunbartonshire. . Financial burden on WDC from increasing energy prices in light of current energy and economic crises'. Energy Efficiency works on our own estate must increase to counteract these impacts.
Measures of Impact	. Improving organisational resilience against the impacts of climate change. . Improving local biodiversity through planting of native trees and bulbs in WDC . WDC Waste Services Citizens Panel Survey regarding attitudes towards recycling improving . The extension of the Queens Quay District Heating Network to NHS Golden Jubilee Hospital, Social Housing, NHS Health Centre, Council buildings and further connections as per scope. . Inspiring change through including climate change learning in staff induction, training, team meetings, etc. . Uptake in e-learning modules on climate change. . Uptake in staff carrying out Sustainable Procurement assessments for tenders. . Ensuring climate change and sustainability metrics are included in tenders for suppliers/contractors/etc. (such as carbon reduction measures) so they are being measured for accountability for the impacts they have on the environment . Management of service areas setting climate change targets for their operations and staff. . The uptake of Green Champion roles, which help normalise Climate Change and Sustainability, practices across the Council. Uptake in sustainable travel such as walking cycling and public transport
Risk Factors	. Funding availability – delivery of actions to mitigate will require resources, capital works and investment by the Council- e.g enhanced energy measures, and heating and renewables projects in both domestic and non-domestic building assets . Budget stress – notably due to energy and economic crisis, meaning it's more difficult for Council to set aside budget to deliver on Climate Change and Net Zero projects and actions. . Funding approach – a combination of internal and external funding sources will be need to delivery climate action at scale. Short term funding mechanisms such as annual payback of Council expenditure presents difficulties for delivering long-term projects. Climate Change investments also need to take account of whole-life costs including reduced maintenance costs and avoided Adaptation costs. . Internal capacity – limited staff time and availability, largely due to reduced Council budgets, further impacted by Covid19. . Communication – both internally (to avoid 'silo' working) and externally (engaging with the public and keeping abreast of local/national/international changes to policy). . Economics – some technologies, materials and skills are still very expensive so innovation must progress to enhance the viability of climate actions within the context of the Council's budget constraints. . Strategy and planning – all existing and future Council plans should place responding to the climate emergency at their core and ensure integration with other Council services. . Legislation & Regulatory – the ability to implement some climate actions is constrained at the local level by minimum standards and other restrictions set through legislation and national policy, for example in relation to building regulations, planning and procurement. . Public attitudes and behaviours - Changing behaviour of residents, businesses and stakeholders

	positively and proactively, especially where there are cost implications to the delivery of climate actions.
Internal Controls	. Climate Change Strategy 2021-2026 . Action Plan 2021-2026 . Climate Change Action Group (CCAG) . Pentana Risk Management System – devolved responsibilities of climate change actions/milestones/KPI's to service areas. . Scottish Government – Mandatory annual Climate Change Duties Reporting . Queens Quay District Heating Network . Strategic Environment Assessment (SEA) . Air quality monitoring . Converting some Council pool fleet to Electric Vehicles (EVs). . Climate Ready Clyde (CRC) – a cross-sector initiative funded by fifteen member organisations and supported by the SG. Delivery of a Locale Heat & Energy Efficiency Strategy (LHEES) and delivery plan by December 2023 – which sets out the Council's area-based approach to reducing emissions of heating and energy efficiency improvements to ALL assets across WD. This includes private housing, businesses, etc. which are not owned/operated by WDC. . Waste infrastructure and greatly improving approach to how Council and residents reduce, reuse and recycle waste. Notably, taking a Circular Economy approach to waste services and implementing appropriate infrastructure and contracts to do so.
Latest Note	The risk of non-delivery of carbon emissions targets remains as moderate. Progress is being made through the delivery of the Climate Change Action Plan; however, pace of delivery has been, and will continue to be, impeded due to lack of internal resource and additional funding to deliver.
Risk Opportunity	.Our local environment is protected, enhanced and valued resulting in: - Our public spaces are attractive and welcoming - Our residents feels pride in their local neighbourhood - The percentage of household waste sent for reuse, recycling and composting has increased resulting in reduction in the percentage that was being landfilled. - The percentage of council land which promotes diversity of habitat and species has increased .Our resources are used in an environmentally sustainable way - Increase in the percentage of businesses taking action to reduce their carbon impact - Reduction in CO2 emissions under the Council's influence - Reduction in West Dunbartonshire Area-Wide emissions as per requirements of the climate change (Scotland) act - Residents actively involved in tackling climate change and protecting the environment - The economy and infrastructure become more low carbon and environmentally-friendly . Our neighbourhoods are sustainable and attractive - Increased investment in our housing stock including improving energy efficiency - Housing developments are meeting the needs of our changing population - The quality of neighbourhoods has improved - Our roads and transport network are maintained and they promote safe travel routes

Linked Actions Code & Title	Progress	Status	Assigned To
R&R/24-25/009 Co-ordinate, monitor and report the progress of the Council's Climate Change Action Plan for 2024/25	20%	▶	Rachel Moir
R&R/24-25/010 Develop Local Heat and Energy Efficiency Strategy and Delivery Plan	33%	▶	Rachel Moir

Risk Status	
🔴	Alert
🔺	High Risk
⚠	Warning
✅	OK
❓	Unknown

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Officer – People & Technology

Audit Committee: 4 September 2024

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Subject: Best Value Thematic Report: Workforce Innovation

1.   Purpose

1.1   The purpose of this report is to set out the findings of the external audit analysis of the Council's approach to workforce innovation.

2.   Recommendations

2.1   Committee is asked to note the contents of the report and the two accepted recommendations.

3.   Background

3.1   The 2023 Local Government Overview notes that councils have never faced such challenges. It accurately reports that demands for Council services have increased in the wake of the Covid-19 pandemic and funding is continued to reduce in real terms. Workforce pressures are being seen across the country and are particularly difficult when recruiting in a competitive labour market, employee turnover and high sickness absence levels are further increasing pressures. The attached report sets out Forvis Mazar's analysis of the council response to current workforce challenges through building capacity, increasing productivity and innovation.

3.2   Given the recognised challenges with funding and limited resources, it is encouraging that the audit evidences many positive initiatives and further reinforces that the approaches taken are aligned with good practice.

4.   Main Issues

Workforce strategy and priorities

4.1   This aspect evaluated how effectively the council's workforce plan is integrated with its strategic plans and priorities. The audit concluded: the council's workforce planning strategy is aligned with its strategic plan and supports the "our council is inclusive and adaptable" strategic priority. The council could make better use of data available at organisation and service level, and through the workforce planning console, to identify future resource needs and improve succession planning. There is a recommendation associated with this area.

Digital technology and the workforce

4.2   This aspect examined how effectively digital technology has been used by the council to support workforce productivity and improve service quality and outcomes. The audit concluded: the council recognises that digital transformation can help it deliver services more effectively and improve productivity. It has made some savings and efficiencies from improvements in how it uses technology. The council is working to improve the digital experience and accessibility for employees and promote a culture of digital awareness.

Flexible working and other innovative staff deployment

4.3   This element considered how effectively the council is using hybrid and remote working and other innovative working practice such as a four-day week to achieve service and staff benefits. The audit concluded: the council has a well-established approach to hybrid and flexible working. It has made savings through its use of voluntary severance and early retirement schemes. The council has used its redeployment register to find suitable roles for those displaced by service restructures. There is a recommendation associated with this area.

Developing future skills and capacity

4.4   This element assessed the innovative practice the council is using to develop its future workforce capacity and skills needs and manage staff reductions in line with its priorities. The audit concluded: the council faces recruitment challenges and is exploring different approaches. This includes using its graduate programme to resolve difficulties hiring specialist staff. The council can demonstrate savings and benefits from its measures to develop skills and capacity.

Joint workforce arrangements across services and partners

4.5   This section considered what progress the council has made with sharing roles or functions across its services and/or with other councils and partners. The audit concluded: the council shares services with other councils in three main areas, with benefits including improved resilience. It is looking to expand existing arrangements and has identified potential for further ICT collaboration.

Measuring the impact of workforce planning

4.6   This section considered how effectively the council is measuring the impact of its workforce planning approach. The audit concluded: the council actively monitors the progress of its workforce planning strategic actions and reports progress annually.

5.   **People Implications**

5.1   Innovative practice is essential in attracting and retaining talent as well as ensuring service delivery is modern, accessible and efficient.

5.2   Two recommendations were proposed, both of which mirror work planned for delivery in 24/25.

6.   Financial and Procurement Implications

6.1   There are costs associated with innovation and these are currently within budgets.

7.   Risk Analysis

7.1   There is a risk of failing to invest in adequate resource to maintain the current level of innovation. There are already areas where innovation is restricted due to available resources.

8.   Equalities Impact Assessment (EIA)

8.1   An Equalities Impact Assessment is not required for this report.

9.   Consultation

9.1   Discussions with the Trade Unions featured as part of the information gathering by External Audit colleagues.

10.   Strategic Assessment

10.1   The proposals set out within this report will assist the Council to deliver against its strategic priority 'Our Council – Inclusive and Adaptable' by contributing to the underpinning objective: 'Our Council is adaptable and focused on delivering best value for our residents'.

Victoria Rogers
Chief Officer People & Technology
Date: 7 August 2024
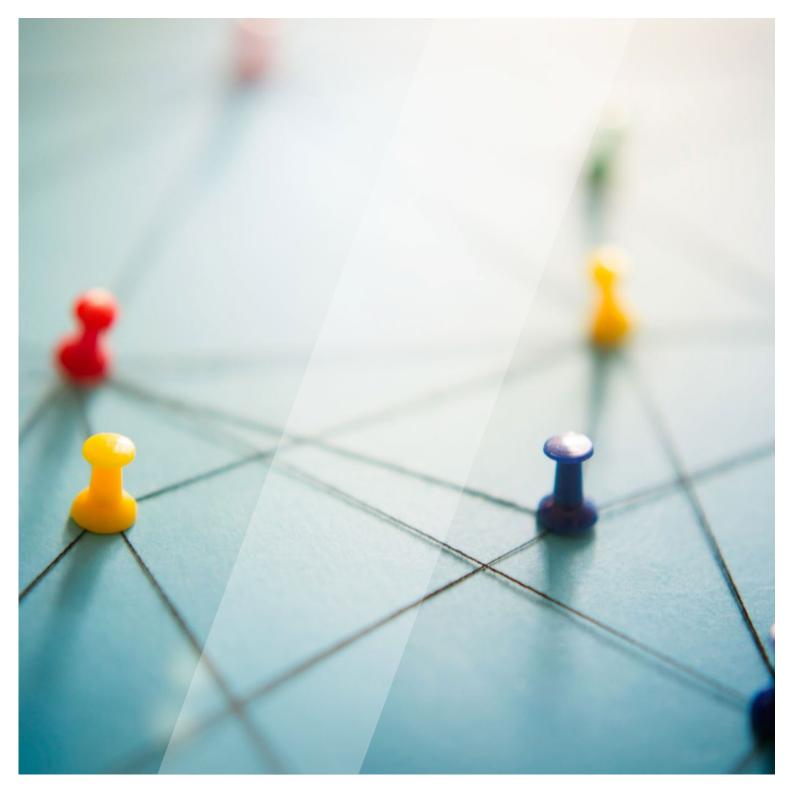
Person to Contact:

Appendices: 1. BV Thematic Report

Background Papers: N/A

Wards Affected: None

Workforce Innovation - how councils are responding to workforce challenges

Best Value thematic work in West Dunbartonshire Council 2023-24

July 2024

forvis mazars

Contents

1) Key messages

Overview of engagement

A summary of the judgements we have made for each section is detailed below:

How effectively are the council's workforce plans integrated with its strategic plans and priorities?

The council's workforce planning strategy is aligned with its strategic plan and supports the "our council is inclusive and adaptable" strategic priority. The council could make better use of data available at organisation and service level, and through the workforce planning console, to identify future resource needs and improve succession planning.

How effectively has digital technology been used to support workforce productivity and improve service quality and outcomes?

The council recognises that digital transformation can help it deliver services more effectively and improve productivity. It has made some savings and efficiencies from improvements in how it uses technology. The council is working to improve the digital experience and accessibility for employees and promote a culture of digital awareness.

How effectively is the council using hybrid and remote working and other innovative working practice such as a four-day week to achieve service and staff benefits?

The council has a well-established approach to hybrid and flexible working. It has made savings through its use of voluntary severance and early retirement schemes. The council has used its redeployment register to find suitable roles for staff displaced by service restructures.

What innovative practice is the council using to develop its future workforce capacity and skills needs, and manage staff reductions in line with its priorities?

The council faces recruitment challenges and is exploring different approaches. This includes using its graduate programme to resolve difficulties hiring specialist staff. The council can demonstrate savings and benefits from its measures to develop skills and capacity.

What progress has the council made with sharing roles or functions across its services and/or with other councils and partners?

The council shares services with other councils in three main areas, with benefits including improved resilience. It is looking to expand existing arrangements and has identified potential for further ICT collaboration.

How effectively is the council measuring the impact of its workforce planning approach?

The council actively monitors the progress of its workforce planning strategic actions and reports progress annually.

Other reporting

Where relevant to this thematic work, we have followed up Best Value Assurance Report and previous Annual Audit Report findings in the following pages. We have reported in Appendix 1 the council's improvement actions and its response to recommendations we have made in this review.

2) Scope of the audit

The **2023 Local Government Overview (LGO)** notes that councils have never faced such a challenging situation. Service demands have increased after the Covid-19 pandemic and funding is forecast to reduce in real terms. Workforce pressures including recruitment in a competitive labour market, employee retention and high sickness absence levels are putting councils under continued pressure. This report sets out how the council is responding to current workforce challenges through building capacity, increasing productivity and innovation.

The **Accounts Commission's Strategy (2021-26)** sets out its priorities to focus on inequalities, funding, communities and recovery. The Code of Audit practice sets out the Best Value work required to report on these priorities.

Code of Audit Practice 2020 Best Value reporting requirements

Best Value reporting – extract from the Code

The Accounts Commission's approach to Best Value involves reporting on individual local government bodies and thematically across the local government sector through performance reports:

- As part of their integrated wider-scope annual audit work appointed auditors use a risk-based approach to assess and report whether the audited body has made proper arrangements for securing Best Value and is complying with its community planning duties, including reporting progress against previous Best Value findings and recommendations.

- The Accounts Commission also requires the Controller of Audit to report to the Accounts Commission on each council at least once over the five-year audit appointment on the body's performance on its Best Value duty. This enables the Accounts Commission to make findings for improvement where appropriate.

- The Accounts Commission reports nationally on thematic aspects of local government bodies' approaches to, and performance in, meeting their Best Value and community planning duties. Local government appointed auditors report locally on any such Best Value thematic work prescribed by the Accounts Commission.

This report covers the thematic aspect of the Best Value audit requirements. The Commission has directed auditors to report on workforce innovation and how councils are responding to workforce challenges.

In carrying out the work, auditors have considered the following questions:

- How effectively are the council's workforce plans integrated with its strategic plans and priorities?

- How effectively has digital technology been used to support workforce productivity and improve service quality and outcomes?

- How effectively is the council using hybrid and remote working and other innovative working practice such as a four-day week to achieve service and staff benefits?

- What innovative practice is the council using to develop its future workforce capacity and skills needs and manage staff reductions in line with its priorities?

- What progress has the council made with sharing roles or functions across its services and/or with other councils and partners?

- How effectively is the council measuring the impact of its workforce planning approach?

An improvement action plan is included at Appendix 1 of this report. This sets out audit recommendations in key areas, and the council's planned response including responsible officers and dates for implementation.

The coverage of the work is in line with the expectations for council's arrangements for the seven Best Value themes in the **Local Government in Scotland Act 2003, Best Value Statutory Guidance 2020.**

3) Workforce strategy and priorities

This section of the report evaluates how effectively the council's workforce plan is integrated with its strategic plans and priorities

We concluded: the council's workforce planning strategy is aligned with its strategic plan and supports the "our council is inclusive and adaptable" strategic priority. The council could make better use of data available at organisation and service level, and through the workforce planning console, to identify future resource needs and improve succession planning.

Background

Workforce planning involves identifying and addressing future capacity and skills gaps, at operational and leadership levels. It requires strategic thinking, comprehensive workforce data and ongoing consultation and engagement with staff and trades unions.

A council focused on achieving Best Value will have a workforce strategy that sets out expectations on how the local authority's staff will deliver its vision, priorities and values.

To be effective, workforce planning must be integrated across the organisation. Workforce strategies need to support the council in achieving its strategic priorities. They must support other key plans including financial, asset, digital and transformation planning. They need to be under-pinned with detailed workforce plans within services.
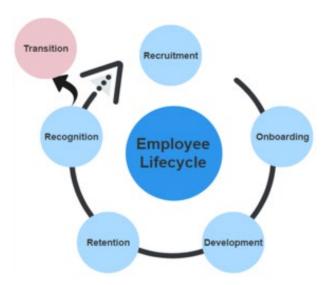
Detailed reporting on workforce strategy and priorities

What workforce strategies and plans are in place, when were they last reviewed and when are they next due to be reviewed? What Committee do they go to?

The council's People First Strategy 2022-2027 outlines how its people will support delivery of the strategic plan. It combines the council's strategies for:

- Wellbeing
- Workforce planning
- Employee engagement
- Learning and development
- Digital transformation.

The strategy is based on the employee life cycle, focusing on different stages each year. The first two years covered recruitment and on-boarding and methods to increase the diversity of the council's workforce.

The employee life cycle

Source: West Dunbartonshire Council Workforce
Planning Strategy & Framework, February 2023

The council implemented an updated workforce planning strategy and framework in February 2023. This aims to ensure council services have:

- The right shape
- The right skill set
- The right number of employees
- People in the right location
- People at the right time and within budget.

The strategy includes a toolkit and training for managers to support effective workforce planning.

The council reviews the workforce planning strategy annually and reports progress to the Corporate Services Committee on:

- Progress against the council workforce plan
- The workforce profile and key changes
- Sickness absence data
- Progress with service workforce plans.

The most recent report was presented to the Corporate Service Committee in May 2024.

Service level workforce plans are included in service delivery plans. Officers submit these to service committees as part of the service delivery planning process.

What progress has been made regarding year 1 findings on the alignment of workforce planning with priorities, and demonstrating the staff capacity and skills to deliver these priorities?

We noted in our **Leadership of the development of new local strategic priorities report** (October 2023) that the council's challenging financial position and ageing workforce have affected capacity. The council had also earmarked funds to support a programme of controlled early retirement and severance, which was further reducing staff numbers.

These challenges have persisted into 2023/24, with the council reporting a 4% decrease in headcount and working hours from the implementation of savings options and recruitment restrictions. The number of employees on the council's redeployment register, SWITCH, increased significantly in 2023/24. The register supports employees displaced from their post to return to a role at the equivalent pay grade.

The council carried out a recruitment and selection audit in 2022/23 to review how it could improve the recruitment process and attract diverse talent.

The council has taken a range of measures to improve staff capacity and skills including:

- Establishing a recruitment working group to implement the recommendations of the recruitment and selection audit
- Setting up workstreams to improve the recruitment process, covering process and policy review, talent management, job quality, equalities actions and engagement
- Developing and mapping career pathways to identify new talent pools and routes into council employment
- Holding information sessions for managers on the workforce planning strategy and toolkit.

Are the workforce strategy and supporting workforce plans based on robust workforce data? Do they feature scenario planning?

The council has developed an approach to identifying skills and capacity gaps using an internally developed workforce planning console. The console provides managers with real time management information, including:

- workforce profile
- absence and attendance management
- training
- turnover
- financial data.

The council surveyed managers on the console and provision of real time employment data across the council. It is using the feedback to inform future developments of the console. For example, it is looking at how to include workforce projections and trends. Going forward, the console will incorporate data that will help officers to identify resource gaps and capture these in workforce plans.

The council's annual report against its workforce plan includes a workforce profile and monitoring report with data on:
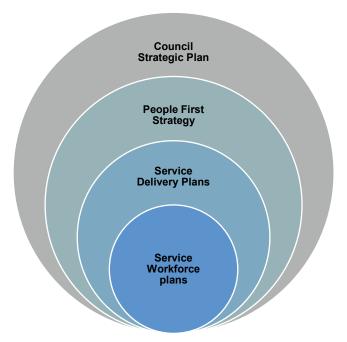
- headcount
- employees on fixed term contracts
- grade profiles
- gender and age profiles
- length of service
- new starts and leavers
- voluntary early retirement, voluntary severance, and retirements
- SWITCH
- sickness absences and reasons.

Service level workforce plans include data on employee numbers and absence but do not identify resource gaps or project future workforce requirements.

The council could make better use of the data available at organisation and service level, and through the workforce planning console, to identify future resource needs and improve succession planning (see Appendix 1, action 1).

Are workforce strategy and plans integrated with core strategic plans?

In our Leadership of the development of new local strategic priorities report we reported that the council's delivery plans, and workforce and digital strategies are aligned with its strategic plan. The workforce planning process supports the council's inward facing strategic priority; "our council is inclusive and adaptable". This priority aims to ensure it is a transformational and modern council demonstrating Best Value.

Source: West Dunbartonshire Council Workforce Planning Strategy & Framework, February 2023

Has the council consulted with employees / trades unions over its workforce strategy?

Employees were consulted through Trickle, the council's employee engagement platform. The council also uses employee groups such as champions and advocates to promote workforce initiatives.

Officers shared the workforce planning strategy and framework with trade union conveners. It was discussed at a conveners meeting, which includes trade union conveners and senior council officers.

Improvement recommendations

Any improvement recommendations that have been identified as part of our work in this thematic review section have been reflected in the action plan at Appendix 1, action plan reference numbers have been included in the wording above.

4) Digital technology and the workforce

This section of the report examines how effectively has digital technology been used by the council to support workforce productivity and improve service quality and outcomes

We concluded: the council recognises that digital transformation can help it deliver services more effectively and improve productivity. It has made some savings and efficiencies from improvements in how it uses technology. The council is working to improve the digital experience and accessibility for employees and promote a culture of digital awareness.

Background

The LGO notes that digital technology will make councils' future workforces look and work quite differently. In order to achieve the change required, councils need to make good use of digital technology and use the workforce in flexible ways.

Digital technology has a strong bearing on a council's workforce needs. It can be used to re-shape jobs to increase productivity and reduce back-office functions while improving service quality. Technology solutions include online services, customer relationship management systems, mobile digital devices and more recently, artificial intelligence (AI) applications.

Councils need to be innovative in their use of technology and build on new working practices that emerged during the pandemic. In doing so, they must also consider service quality and the needs of people experiencing digital exclusion.

Detailed reporting on digital technology and the workforce

What progress has the council made in using digital technology to improve workforce productivity, service delivery and outcomes?

The council recognises that digital transformation can help it deliver services more effectively and improve productivity. It is considering how innovation and automation can improve service delivery, for example use of chat bots, electronic forms and automating some payroll processes.

The council is implementing 365 SharePoint to help support remote working and allow better data sharing.

Fit for Future is the council's approach to service innovation. It involves subject matter experts reviewing services, making recommendations, and identifying savings. Seven reviews have been completed across seven service areas, with findings shared using infographics and show and tell presentations.

The last Fit for Future review was completed in December 2022. Since then, there have been no requests for new reviews. Officers believe this is due to services being focused on budget savings and subsequent service reviews. The council's digital team has reviewed the Fit for Future approach in the interim. The digital team continues to support services with digital solutions, project support, training and development, and automation of processes and forms.

Has the council demonstrated workforce benefits and productivity gains through its use of digital technology?

The Fit for Future reviews have identified potential total savings ranging from £0.47 million to £1.08 million. The council has also made some efficiencies from its use of automation and online forms.

Has the council engaged staff and service users over new ways of working, and considered service accessibility and digital exclusion?

The council is working to improve the digital experience and accessibility for its employees. An example is the tech desk at the council's main offices where employees can get help and advice from the ICT team. It has resulted in a reduction in calls to the ICT service line. The council is planning to open pop up tech desks in other offices.

The council ran a second digital skills survey from October to November 2023 which focused on awareness, learning, barriers, opportunities to improve, and support. Due to a low response rate, the council is taking a more direct approach to promoting digital awareness.

The council is running a digital skills programme for 2024/25 with a different digital theme each quarter. The first three phases will cover:

- developing digital skills, through digital champions (Digi Champs), and emphasising the importance of digital skills to service users
- how the council can develop data into useful management information which supports decision making
- rolling out 365 SharePoint.

This work aims to promote a culture where digital awareness is everyone's responsibility. The Digi Champs will share learning and support the rollout of new technology. Each service will have a digital lead at senior management level.

Improvement recommendations

We have not identified any risks or weaknesses as part of this thematic review section.

5) Flexible working and other innovative staff deployment

This section of the report considers how effectively the council is using hybrid and remote working and other innovative working practice such as a four-day week to achieve service and staff benefits

We concluded: the council has a well-established approach to hybrid and flexible working. It has made savings through its use of voluntary severance and early retirement schemes. The council has used its redeployment register to find suitable roles for staff displaced by service restructures.

Background

During the pandemic councils needed to make the best use of their existing workforce while continuing to monitor employee wellbeing. Councils continue to look to new ways of working to improve job satisfaction and reduce sickness absence and staff turnover.

Home-working and hybrid working (a combination of office and home-based working) have now become commonplace. Some councils are also considering more radical working practice such as a standard four-day working week. However, whatever the working practice, employers need to ensure that service quality and productivity are maintained.

Detailed reporting on flexible working and other innovative staff deployment

Describe the council's policy and practice regarding home/remote working and any other flexible working arrangements?

The council has adopted four work styles:

- Fixed – A single base/location (80 to 100% office based)
- Flexible – Home and other bases/locations (50 to 80% office based)
- Mobile – Home and travels to different locations (20 to 40% office based)
- Remote – Home and other bases/locations (20% office based).

Employees are required to complete a work assessment to help them, and their manager, identify which category best describes their role and whether the work style is appropriate.

The council's flexible working policy recognises that this may change as the needs of the business and service users change. The policy sets out several considerations managers and employees must make to ensure that agile working does not impact service delivery and people management responsibilities. Line managers are required to review agile working arrangements annually.

The council's flexible working policy has been in place for several years and was last fully updated in March 2020. Since then, the way people work has changed significantly with remote and hybrid working becoming common. The council is considering developing a new policy and/or further changes to the current offering (see Appendix 1, action 2).

The council offers flexible retirement to employees who are members of the Local Government Pension Scheme (LGPS). Teachers have access to phased retirement if they are members of the Scottish

Teachers' Pension Scheme (STPS). This allows people to work in a reduced capacity and access their pension. It also helps the council retain skills and experience for longer.

In 2021, the council was recognised by the charity Flexibility Works as one of the ten most flexible employers in Scotland.

Has the council assessed the impact on i) service quality and outcomes and ii) workforce wellbeing, including consultation with staff and trades unions?

The council monitors service delivery aims using its performance management system, Pentana. It measures outcomes using citizen surveys, the Citizens Panel (a group of residents who have volunteered to give their views on local issues and priorities) and social media.

The council uses Trickle, peer support forums, trade union meetings, data trends and employee feedback to monitor workforce wellbeing. Its wellbeing policy was codesigned with trade unions and employees. The council reports annually to the Joint Consultative Forum (council officers, elected members and trade union representatives) on employee wellbeing and attendance, with the latest report in June 2024.

The council surveyed staff based in its main office to understand their working patterns, their satisfaction with hybrid and flexible working arrangements, and how they could be better supported.

The council launched additional wellbeing support in 2023/24, including employee counselling, self-help resources, and financial and physical wellbeing support. Progress on its other wellbeing projects has been limited due to officer capacity.

Has the council demonstrated budget savings, efficiencies and other benefits resulting from its deployment of staff?

The council has made budget savings through its use of voluntary severance and voluntary early retirement schemes. It has also used SWITCH to manage the successful redeployment of staff following service restructures.

Services have been asked to review their workforce planning requirements and explore opportunities to deliver services differently and more effectively to support savings proposals for 2024/25.

Improvement recommendations

Any improvement recommendations that have been identified as part of our work in this thematic review section have been reflected in the action plan at Appendix 1, action plan reference numbers have been included in the wording above.

6) Developing future skills and capacity

This section of the report assesses what innovative practice the council is using to develop its future workforce capacity and skills needs and manage staff reductions in line with its priorities

We concluded: the council faces recruitment challenges and is exploring different approaches. This includes using its graduate programme to resolve difficulties hiring specialist staff. The council can demonstrate savings and benefits from its measures to develop skills and capacity.

Background

Councils need to find innovative ways to ensure the workforce capacity and skills they need to deliver services in the future. Training and development opportunities can help to attract and retain employees and ensure skills are in place. Many councils work with their partners to offer apprenticeship schemes or vocational qualifications. Succession planning is also important to develop future leaders and ensure that essential skills are in place.

Jobs can be re-designed to optimise the workforce and improve services. For example generic roles across health and social care disciplines. Leaders need to engage with staff and trade unions over fundamental workforce reform. This is particularly challenging in an environment of potential job losses.

Detailed reporting on developing future skills and capacity

What is the council doing to develop the skills and capacity needed for a resilient future workforce? Does the council work with education providers to ensure that education and training aligns with future skills needs?

The council has found recruitment into some roles challenging and is exploring different approaches. For example, through graduate, school leaver and modern apprenticeship programmes. It is also considering how to develop talent internally. The Health and Safety team is a good example of the council using its graduate programme to resolve difficulties recruiting specialist staff and assist succession planning (see case study 1).

The council works with West College Scotland to promote apprenticeships and other council job opportunities at work fairs.

> **Case study 1: People & Technology – Health and Safety**
>
> It was recognised that the Health and Safety team had an average age demographic of 59 years with retirement of some employees being possible over the next 5-10 years. Previous recruitment exercises had also proven difficult with little response and suitable candidates with experience to fill the council's requirement for a Health and Safety Officer (Grade 8). The demand for such roles during and following the Covid 19 Pandemic has increased which is also thought to have added to recruitment difficulties. The team had previously delivered the service by having expertise in lead areas but due to reductions and recruitment difficulties within the team, the team were having to move to covering all aspects of health and safety with a more generic approach to ensure service delivery. In order to secure future requirements around recruitment and retention in the service it was necessary to consider the development of a talent pool and succession planning for progression within the team.
>
> In order to ensure a future talent pool could be established a two year graduate training programme was created, initially recruiting two recent graduates at Grade 5. During the two year programme the graduates were exposed and trained in all aspects of health and safety including areas such as fire safety, noise and construction. The graduates were mentored by the experienced members of the team, by shadowing and being supported to undertake key aspects of role such as audits and accident investigation.
>
> Following this two year graduate programme some members of the team decided to retire as predicted and due to the development of this programme and creation of this talent pool the graduates were equipped with the experience and knowledge for successful appointment to fill the Grade 8 roles. This has been so successful we have moved into a further graduate training programme and currently have a new graduate being developed. Our success factors are:
>
> • Creation of future talent pool from which to recruit from;
>
> • Development of opportunities for graduates;
>
> • Succession planning of key skills and requirements;
>
> • Positive impact on age demographic of the team mitigating the risk of loss of experience and skills within future years.
>
> Source: West Dunbartonshire Council Workforce Plan 2022-2027: Update & Annual Action Plans 2022/23

Has it demonstrated savings and other benefits resulting from its workforce skills and capacity measures?

The council has seen some benefits from its workforce skills and capacity measures including improved attendance rates and survey data indicating that employees feel valued.

The council can demonstrate the impact its digital transformation work is starting to have. For example, a chat bot which helps residents to report and resolve missed bin collections has been shortlisted for a Convention of Scottish Local Authorities (COSLA) Excellence Award. It has also identified savings from Fit for Future reviews.

The workforce planning console has improved the quality of data available to managers and reduced requests to the People and Change team. The console can also be used to identify anomalies in the organisation structure, which supports development of the council's Strategic Operating Model for how it organises its services and resources.

The council's use of SWITCH to manage staff redeployment has helped to reduce turnover and retain skills, while mitigating redundancy and exit costs.

The council's financial challenges, the effect of the rising cost of living and pay disputes have had a negative impact on employees' wellbeing. However, it has made some progress in reducing sickness absence rates.

The council's performance data shows that there has been a small improvement in full time equivalent days lost per employee for all staff (13.7 full time equivalent average days lost in 2023/24 compared to 14.0 average days in 2022/23). This is the second year in a row that sickness absence levels have decreased.

How does the council minimise any negative impact from workforce reform and reductions?

The council is using SWITCH to mitigate the negative impact of service restructures on staff. Employees on the redeployment register have pay protection for up to 12 months. It is also providing access to wellbeing support to all employees. The council is working to create efficiencies through better use of data, digital tools and automation (see Section 4).

Improvement recommendations

Any improvement recommendations that have been identified as part of our work in this thematic review section have been reflected in the action plan at Appendix 1, action plan reference numbers have been included in the wording above.

7) Joint workforce arrangements across services and partners

This section of the report considers what progress the council has made with sharing roles or functions across its services and/or with other councils and partners

We concluded: the council shares services with other councils in three main areas, with benefits including improved resilience. It is looking to expand existing arrangements and has identified potential for further ICT collaboration.

Background

Councils should look to work collaboratively with their partners to make the best use of their existing workforces and plan for the particular workforce needs in their areas. They should also work across traditional service department roles within councils to deliver improved services and outcomes.

Examples of this include generic working across health and social care, professional posts or functions shared between councils, and services delivered through empowered communities.

Detailed reporting on joint workforce arrangements across services and partners

In what areas the council has implemented shared services with other councils and partners? Has the council realised workforce benefits through these shared arrangements/functions?

The council shares services with other councils in three main areas:

- internal audit
- civil contingencies
- information and communications technology (ICT).

The council has a shared internal audit and fraud service with Inverclyde Council. It is discussing expanding this arrangement with neighbouring councils to address recruitment and retention challenges and improve resilience.

The council joined a shared civil contingencies service in October 2016 covering Renfrewshire, East Renfrewshire, Inverclyde and West Dunbartonshire. Renfrewshire Council leads the service. Each council has a link officer, with Renfrewshire Council providing cover for staff absences.

The council has collaborated with other councils on ICT, including:

- Sharing a data centre with East Dunbartonshire Council
- Establishing a Microsoft 365 learning hub
- Joint procurement exercises
- Supporting other councils with HR and Pay systems
- Hosting systems.

The council has identified potential to expand these arrangements and share more ICT services.

The main benefit of sharing services is improved resilience. Officers have also identified better career progression and staff development, increased job satisfaction, retention of key skills, and more knowledge sharing.

To what extent the council delivers functions through its communities, the third sector, private sector or other providers (including ALEOs)

West Dunbartonshire Leisure Trust manages facilities including leisure centres, community halls, football pitches and a theatre on behalf of the council. The trust is a charitable organisation and uses its profits to subsidise its health rehabilitation and outreach programmes. This activity helps supports the council's health and wellbeing strategic plan objectives.

The council also supports a range of volunteering opportunities. It works with West Dunbartonshire Community and Volunteering Service (WDCVS). WDCVS is a registered charity which supports, promotes and develops volunteering and third sector activity across West Dunbartonshire.

To what extent the council delivers functions using temporary workers

The council had 509 employees on fixed term contracts (8.9% of its total workforce) at 31 March 2024. Temporary workers are most prevalent in the council's social care service due to recruitment challenges and higher absence levels.

Has the council and its partners managed any barriers to shared working?

The council has found that the main reasons shared services have not progressed is challenges in aligning employees' terms and conditions and implementing efficient governance arrangements. Officers believe the lead authority model, as used for the civil contingencies service, works best in overcoming these barriers.

The council's ICT service has overcome some technical challenges to ensure that council and NHS employees working in the Health and Social Care Partnership can access the same systems and can view each other's calendars.

Improvement recommendations

We have not identified any risks or weaknesses as part of this thematic review section

8) Measuring the impact of workforce planning

This section of the report considers how effectively the council is measuring the impact of its workforce planning approach

We concluded: the council actively monitors the progress of its workforce planning strategic actions and reports progress annually.

Background

Councils should monitor the impact of their workforce planning and delivery approaches. This should include cost, service quality and productivity benefits as well as employee wellbeing. This in-turn should inform their workforce planning approach. Councils and their partners should also understand the wider impact of their employment practice on the local economy.

Detailed reporting on measuring the impact of workforce planning

Does the council monitor the effectiveness of its workforce planning practice?

Officers monitor the progress of workforce planning strategic actions using Pentana and report progress to the Corporate Services Committee annually. The May 2024 report indicated the council was making good progress implementing these actions.

Are there examples of overall impact?

The council's annual workforce plan update reports include case studies providing examples of the impact of workforce planning actions. For example, the council's Citizen, Culture and Facilities Service has introduced a new model for training staff which helped improve capabilities and resilience within the workforce (see case study 2).

> **Case study 2: Citizen, Culture & Facilities – Contact Centre**
>
> Employee engagement within the Contact Centre was challenging due to the repetitive nature of the role. The restrictive nature of the job being PC based, with a headset and a constant stream of calls requires dedicated and highly motivated individuals. Only customer focused and motivated team members ensure each and every Citizen calling is warmly welcomed to the Council and given excellent Customer Service with each call being giving a unique response.
>
> There was a request from the team for development opportunities to be established to ensure they were effective at their role and fully aware of all activities across the Council. Our initial approach was to develop a "Champion Model" where individual team members could elect to be a department representative and be trained to the highest standard in a specific task. For example, a Council Tax Champion. They learn this role to the highest level on systems, processes, policy implementation and then return to the Contact Centre to support the wider Contact Centre team when they have a challenging Council Tax call. This prevents a request for a call back or manager escalation providing a quality customer experience and improved employee satisfaction.
>
> This Champion model spreads across all Services the Contact Centre represents and in turn, has made for a valuable team to the wider Council as our team members are already exceptional individuals with a high quality of training, immediately ready to start work in the recruiting department when applying for other roles within the Council. Over the years we have successfully taken Modern Apprentices and entry level employees through a development channel to become competent individuals in Housing, Revenues and Benefits, Organisational Development and ICT. In addition, due to their Corporate knowledge, our teams' skillsets have also been directly applicable to promoted posts within complaint handling giving a clear career pathway from Grade 3 to Grade 4 and Grade 5 posts. One individual has been developed through this structure on to a Grade 6 and then Grade 9 post through a number of development opportunities.
>
> The service will continue our Champion Model to ensure our team are as effective as they can be whilst creating a talent pipeline to encourage our teams to apply for promoted posts across the Council
>
> Source: West Dunbartonshire Council Workforce Plan 2022-2027: Update & Annual Action Plans 2023/24

Do monitoring reports inform future workforce planning?

The workforce plan update report includes, as an appendix, a workforce profile and monitoring report with a wide range of employment data. The council could make better use of this information to identify future resource needs and improve succession planning (see Section 3 and Appendix 1, action 1).

Improvement recommendations

Any improvement recommendations that have been identified as part of our work in this thematic review section have been reflected in the action plan at Appendix 1, action plan reference numbers have been included in the wording above.

Best Value Assurance Report and previous Annual Audit Report findings for measuring the council's impact of workforce planning

We have followed up on Best Value Assurance Report and previous Annual Audit Report findings, see the table below for the progress the council has made during 2023/24.

Previously reported findings	Management response and implementation timeframe	Work undertaken and judgements made in 2023/24	Conclusions reached
2018 Best Value Assurance Report **Staff absence** Some staff are finding the pace of change challenging and staff absence remains an issue. The council is taking positive steps to try and address this and should continue to explore opportunities for improvement.	Management Response: (West Dunbartonshire Council Best Value Assurance Improvement Plan – July 2018) Implement action plans supporting employee wellbeing strategy with focus specifically on physical and mental health. Additional functionality to be added to workforce management system to enable more effective reporting/ management of sickness absence. Target team specific change support/ training on a project by project basis. Introduce routine scrutiny of attendance management process compliance through	**Progress against the recommendation** The council reports annually to the Joint Consultative Forum (council officers, elected members and trade union representatives) on employee wellbeing and attendance. The latest report was in June 2024. The council's performance data shows that there has been a small improvement in full time equivalent days lost per employee for all staff (13.7 full time equivalent average days lost in 2023/24 compared to 14.0 average days in 2022/23). This is the second year in a row that the council's sickness absence levels have decreased. The main reasons for absence continue to be minor illness, acute medical conditions and personal stress. Front line employees have the highest levels of sickness. The 2022/23 Local Government Benchmarking Framework (LGBF) data shows that sickness absence days per employee have increased to 6.4 days for teachers and 15.3 days for other local government employees. The council's position against other councils has declined to 12th for teachers and 27th for other local government employees. This is the most recent LGBF data available.	**Conclusions** Ongoing The council launched additional wellbeing support in 2023/24 and has made some progress in reducing sickness absence rates.

Previously reported findings	Management response and implementation timeframe	Work undertaken and judgements made in 2023/24	Conclusions reached
	workforce management system reports. Lean process improvement approach embedded in wider strategic improvement framework. Implementation timescale: October 2019	The council launched additional wellbeing support in 2023/24, including additional employee counselling, self-help resources and financial and physical wellbeing support. The council has also trained mental health first aiders and wellbeing advocates. Mental health first aiders act as a listening ear and signpost employees to support. They also gather and share feedback from front line employees on wellbeing needs and initiatives. The wellbeing advocates share information relating to wellbeing resources. The council has a range of other initiatives to support employee wellbeing. Progress on these projects was limited in 2023/24 due to resource restrictions and other demands on the council's People and Change team.	

Appendices

Appendix 1 – Improvement Action plan

Rating	Description
Level 1	The identified risk and/or significant deficiency is critical to the business processes or the achievement of business strategic objectives. There is potential for financial loss, damage to reputation or loss of information. The recommendation should be taken into consideration by management immediately.
Level 2	The identified risk and/or significant deficiency may impact on individual objectives or business processes. The audited body should implement the recommendation to strengthen internal controls or enhance business efficiency. The recommendations should be actioned in the near future.
Level 3	The identified risk and/or significant deficiency is an area for improvement or less significant. In our view, the audited body should action the recommendation, but management do not need to prioritise.

The table overleaf details the issues/risks that we have identified as part of this thematic review and our recommendations to the Council to address.

Issue/risk	Rating	Recommendation	Agreed management action/ timing
1. Workforce data The council could make better use of the data available at organisation and service level, and through the workforce planning console, to identify future resource needs and improve succession planning. **Risk –** The council is not able to easily identify resource gaps, through the workforce planning console, and make informed resourcing and recruitment decisions.	Level 2	The council should ensure workforce data allows officers to identify resource gaps and supports succession planning.	**Management's response** Action is agreed as already part of planned developments to console. **Responsible officer** Chief Officer P&T/Strategic People & Change Manager **Implementation date** March 2025
2. Hybrid and flexible working policy The council's flexible working policy has been in place for several years. Since then, the way people work has changed significantly with home and hybrid working becoming common. **Risk –** The council's policy does not fully reflect current working practice.	Level 3	The council should develop a new flexible/hybrid working policy or update its existing policy.	**Management's response** Action is agreed as already part of planned policy review and will likely only require an update. **Responsible officer** Chief Officer P&T/Strategic People & Change Manager **Implementation date** December 2024

Workforce innovation - how councils are responding to workforce challenges

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WEST DUNBARTONSHIRE COUNCIL

Report by Chief Officer – Resources

Audit Committee: 4 September 2024

Subject: Internal Audit Plan 2023/24 – Progress to 12 August 2024

1.   Purpose

1.1   The purpose of this report is to advise Members of progress to 12 August 2024 against the Internal Audit Plan for 2023/24.

1.2   The report also advises Members of:

- recently issued Internal Audit reports and action plans
- the status of implementation progress relating to action plans from previously issued Internal Audit reports.

2.   Recommendations

2.1   It is recommended that Members note the contents of this report.

3.   Background

3.1   The annual audit plan for 2023/24 was approved by the Audit Committee on 8 May 2023. This report provides information on the progress in implementing the plan.

3.2   When audit reports are issued by Internal Audit, an action plan is agreed with management in relation to issues highlighted by the audit report. Progress on implementing the actions is monitored by Internal Audit on a monthly basis and reported to the Audit Committee.

4.   Main Issues

4.1.   The annual audit plan sets out the audit coverage for the year utilising available staff resources to enable the Shared Service Manager – Audit & Fraud to provide the annual internal audit opinion regarding the adequacy and effectiveness of internal control within the Council.

4.2   In accordance with the risk-based audit methodology, for each audit, one of four audit opinions is expressed:

Strong	In our opinion there is a sound system of internal controls designed to ensure that the organisation is able to achieve its objectives.
Satisfactory	In our opinion isolated areas of control weakness were identified which, whilst not systemic, put some organisation objectives at risk.

Requires Improvement	In our opinion systemic and/or material control weaknesses were identified such that some organisation objectives are put at significant risk.
Unsatisfactory	In our opinion the control environment was considered inadequate to ensure that the organisation is able to achieve its objectives.

4.3 Detailed findings and recommendations reported to management are graded using the following criteria:

Red	In our opinion the control environment is insufficient to address the risk and this could impact the Council as a whole. Corrective action must be taken and should start immediately. Overseen to completion by Corporate Management Team.
Amber	In our opinion there are areas of control weakness which we consider to be individually significant but which are unlikely to affect the Council as a whole. Corrective action must be taken (some exceptions may be agreed with Internal Audit) within reasonable timeframe. Overseen to completion by Chief Officer/Head of Service.
Green	In our opinion the risk area is well controlled or our audit highlighted areas for minor control improvement and/or areas of minor control weakness. Process improvements/efficiencies may be actioned at management discretion in consultation with Internal Audit. Managed by service owner. Not reported in Audit Committee papers.

4.4 There were 4 audit reviews finalised since the last Audit Committee in June 2024:

CSA – EDUCATION PROCEDURES (MAY 2024)

4.5 Control Self-Assessment is a process through which the adequacy and effectiveness of internal controls are examined, with the goal of providing assurance that key objectives are being met. It allows Heads of Establishments and selected staff to participate in the assessment of internal controls and develop action plans to address any weaknesses that may be identified. In turn these action plans assist in evaluating risks which, if not properly addressed, could undermine the achievement of key objectives. Furthermore, Control Self-Assessment exercises can increase awareness of internal control issues and motivate staff to carefully design and implement control processes.

4.6 The objective of this audit was to provide management and the Audit Committee with an assessment of the adequacy and effectiveness of the governance, risk management and controls over the key risks faced by West Dunbartonshire Council in relation to key Education Procedures including administration and management of School/ELCC Funds and Teachers Absence Cover.

4.7 The review focused on the key procedures for all key processes and procedures for School/ELCC Funds and Teachers Absence Cover.

4.8 The overall control environment opinion was **Satisfactory**. There were three AMBER issues identified as follows:

Adequacy of School Fund Procedures (Amber)

The current School Fund procedures were last updated in 2006 and don't include tasks and processes which have been introduced since that date such as Parentpay (introduced in 2019), digital banking and the use of debit cards for purchases. There are also processes included in the procedures that are no longer valid such as parents are no longer required to be members of the school fund committee and there are no longer cash and carry purchases.

Where there is no regular review of procedures, there is a risk that staff follow processes which may be out of date and could carry out tasks incorrectly.

School Fund Procedures Not Being Followed (Amber)

Analysis of Control Self-Assessment returns and visits to a sample of four primary schools and one secondary school identified that some procedures are not being followed at all schools. For example monthly bank reconciliations not being prepared or checked, online purchases not being pre-approved and annual statements of income and expenditure not being prepared.

School funds may not be managed appropriately if not following procedures.

Adherence to Finance Procedures - Teacher Absence Cover (Amber)

A spreadsheet to help head teachers manage, monitor and record appropriate expenditure in relation to their supply teacher budget was provided by Finance. However, from the four primary schools visited, one schools was not using the spreadsheet and had not recorded any supply teacher information. The annual supply teacher budget for this school was £2,453, as at 11 March 2024 the overspend against this budget was £469.

Where finance procedures relating to teacher absence cover are not correctly adhered to, schools may not have a clear and accurate record of their budget position.

4.9 The audit identified four issues, three of which we consider to be individually significant and an action plan is in place to address all issues by 31 March 2025.

Corporate Procurement below £10k (June 2024)

4.10 Guidance is in place to ensure all of the council's procurement of goods and services under £50,000 is undertaken in accordance with the Council's Financial Regulations and Standing Orders. For Procurement between £2,000 and £9,999.99 a minimum of 3 written quotes should be sought; for Procurement Below £2,000 officers must ensure best value is met which may involve a quotation procedure.

4.11 The objective of this audit was to provide management and the Audit Committee with an assessment of the adequacy and effectiveness of the governance, risk management and controls surrounding the key risks in relation to procurement below £10,000.

4.12 The review focussed on the high level processes and procedures in relation to the procurement below £10,000 and concentrated on identified areas of perceived higher risk, such as failing to comply with guidance and procedures.

4.13 The overall control environment opinion was **Satisfactory**. Areas of good practice identified included:

- The current controls in place in the majority of WDC and HSCP services in relation to Procurement Below £10k as identified in the Control Self-Assessment exercise.
- The review and updating of iLearn Procurement Awareness Training to include specific training for Procurement Below £10k

There was one Amber issue identified as follows:

Procurement Awareness Training (Amber)

All Council employees who engage in any procurement processes must complete the Procurement Awareness iLearn Module. The module takes learners through the procurement zones following two distinct pathways for procurement under £50,000 and above £50,000. There is currently no training with specific reference to Procurement below £10k. Staff are expected to refresh their knowledge on this course every 2 years.

We have been made aware that the Procurement Awareness iLearn Module has been reviewed and revised training developed by the former Procurement Manager prior to leaving WDC in November 2023. This new training includes specific training aimed at Procurement below £10k, the roll out of this training has been delayed as it also contains reference to the new Service Led Low Complexity Procurement guidance, also drafted by the previous Procurement Manager, which is currently sitting with Chief Officer Regulatory & Regeneration for review.

If updated Procurement Awareness Training, including training specific to Procurement Below £10k is not available and staff are not adequately trained there is a risk that relevant reviewed and revised procurement procedures are not carried out correctly

4.14 The audit identified two issues, one of which we consider to be individually significant and an action plan is in place to address this issue by 31 August 2024.

Debt Recovery (July 2024)

4.15 The Council's ability to deliver services, which meet the needs of its residents and customers, depends heavily on its success in collecting revenue. The Corporate Debt Policy (August 2019) provides guidance on the debt recovery process for Housing Rent, Council Tax, Non-Domestic Rates (NDR), and Sundry debt. The Council has a separate Rent Collection Policy (September 2020) that sets out the

procedures to be followed by the Corporate Debt Team for prevention and recovery of rent arrears. The recovery process operates to maximise debt recovery whilst also ensuring vulnerable individuals are protected.

For the year ended 31 March 2024, the total value of gross rent arrears was £4.4 million (9.44% of the total rent due for the year), Council tax debt was £6.8 million, NDR debt was £2.3 million, and Sundry debt outstanding was £10.2 million.

4.16 The objective of this audit was to provide management and the Audit Committee with an assessment of the adequacy and effectiveness of the governance, risk management and controls surrounding the key risks in relation to the debt recovery process.

4.17 The review focused on the high-level processes and procedures in relation to debt recovery and concentrated on identified areas of perceived higher risk such as appropriate debt recovery actions were not initiated in a timely manner; amount of debts were not calculated accurately and completely; and irrecoverable debts were not accurately and completely written off in a timely manner.

4.18 The overall control environment opinion was Satisfactory. Areas of good practice identified included:

- Diligence works are carried out and exhausted before a debt is considered for write off.
- Detailed management information is produced and submitted for the monitoring of the debts.

There was one Amber issue identified as follows:

Timeliness of irrecoverable debts write off (Amber)

Audit testing identified two instances whereby the Corporate Debt write off processes were not followed in a timely manner for an irrecoverable rent arrears of a former tenant and a sundry debt. Consequently, these debts were held on the system as outstanding for number of months.

Where irrecoverable debts are not submitted for write off in a timely manner and the system not updated accordingly, this will impact on the completeness and accuracy of the total debt amount owing to the Council.

4.19 The audit identified three issues, one of which we consider to be individually significant and an action to address this issue was completed during July 2024.

UK Shared Prosperity Assurance Review (June 2024)

4.20 The UK Shared Prosperity Fund (UKSPF) launched in April 2022 is the UK Government's main funding to replace European Union (EU) Structural Funds. The core investment principles of the UKSPF are:-

- Communities and Place - to enable places to invest to restore their community spaces and relationships and create the foundations for

economic development and build resilient and safe neighbourhoods through targeted investment and crime prevention.

- Supporting Local Business – to enable places to fund interventions that support local businesses to thrive, innovate and grow.
- People and Skills – to reduce the barriers some people face to employment and support them to move towards employment.

West Dunbartonshire Council SPF funding of £3.8m was allocated in April 2023 by the UK Government in proportion to the population and level of need.
The SPF funding period ends in March 2025.

4.21 The objective of this audit review was to provide management and the Audit Committee with an assessment of the adequacy and effectiveness of the governance, risk management and controls surrounding the key risks in relation to WDC UK Shared Prosperity Fund allocation.

4.22 The review focused on the high-level strategies, processes and procedures in relation to WDC allocation of the UK Shared Prosperity Fund and concentrated on identified areas of perceived higher risk, such as alignment of the fund activities with UK government requirements and the adequacy of monitoring of and reporting on those activities including financial and budgetary control arrangements.

4.23 The overall control environment opinion was Satisfactory. Areas of good practice identified included:

- WDC have strong controls in place which demonstrate compliance with the UK SPF Assurance and Risk Framework.

The overall control environment opinion was Satisfactory. There were three AMBER issues identified as follows:

Inadequate policies and procedures to support closure of the fund

The Shared Prosperity Fund ends in March 2025. There is currently no guidance recorded from the UK Government to support the exit strategy from the fund or proposals to support an extension beyond March 2025.

Data Protection Issue

The audit identified the Ready to Thrive allowance given to vulnerable young people had their full names recorded when payments are input into the Agresso system. This information is available for any officer to view with access to the system.

Financial Monitoring Review Procedures

The finance officer reviews an approximate 20% selection of the monthly SPF transactions posted to the Agresso system, however these selections are not formally recorded nor is the procedure documented.

4.24 The audit identified four issues, three of which we consider to be individually significant and an action plan is in place to address all issues by 31st December 2024.

4.25 The status of the 2023/24 audit plan is attached at Appendix 1.

4.26 In relation to audit work for the Integration Joint Board, the 2023/24 is almost complete with regular reporting to the Integration Joint Board Audit & Performance Committee.

4.27 In relation to the Valuation Joint Board, the planned follow up audit has been completed.

4.28 In relation to the Leisure Trust, the 2023/24 audit plan is complete.

4.29 Internal Audit Action Plans
In relation to audit action plans, these are monitored by Internal Audit on a monthly basis. There were five actions due for completion by the end of March, four of which have been reported as completed by management and a revised completion date relating to one action requires to be set. The status report at 30 June 2024 is provided at Appendix 2.

Ongoing Corporate Fraud Team Work
4.30 The Corporate Fraud team's day to day work continues to focus on referrals relating to council tax reduction/single person discounts, joint working with DWP in relation to housing benefit and council tax reduction, referrals relating to housing tenancies and investigating relevant national fraud initiative matches.

4.31 The Internal Audit Team and the Corporate Fraud Team continue to work together as appropriate in order to ensure a joined-up approach to fraud investigation and detection for example in relation to whistleblowing enquiries.

National Fraud Initiative
4.32 The National Fraud Initiative is a series of biennial exercises run by the Cabinet Office and Audit Scotland to identify or prevent fraud and error by matching electronic data held by public bodies. Participating bodies are required to investigate data discrepancies within a set timescale and report back on any savings.

4.33 Investigations are ongoing in relation to the 2022 exercise and a full report will be provided to the December meeting of the Audit Committee.

Benchmarking
4.34 In accordance with the Council's Strategic Improvement Framework, the Council's Internal Audit service continues to be part of a benchmarking group which involves seven other Councils.

4.35 Meetings will continue to take place during 2024 to review performance and identify other areas for sharing of best practice.

5. People Implications

5.1 There are no people implications.

6. Financial and Procurement Implications

6.1 The Corporate Fraud Team activity can result in actual recoveries, charges and re-billings. The total amount of actual recoveries, charges and re-billings identified for 2023/24 is £197,496.

6.2 There are no procurement implications arising from this report.

7. Risk Analysis

7.1 There is a risk that failure to deliver the Internal Audit Plan would result in an inability to provide a reasonable level of assurance over the Council's system of internal financial control to those charged with governance. The main basis for providing assurance is coverage of the planned risk-based audits. Every endeavour is made to ensure that no material slippage occurs in risk-based audits by concentrating resources on these audits.

8. Equalities Impact Assessment (EIA)

8.1 There are no direct equalities impacts arising from the report however where an agreed action results in a change in process this will be considered for equalities impact by the relevant service.

9. Consultation

9.1 This report has been subject to consultation with appropriate Chief Officers.

10. Strategic Assessment

10.1 This report relates to strong corporate governance.

....
Laurence Slavin
Chief Officer - Resources
Date: 12 August 2024

Person to Contact: Lesley McCabe, Lead Internal Auditor – Audit & Fraud
                                    E-mail: Lesley.McCabe@west-dunbarton.gov.uk

Appendices: 2023/24 Annual Audit Plan – Progress to 12 August 2024
                                    (Appendix 1)

                                    Status of Internal Audit Action Plans at 30 June 2024(Appendix
                                    2)

Internal Audit Reports - Copies available on request

Wards Affected: All wards

2023-24 Plan Audit/Status	Not Started	Planning	Fieldwork	Fieldwork Complete	Draft Report	Final Report	Date Reported to Audit Committee
Risk-Based Reviews							
Corporate Complaints		✓	✓	✓	✓	✓	February 2024
Participatory Budgeting		✓					December 2024
Supporting Employee Attendance		✓	✓	✓	✓	✓	June 2024
Commercial Waste		✓	✓	✓	✓		December 2024
FM Cleaning – Stock Control		✓	✓	✓	✓	✓	June 2024
FM Catering – Stock Control		✓	✓	✓	✓	✓	February 2024
Corporate Procurement		✓	✓	✓	✓	✓	September 2024
Value for Money Reviews							
Void Management		✓	✓				December 2024
Property Repairs and Maintenance		✓					December 2024
Limited Scope Financial System Reviews							
Debt Recovery		✓	✓	✓	✓	✓	September 2024
Project Assurance Review							
Learning Disability Service – Service Redesign	✓	Deferred to future audit plan as project not yet started.					
Regularity Audits							
Education CSA		✓	✓	✓	✓	✓	September 2024
Payroll High Earners – Quarterly Review		✓	✓	✓	✓		December 2024
HSCP - Imprest Accounts		✓	✓	✓	✓	✓	December 2023
Advisory Reviews							
UK Shared Prosperity Fund	Final Report June 2024 issued to management.						
Roads – Route Optimisation	No audit input required to date.						
Finance/HR Establishment Controls	Audit advice and support provided to working group.						
Other Work							
Integration Joint Board – Internal Audit Service	The internal audit annual plan for 2023/24 audit plan is almost complete with one review finalised and the other review at fieldwork stage.						
Valuation Joint Board – Internal Audit Service	Audit Follow Up completed.						
Leisure Trust – Internal Audit Service	Audit work complete and final report issued.						
National Fraud Initiative	Matches for the 2022/23 Exercise have been received and investigations are ongoing.						
2022/2023 Audit Plan C/f	Complete.						

**REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLANS
AT 30 June 2024**

Summary: **Section 1** **Summary of Management Actions due for completion by 30/06/2024**

There were 17 actions due for completion by 30 June 2024, 4 of which have been reported as completed by management and a revised dates for set for 12 and 1 action still to be advised.

Section 2 **Summary of Current Management Actions Plans at 31/03/2024**

At 31 March 2024 there were no audit reports delayed due to management not finalising the action plan within agreed timescales.

Section 3 **Current Management Actions at 30/06/2024**

At 30 June 2024 there were 27 current audit action points.

Section 4 **Analysis of Missed Deadlines**

At 30 June 2024 there were 13 audit action points where the agreed deadline has been missed.

Section 5 **Summary of Action Plan Points by Audit Year**

REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS
SUMMARY OF ACTION PLANS DUE FOR COMPLETION BY 30.06.2024

SECTION 1

Strategic Area	No. of Actions Due	No. of Actions Completed	Deadline missed Revised date set*	Deadline missed Revised Date to be set*
HSCP	6	2	4	
Citizen, Culture and Facilities	5		5	
Roads and Neighbourhood	6	2	4	
Total	**17**	**4**	**13**	

* These actions are included in the Analysis of Missed Deadlines – Section 4

2

SECTION 2

CURRENT ACTIONS BY STRATEGIC AREA

Roads and Neighbourhood	
Due for completion March 2025	5
Total Actions	**5**
HSCP - Health and Community Care	
Due for completion September 2024	3
Completion Date to be advised	1
Total Actions	**4**
Citizen, Culture and Facilities	
Due for completion August 2024	5
Due for completion September 2024	3
Completion Date to be advised	3
Total Actions	**11**
Education Learning and Attainment	
Due for completion March 2025	3
Total Actions	**3**
Regulatory & Regeneration	
Due for completion August 2024	1
Total Actions	**1**
Resources	
Due for completion December 2024	1
Total Actions	**1**
Housing and Employability	
Due for completion August 2024	1
Completion Date to be advised	1
Total Actions	**2**
Total current actions:	**27**

3

SECTION 3

Current Internal Audit Action Plans

Ⓟ Supplier Management (Report Issued March 2023)

Code	Agreed Action	Status	Original Due Date	Due Date	Assigned To	Managed By
IAAP/158	**HSCP Formal Contract and Supplier Management (Amber)** Development of a Contracts Register to be stored centrally and controlled by the CCQ Team. By the due date it will have been developed to include a risk register in RAG format to cover contract start date, end date, extension date, CI scores, spend status, Quality monitoring information. Risk register will also be used to programme in more to review services well ahead of contract end date.	⚠️	31-Dec-2023	30-Sep-2024	HSCP Head of Strategy and Transformation	Chief Officer HSCP Board

Ⓟ Occupational Therapy – Waiting Times (Report Issued April 2023)

Code	Agreed Action	Status	Original Due Date	Due Date	Assigned To	Managed By
IAAP/170 a	**Lack of capacity to manage current occupational therapy workloads (Red)** Recruitment to current vacant posts. Limitations apply: availability of suitable, appointable applicants plus national recruitment issue.	🛑	01-May-2023	To be advised	HSCP Head of Health and Community Care	Chief Officer HSCP Board

Ⓟ Fleet Management (Report Issued May 2023)

Code	Agreed Action	Status	Original Due Date	Due Date	Assigned To	Managed By
IAAP/176	**Adequacy of Strategic Planning in relation to Fleet Management (Amber)** An asset management plan for vehicle fleet will be developed based on the current budget for the vehicle replacement programme. The first plan will focus on priority vehicles which require to be replaced and then a rolling programme will be implemented.	⚠️	31-May-2024	31-Mar-2025	Chief Officer Roads and Neighbourhood	Chief Officer Roads and Neighbourhood
IAAP/178	**Lack of Review and Update of Fortress System (Amber)** An initial exercise will be undertaken to review and update the driver information held on Fortress through consultations. Half yearly review on an ongoing basis. Review of keys and allocation of a key to a specific vehicle will be implemented as part of the initial **exercise.**	⚠️	31-Dec-2023	31-Mar-2025	Chief Officer Roads and Neighbourhood	Chief Officer Roads and Neighbourhood

Status Key

▶️	On track	✅	Complete	
🛑	Overdue – update required	⚠️	Missed original due date –new date set	

4

SECTION 3

Code	Agreed Action	Status	Original Due Date	Due Date	Assigned To	Managed By
IAAP/179	**Lack of measuring of individual vehicle efficiency/Co2 emissions (Amber)** Management will further consider reporting of Co2 emissions as part of the net zero strategy and transition to electric vehicles. In relation to vehicle efficiency, as fuel efficiency is affected by individual driver style, management will consider whether driver information scores could be collated and provided to management to prioritise or target individual training.	⚠️	31-Oct-2024	31-Mar-2025	Chief Officer Roads and Neighbourhood	Chief Officer Roads and Neighbourhood
IAAP/180	**Single Person Dependency – Transport Administration (Amber)** Roles and responsibilities will be clarified and agreed for what is considered to be a service task and what is considered to be a Corporate Admin Support task. Relevant action to document procedures will then be taken. The service will consider developing the skills base of other officers within the wider service and undertake discussion with CAS management to ensure sufficient cross-training of required skills set within the wider CAS team.	⚠️	01-Apr-2024	31-Mar-2025	Chief Officer Roads and Neighbourhood	Chief Officer Roads and Neighbourhood

Ⓟ	**Facilities Management – Catering Stock Control (Report Issued January 2024)**

Code	Agreed Action	Status	Original Due Date	Due Date	Assigned To	Managed By
IAAP/204	**Lack of Documented Procedures (Amber)** A review of current procedures for dealing with stores management and stock control will be undertaken and fully documented. The procedural document will include the date of preparation, details of version control and will be approved by the Chief Officer. Any future updates to the procedures will be recorded within the version control data. Thereafter, the procedures will be distributed to all appropriate staff. Distribution will be recorded on a Document Distribution Record which will be signed by all staff members receiving a copy of the procedures. Training will be provided where any knowledge gaps are identified.	▶️	30-Sep-2024	30-Sep-2024	Facilities Manager	Chief Officer, Citizen, Culture and Facilities
IAAP/206	**Lack of Independent Check of Stock Check Documentation (Amber)** Management will ensure that an independent check of stock checks is carried out to ensure the completeness an accuracy of the stock check.	⚠️	30-Apr-2024	31-Aug-2024	Facilities Manager	Chief Officer, Citizen, Culture and Facilities

Status Key

▶️	On track	✅	Complete
🛑	Overdue – update required	⚠️	Missed original due date –new date set

SECTION 3

Code	Agreed Action	Status	Original Due Date	Due Date	Assigned To	Managed By
IAAP/208	**Lack of Independent Check of Stock Check Documentation (Amber)** Management will ensure that the integrity of the spreadsheets are maintained by protecting cells that contain formula and cells that relate to prices which the Food & Nutritionist Coordinator is only permitted to change/update.	▶	30-Apr-2024	31-Aug-2024	Facilities Manager	Chief Officer, Citizen, Culture and Facilities
IAAP/210	**Inadequate Process for Approval of Invoices (Amber)** Training will be provided to appropriate staff on the process of validating and approving invoices on the RBS Purchase Card System. Thereafter, invoices will be checked for validity at least on a sample basis before approving for payment. Should potential issues be identified, the sample size for checking will be increased.	▶	30-Apr-2024	31-Aug-2024	Facilities Manager	Chief Officer, Citizen, Culture and Facilities
IAAP/211	**Lack of checking Compliance with the Shopping List (Amber)** As part of the monthly service reviews carried out, Team Leaders and the new Compliance Officer will carry out a check of stock as standard to ensure that stock items are compliant with the Shopping List. This will be documented within the Onsite Service Review form and where any non compliant items are identified, this will be highlighted to management.	▶	30-Apr-2024	31-Aug-2024	Facilities Manager	Chief Officer, Citizen, Culture and Facilities
IAAP/212	**Lack of checking Compliance with the Shopping List (Amber)** In addition, where a check is carried out in respect of compliance with Food For Life, this will also be documented and any issues identified raised with management.	▶	30-Apr-2024	31-Aug-2024	Facilities Manager	Chief Officer, Citizen, Culture and Facilities

Ⓟ	**Facilities Management –Cleaning Stock Control (Report Issued January 2024)**

Code	Agreed Action	Status	Original Due Date	Due Date	Assigned To	Managed By
IAAP/218	**Stock Control Procedures/Guidance for Cleaning Materials (Amber)** Management will develop procedures to standardise the approach for cleaning supplies stock control and ensure compliance checks are carried out.	▶	31-Jul-2024	To be Advised	Facilities Officer and Compliance Team Leader	Chief Officer, Citizen, Culture and Facilities
IAAP/219	**Adequacy of Stock Checks (Amber)** Management will ensure an action plan is developed to include the implementation of stock and compliance checks are carried out on a monthly basis at each premise.	▶	31-Jul-2024	To be Advised	Facilities Officer	Chief Officer, Citizen, Culture and Facilities

Status Key

6

▶	On track	✅	Complete
🛑	Overdue – update required	⚠	Missed original due date –new date set

SECTION 3

Code	Agreed Action	Status	Original Due Date	Due Date	Assigned To	Managed By
IAAP/220	**Excessive Levels of Stock (Amber)** Management will ensure an action plan is developed to include setting a recommended stock holding of cleaning products at each of the premises and ensure compliance checks are carried out.	▶	31-Jul-2024	To be Advised	Facilities Officer and Compliance Team Leader	Chief Officer, Citizen, Culture and Facilities
IAAP/221	**Adequacy of Training (Amber)** Management will ensure an action plan is developed to include standard training guidance being delivered to all facilities staff responsible for cleaning stores & stock management, this will also include a consistent approach to the distribution and usage cleaning products. Attendance at this training will be compulsory for facilities staff responsible for cleaning stores & stock management and monitoring will take place at each establishment to ensure guidance received is being adhered to.	▶	30-Sep-2024	30-Sep-2024	Facilities Officer and Compliance Team Leader	Facilities Officer and Compliance Team Leader
IAAP/222	**Lack of Information on Flammable/Hazardous Products (Amber)** Management will ensure an action plan is developed to include guidance for storing, handling and recording / registering flammable/hazardous cleaning products at premises and ensure compliance checks are carried out.	▶	30-Sep-2024	30-Sep-2024	Facilities Officer and Compliance Team Leader	Chief Officer, Citizen, Culture and Facilities

Ⓟ	**Supporting Employee Attendance (Report Issued March 2024)**

Code	Agreed Action	Status	Original Due Date	Due Date	Assigned To	Managed By
IAAP/225	**Compliance Issues – HSCP Care at Home (Amber)** The management team is currently looking for the best way forward to be more compliant, there are currently a large number of competing demands and this requires some operational decisions to be made. A review of duties and process around absent management – including compliance with the policy is required. All management within Care at Home require further training in using the Workforce Console and will be put in place.	⚠	30-Jun-2024	30-Sept-2024	Integrated Operations Manager	Head of Health and Community Care

Status Key

7

▶	On track	✔	Complete
⬣	Overdue – update required	⚠	Missed original due date –new date set

SECTION 3

Code	Agreed Action	Status	Original Due Date	Due Date	Assigned To	Managed By
IAAP/227	**System Access Restrictions for Recording Absences – HSCP Residential Day Care (Amber)** The service have taken advice from HR connect on how to access HR21 system. The HR21 system will be piloted with a small staff group at Crosslet to ensure the process works and relevant action will then be taken to enable wider access/training.	▶	30-Jun-2024	30-Sep-2024	Integrated Operations Manager	Head of Health and Community Care
IAAP/228c	**Monitoring Compliance – Roads and Neighbourhood (Amber)** Refresher training for all managers with line management responsibility. Absence and Wellbeing to be highlighted at team meetings.	▶	31-May-2024	30-Sep-2024	Roads and Transportation Manager	Chief Officer – Roads and Neighbourhood

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Status Key

▶	On track	✓	Complete
⬢	Overdue – update required	⚠	Missed original due date –new date set

REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS
CURRENT ACTION PLANS AT 30.06.2024

SECTION 3

(P) **CSA Education Procedures (Report Issued May 2024)**

Code	Agreed Action	Status	Original Due Date	Due Date	Assigned To	Managed By
IAAP/231	**Adequacy of School Fund Procedures** A review of the procedures will be undertaken and updated to reflect up to date practice and provide sufficient guidance to staff involved in maintaining and managing school funds. A copy of the updated school fund procedures will be disseminated to Heads of establishments.	▶	31-Mar-2025	31-Mar-2025	Senior Education Officer	Chief Officer – Education, Learning and Attainment
IAAP/232	**School Fund Procedures Not Being Followed** Management will identify the tasks and processes within the current procedures which are still applicable and remind establishments that procedures should be followed until updated procedures are available.	▶	31-Mar-2025	31-Mar-2025	Senior Education Officer	Chief Officer – Education, Learning and Attainment
IAAP/233	**Adherence to Finance Procedures - Teacher Absence Cover** Management will ensure that all schools are using the cover spreadsheet as supplied by Finance in order to manage and monitor their school budgets. Arrange for additional/refresher training to Head Teachers and support staff in the correct application of coding of absence cover where required. Remind Head Teachers of the requirements of carrying out appropriate checks prior to the approval of timesheets on the Teacher Booker System. Consider running and reviewing reports from the Teacher Booker system to ensure schools are correctly coding absence cover at least on a sample basis.	▶	31-Mar-2025	31-Mar-2025	Senior Education Officer	Chief Officer – Education, Learning and Attainment

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Status Key

▶	On track	✓	Complete
⬟	Overdue – update required	⚠	Missed original due date –new date set

REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS
CURRENT ACTION PLANS AT 30.06.2024

SECTION 3

Ⓟ **Corporate Procurement below £10k (Report Issued June 2024)**

Code	Agreed Action	Status	Original Due Date	Due Date	Assigned To	Managed By
IAAP/235	**Procurement Awareness Training** Chief Officer, Regulatory & Regeneration is hoping to recruit to the vacant Procurement Manager post by early June 2024. The incoming Procurement Manager will be provided with the opportunity to agree the revised training and guidance.	▶	31-Aug-2024	31-Aug-2024	Chief Officer, Regulatory & Regeneration	Chief Officer, Regulatory & Regeneration

Ⓟ **UK Shared Prosperity Fund Assurance Review (Report Issued June 2024)**

Code	Agreed Action	Status	Original Due Date	Due Date	Assigned To	Managed By
IAAP/237	**Inadequate policies and procedures to support closure of the fund** Management are in regular discussions with Government officials about continuity of UKSP Funds. Should these discussions prove to be unsuccessful and there is no further funding from this source, WDC has a full set of HR policies relating to staff terms and conditions and processes for dealing with the loss of funding. We will begin to implement the appropriate course of action three months in advance of the fund closing.	▶	31-Dec-2024	31-Dec-2024	Chief Officer, Resources	Chief Executive
IAAP/238	**Shared Prosperity Fund Data Protection Issue** Management will ensure all staff involved in submission and approval of creditor payments to be advised that client names must not be submitted as a reference on payment requests, advising further that initials / reference –numbers may be used as an alternative.	⚠	31-May-2024	To be advised	Working4u Manager	Chief Officer - Housing and Employability
IAAP/239	**Financial Monitoring Review Procedures** Management will ensure, there is a formalised report introduced detailing the 20% of transactions reviewed on a quarterly basis by the Finance Officer.	▶	31-Aug-2024	31-Aug-2024	Working4u Manager	Chief Officer - Housing and Employability

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Status Key

▶	On track	✅	Complete
⬣	Overdue – update required	⚠	Missed original due date –new date set

SECTION 4

Report	Agreed Action	Original Due Date	Revised Date	Management Comments
Occupational Therapy – Waiting Times (April 2023)	**Lack of capacity to manage current occupational therapy workloads (Red)** Recruitment to current vacant posts. Limitations apply: availability of suitable, appointable applicants plus national recruitment issue.	01-May-2023	To be advised	A new Integrated Operations Manager has now been appointed and one of the priority areas identified will be to review the wider OT service across ACT/COPT. This is anticipated to be concluded by June 2024 as this work will require a service redesign process.
Supplier Management (March 2023)	**HSCP Formal Contract and Supplier Management (Amber)** Development of a Contracts Register to be stored centrally and controlled by the CCQ Team. By the due date it will have been developed to include a risk register in RAG format to cover contract start date, end date, extension date, CI scores, spend status, Quality monitoring information. Risk register will also be used to programme in more to review services well ahead of contract end date.	31-Dec-2023	30-Sep-2024	This works remains a key workstream for the HSCP however, a number of challenges and additional pressures on capacity have prevented the completion of this audit action by the due date including: • Development of the Commissioned Services report across all HSCP commissioned services (format agreed at the last Audit Committee). • Quality Improvement Framework– work is still ongoing. • Amalgamating supplier information from multiple sources in order to get a picture of all current suppliers. • Contracts requiring strategic review. • Contracts and Commissioner Officer started in post December 2023.
Fleet Management (May 2023)	**Adequacy of Strategic Planning in relation to Fleet Management (Amber)** An asset management plan for vehicle fleet will be developed based on the current budget for the vehicle replacement programme. The first plan will focus on priority vehicles which require to be replaced and then a rolling programme will be implemented.	01.04.2024	31.03.2024	This action is dependent on completion of the action plan to clarify and agree roles and responsibilities for what is considered to be a service task and what is considered to be a Corporate Admin Support task. Relevant action will then be taken.

Status Key

	On track	✓	Complete
	Overdue – update required		Missed original due date –new date set

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REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS
CURRENT ACTION PLANS AT 30.06.2024

SECTION 4

Report	Agreed Action	Original Due Date	Revised Date	Management Comments
Fleet Management (May 2023)	**Lack of Review and Update of Fortress System (Amber)** An initial exercise will be undertaken to review and update the driver information held on Fortress through consultations. Half yearly review on an ongoing basis. Review of keys and allocation of a key to a specific vehicle will be implemented as part of the initial exercise.	31-Dec-2023	31-Mar-2025	This action is dependent on completion of the action plan to clarify and agree roles and responsibilities for what is considered to be a service task and what is considered to be a Corporate Admin Support task. Relevant action will then be taken.
Fleet Management (May 2023)	**Single Person Dependency – Transport Administration (Amber)** Roles and responsibilities will be clarified and agreed for what is considered to be a service task and what is considered to be a Corporate Admin Support task. Relevant action to document procedures will then be taken. The service will consider developing the skills base of other officers within the wider service and undertake discussion with CAS management to ensure sufficient cross-training of required skills set within the wider CAS team.	01-Apr-2024	31-Mar-2025	The service will consider developing the skills base of other officers within the wider service and undertake discussion with CAS management to ensure sufficient cross-training of required skills set within the wider CAS team.
Facilities Management – Catering Stock Control (January 2024)	**Lack of Independent Check of Stock Check Documentation (Amber)** Management will ensure that the integrity of the spreadsheets are maintained by protecting cells that contain formula and cells that relate to prices which the Food & Nutritionist Coordinator is only permitted to change/update.	30-Apr-2024	31-Aug-2024	Due to long term absence revised date agreed.
Facilities Management – Catering Stock Control (January 2024)	**Lack of Independent Check of Stock Check Documentation (Amber)** Management will ensure that the integrity of the spreadsheets are maintained by protecting cells that contain formula and cells that relate to prices which the Food & Nutritionist Coordinator	30-Apr-2024	31-Aug-2024	Due to long term absence revised date agreed.

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Status Key

▶	On track	✓	Complete
⬣	Overdue – update required	⚠	Missed original due date –new date set

SECTION 4

Report	Agreed Action	Original Due Date	Revised Date	Management Comments
	is only permitted to change/update.			
Facilities Management – Catering Stock Control (January 2024)	**Lack of checking Compliance with the Shopping List (Amber)** **In addition, where a check is carried out in respect of compliance with Food For Life, this will also be documented and any issues identified raised with management.**	30-Apr-2024	31-Aug-2024	Due to long term absence revised date agreed.
Facilities Management – Catering Stock Control (January 2024)	**Inadequate Process for Approval of Invoices (Amber)** Training will be provided to appropriate staff on the process of validating and approving invoices on the RBS Purchase Card System. Thereafter, invoices will be checked for validity at least on a sample basis before approving for payment. Should potential issues be identified, the sample size for checking will be increased.	30-Apr-2024	31-Aug-2024	Due to long term absence revised date agreed.
Facilities Management – Catering Stock Control (January 2024)	**Lack of checking Compliance with the Shopping List (Amber)** As part of the monthly service reviews carried out, Team Leaders and the new Compliance Officer will carry out a check of stock as standard to ensure that stock items are compliant with the Shopping List. This will be documented within the Onsite Service Review form and where any non compliant items are identified, this will be highlighted to management.	30-Apr-2024	31-Aug-2024	Due to long term absence revised date agreed.
Supporting Employee Attendance (Report Issued March 2024	**Compliance Issues – HSCP Care at Home (Amber)** The management team is currently looking for the best way forward to be more compliant, there are currently a large number of competing demands and this requires some operational decisions to be made. A review of duties and process around absent	30-Jun-2024	30-Sep-2024	To Be Advised

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Status Key

▶	On track	✓	Complete
⬢	Overdue – update required	⚠	Missed original due date –new date set

SECTION 4

Report	Agreed Action	Original Due Date	Revised Date	Management Comments
	management – including compliance with the policy is required. All management within Care at Home require further training in using the Workforce Console and will be put in place.			
Supporting Employee Attendance (Report Issued March 2024	**System Access Restrictions for Recording Absences – HSCP Residential Day Care (Amber)** The service have taken advice from HR connect on how to access HR21 system. The HR21 system will be piloted with a small staff group at Crosslet to ensure the process works and relevant action will then be taken to enable wider access/training.	30-Jun-2024	30-Sep-2024	To Be Advised
Supporting Employee Attendance (Report Issued March 2024)	**Monitoring Compliance – Roads and Neighbourhood (Amber)** Refresher training for all managers with line management responsibility. Absence and Wellbeing to be highlighted at team meetings.	31-May-2024	30-Sep-2024	To be advised

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Status Key

▶	On track	✓	Complete
⬣	Overdue – update required	⚠	Missed original due date –new date set

Status at 30 June 2024

Audit Year	No of Agreed Actions	No of actions complete	Current actions by Grade		
			Red	Amber	Green*
2020/2021	25	25	0	0	0
2021/2022	51	50	0	0	1
2022/2023	51	41	1	6	3
2023/2024	56	27	0	20	9
Total	**183**	**143**	**1**	**26**	**13**

* Green actions are within the Council's risk appetite and are therefore not included in Audit Committee reports.

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Officer - Resources

Audit Committee: 4 September 2024

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Subject: Forvis Mazars - 2023/24 Annual Audit Plan

1.   PURPOSE

1.1   To present the Forvis Mazars Annual Audit Plan for the year ending March 2024 to Committee for information.

2.   RECOMMENDATIONS

2.1   Members are asked to note the 2023/24 Forvis Mazars Annual Audit Plan.

3.   BACKGROUND

3.1   Forvis Mazars (the Council's external auditors) have produced their 2023/24 Annual Audit Plan which provides an overview of their audit scope, approach, timescales, the significant risks they have identified through their audit planning process, the audit fee and describes the outputs the Council can expect to receive. The Annual Audit Plan is appended to this report for noting.

4.   MAIN ISSUES

4.1   Forvis Mazars are the Council's appointed external auditors with 2023/24 being the second year of their five year appointment. They have completed the audit planning phase of their audit approach and issued the Council's 2023/24 Annual Audit Plan.

4.2   Forvis Mazars's audit timeline is set out on page 12 of the Plan and indicates a targeted completion of the audit in January-February 2025. This will mean the Council will not be able to sign off the 2023/24 financial statements by the statutory deadline.

Similar to the delayed 2022/23 audit, an external audit process which is significantly delayed creates issues for the Council including capacity issues for officers, missing deadlines for other statutory returns, and reducing the time finance staff can commit to the annual budget process, budget monitoring and providing support to services. If the audit process is delayed beyond February 2025 this will create further pressures at year end when finance staff need to close the 2024/25 accounts.

Audit of Financial Statements

4.3 Page 15 of the Plan sets out the Council's group account components and the scope of work Forvis Mazars will perform in relation to the group components.

4.4 Pages 18-22 set out what Forvis Mazars have identified as the key risks that are relevant to the Council's financial statements and their planned response. There are three identified risks:

- Management override of controls
- Valuation of Property, Plant and Equipment
- Valuation of the net defined pension liability/surplus

It should be noted that these three risks will feature in the audit plans of most, if not all, local authorities).

Wider Scope and Best Value Audit

4.5 At least once every five years, the Controller of Audit will report to the Accounts Commission on the Council's performance in meeting its Best Value duties. The Council was included in the first year of the programme which ran from October 2023 to August 2024 and was subject to a specific report to Council.

4.6 The Code of Audit Practice also requires areas of significant audit risk to be considered as part of wider scope audit work. These are set out on pages 26-28 of the Audit Plan including the planned procedures Forvis Mazars intend to carry out as part of their audit work. They focus on:

- Financial sustainability
- Leadership
- Statutory Performance Indicator 2

Audit Fee

4.7 The 2023/24 audit fee is set out on page 30 of the Plan. They are set at £335,010 for the Council which is a £18,950 increase (6%) on the 2022/23 audit fee. Agreement is still required on the fee to audit the Council's charitable trusts (which is funded by the Council), it was £6,500 in 2022/23.

4.8 Representatives of the Forvis Mazars audit team will be in attendance at the Committee to present the report and answer any questions.

5. PEOPLE IMPLICATIONS

5.1 There are no personnel issues.

6. FINANCIAL AND PROCUREMENT IMPLICATIONS

6.1   The total Council fee of £335,010 compares to £316,060 for 2022/23. The Trust Fund fee (still to be agreed) is also funded by the Council.

6.2   There are no direct procurement implications arising from this report.

7.   RISK ANALYSIS

7.1   Mazar's assessment of the risks facing the Council is detailed within their audit strategy memorandum. An additional internal risk assessment was not required.

8.   EQUALITIES IMPACT ASSESSMENT (EIA)

8.1   There are no EIA issues.

9.   CONSULTATION

9.1   The report has been subject to consultation with appropriate Chief Officers.

10.   STRATEGIC ASSESSMENT

10.1   This report relates to all of the Council's Strategic Priorities.

Laurence Slavin
Chief Officer - Resources
Date: 15 August 2024

Person to Contact: Laurence Slavin, Chief Officer - Resources
Email: laurence.slavin@west-dunbarton.gov.uk

Appendices:

Appendix 1 – Forvis Mazars's 2023/24 Annual Audit Plan

Annual Audit Plan
West Dunbartonshire Council – Year ending 31 March 2024

August 2024

forvis mazars

Dear Audit Committee Members,

Annual Audit Plan – Year ending 31 March 2024

We are pleased to present our Annual Audit Plan for West Dunbartonshire Council for the year ending 31 March 2024. The purpose of this document is to summarise our audit approach, highlight significant audit risks and areas of key judgements and provide you with the details of our audit team. As it is a fundamental requirement that an auditor is, and is seen to be, independent of its clients, section 7 of this document also summarises our considerations and conclusions on our independence as auditors. We consider two-way communication with you to be key to a successful audit and important in:

- reaching a mutual understanding of the scope of the audit and the responsibilities of each of us;

- sharing information to assist each of us to fulfil our respective responsibilities;

- providing you with constructive observations arising from the audit process; and

- ensuring that we, as external auditors, gain an understanding of your attitude and views in respect of the internal and external operational, financial, compliance and other risks facing West Dunbartonshire Council which may affect the audit, including the likelihood of those risks materialising and how they are monitored and managed.

With that in mind, we see this document, which has been prepared following our initial planning discussions with management, as being the basis for a discussion around our audit approach, any questions, concerns or input you may have on our approach or role as auditor. This document also contains an appendix that outlines our key communications with you during the course of the audit and forthcoming accounting issues and other issues that may be of interest to you.

Providing a high-quality service is extremely important to us and we strive to provide technical excellence with the highest level of service quality, together with continuous improvement to exceed your expectations. If you have any concerns or comments about this report or our audit approach, please contact me on 07816 354 994 or via tom.reid@mazars.co.uk.

Yours faithfully,

T. Reid

Tom Reid (Audit Director)

Forvis Mazars

forvis mazars

3

01

Engagement and responsibilities summary

Overview of engagement

We are appointed to perform the external audit of West Dunbartonshire Council (the Council) for the year to 31 March 2024. The scope of our engagement is set out in the Code of Audit Practice, issued by the Auditor General and the Accounts Commission available from the Audit Scotland website: **Code of audit practice | Audit Scotland (audit-scotland.gov.uk)**. Our responsibilities are principally derived from the Local Government (Scotland) Act 1973 (the 1973 Act) and the Code of Audit Practice, as outlined below and overleaf.

Engagement area	Responsibilities
Audit opinion	We are responsible for forming and expressing an independent opinion on whether the financial statements are prepared, in all material respects, in accordance with all applicable statutory requirements. Our audit does not relieve management or The Audit Committee as Those Charged With Governance, of their responsibilities.
	The Chief Finance Officer is responsible for the assessment of whether is it appropriate for the Council to prepare its accounts on a going concern basis. As auditors, we are required to obtain sufficient appropriate audit evidence regarding, and conclude on:
	a) whether a material uncertainty related to going concern exists; and
	b) consider the appropriateness of the Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements.
Internal control	Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
	We are responsible for obtaining an understanding of internal control relevant to our audit and the preparation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Council's internal control.

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Overview of engagement (continued)

Engagement area	Responsibilities
⚠ Fraud	The responsibility for safeguarding assets and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with both Those Charged With Governance and management. This includes establishing and maintaining internal controls over compliance with relevant laws and regulations, and the reliability of financial reporting. As part of our audit procedures in relation to fraud we are required to enquire of those charged with governance, including key management and Internal audit as to their knowledge of instances of fraud, the risk of fraud and their views on internal controls that mitigate the fraud risks. In accordance with International Standards on Auditing (UK), we plan and perform our audit so as to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. However, our audit should not be relied upon to identify all such misstatements.
Wider reporting	We report to the National Audit Office on the consistency of the Council's financial statements with its Whole of Government Accounts (WGA) submission. The level of auditor assurance required depends on monetary thresholds set by HM Treasury.
Wider scope and Best Value	We are also responsible for reviewing and reporting on the wider scope arrangements that the Council has in place and its arrangements to secure Best Value. We discuss our approach to wider scope and Best Value work further in section 5 of this report.

forvis mazars

02

Your audit engagement team

Your audit team

Tom Reid

Engagement Director

Tom.reid@mazars.co.uk

07816 354 994

Caleb Oguche

Engagement Manager

caleb.oguche@mazars.co.uk

0797 412 4504

Bongie Alam

Team Lead

bongie.alam@mazars.co.uk

0789 098 8687

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03

Audit scope, approach, and timeline

Audit scope, approach, and timeline

Audit scope

Our audit approach is designed to provide an audit that complies with all professional requirements.

Our audit of the financial statements will be conducted in accordance with International Standards on Auditing (UK), relevant ethical and professional standards, our own audit approach and in accordance with the terms of our engagement. Our work is focused on those aspects of your activities which we consider to have a higher risk of material misstatement, such as those impacted by management judgement and estimation, application of new accounting standards, changes of accounting policy, changes to operations or areas which have been found to contain material errors in the past.

Audit approach

Our audit approach is risk-based, and the nature, extent, and timing of our audit procedures are primarily driven by the areas of the financial statements we consider to be more susceptible to material misstatement. Following our risk assessment where we assess the inherent risk factors (subjectivity, complexity, uncertainty, change and susceptibility to misstatement due to management bias or fraud) to aid in our risk assessment, we develop our audit strategy and design audit procedures to respond to the risks we have identified.

If we conclude that appropriately-designed controls are in place, we may plan to test and rely on those controls. If we decide controls are not appropriately designed, or we decide that it would be more efficient to do so, we may take a wholly substantive approach to our audit testing where, in our professional judgement, substantive procedures alone will provide sufficient appropriate audit evidence. Substantive procedures are audit procedures designed to detect material misstatements at the assertion level and comprise tests of detail (of classes of transaction, account balances, and disclosures), and substantive analytical procedures. Irrespective of our assessed risks of material misstatement, which takes account of our evaluation of the operating effectiveness of controls, we are required to design and perform substantive procedures for each material class of transaction, account balance, and disclosure.

Our audit will be planned and performed so as to provide reasonable assurance that the financial statements are free from material misstatement and give a true and fair view. The concept of materiality and how we define a misstatement is explained in more detail in section 8.

The diagram on the next page outlines the procedures we perform at the different stages of the audit.

forvis
mazars

Risk-based approach

Understand the Council/group, its business, and the environment in which it operates (including IT environment)

Plan our audit, including determining materiality and identifying significant components

Form our audit conclusion based on our audit findings

Professional scepticism

Perform our risk assessment to identify risks of material misstatement, including significant risks

Perform planned procedures and evaluate findings and, where necessary, review the appropriateness and sufficiency of the scope of our audit

Respond to our identified risks by designing appropriate and sufficient audit procedures

forv/s mazars

Audit scope, approach, and timeline

Planning and risk assessment
July 2024

- Planning our visit and developing our understanding of the Council
- Initial opinion and value for money risk assessments
- Risk identification and assessment
- Considering proposed accounting treatments and accounting policies
- Developing the audit strategy and planning the audit work to be performed
- Agreeing timetable and deadlines
- Risk assessment analytical procedures
- Determination of materiality

Interim
August – September 2024

- Updating understanding of key business processes
- Performing walkthroughs
- Testing including tests of IT general controls
- Reassessment of audit plan and revision if necessary
- Quality review of draft Financial statements

Fieldwork
September – December 2024

- Subsequent receiving and reviewing of updated draft financial statements
- Delivering our audit strategy starting with significant risks and high-risk areas including detailed testing of transactions, account balances and disclosures
- Detailed work to examine and assess arrangements in relation to any significant risks relating to the value for money conclusion
- Communicating progress and issues
- Clearance meeting

Completion
January – February 2025

- Final review and disclosure checklist of financial statements
- Final engagement director review
- Agreeing content of letter of representation
- Reporting to the Audit Committee and Council
- Reviewing subsequent events
- Signing the independent auditor's report

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Audit scope, approach, and timeline (continued)

Audit timeline

We stated in Section 2 of the involvement of Forvis Mazars internal expert for our audit. We have set out below the protocols implemented, and the effect on our timelines.

Forvis Mazars Real Estate Valuation team

- Planned review date: 2 to 13 September 2024
- Planned reporting date: 24 September 2024
- Valuation report and supporting schedules required from the Council:23 August 2024

Reliance on internal audit

Where possible we will seek to utilise the work performed by internal audit to modify the nature, extent and timing of our audit procedures. We will meet with internal audit to discuss the progress and findings of their work prior to the commencement of our controls evaluation procedures.

Where we intend to rely on the work of internal audit, we will evaluate the work performed by your internal audit team and perform our own audit procedures to determine its adequacy for our audit.

We do not intend to rely on the work of internal audit. However, we will review relevant reports issued by internal audit and consider findings as part of our risk assessment and wider scope audit work.

Service organisations

International Auditing Standards (UK) (ISAs) define service organisations as third party organisations that provide services to the Council that are part of its information systems relevant to financial reporting. We are required to obtain an understanding of the services provided by service organisations as well as evaluating the design and implementation of controls over those services. We have not identified any relevant service organisations.

Management's experts and our experts

Management makes use of experts in specific areas when preparing the Council's financial statements. We also use experts to assist us to obtain sufficient appropriate audit evidence on specific items of account.

Item of Account	Management's expert	Our expert
Net Defined benefit liability	Hymans Robertson	We make use of PwC actuarial services who are commissioned by the National Audit Office to review the national analysis of pension trends and assumptions of the various Local Government Pension Scheme actuaries.
Property, plant and equipment valuation	Gerald Eve (External property valuers)	We will review the analysis of property valuation movements available from third parties and consider the outcome of the Council's valuations in comparison with these, challenging conclusions as appropriate. We have also engaged the Forvis Mazars Property Valuation team to assist in our valuations work, including a review the Council's valuation methodology.
Financial instruments disclosures	Link Asset Services	No expert required.

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Group audit approach

The scope of our audit is based on an analysis of the risks we have identified at the group level. When scoping our audit, we have considered quantitative criteria (the contribution of the group's consolidated components to the group financial statements) and qualitative criteria (risks of material misstatement that consolidated components may present individually). A further analysis will be performed on the other entities to verify they do not present any other risks. Where necessary, we will include some of these subsidiaries in our audit scope.

The nature and extent of audit work we plan to perform on the consolidated components is set out below.

Entity	Identifier	%	Location	Auditor	Scope
West Dunbartonshire Council (Parent)	Parent – local authority	98	Dumbarton	Forvis Mazars LLP	Full scope audit
West Dunbartonshire Leisure Trust	A 100% subsidiary that provides leisure facilities within the West Dunbartonshire area to the general public and operates sports centres, leisure centres, swimming pools, halls and community education centres owned by the Council.	2	Alexandria	Wylie & Bisset	Specific review- Retirement benefit scheme asset/(liability)
Clydebank Property Company	A 100% subsidiary company of the Council that specialises in commercial letting.	-	Clydebank	Azets	Analytical procedures
West Dunbartonshire Energy Limited Liability Partnership	A 99.9% subsidiary company established in April 2021 and was Scotland's first large-scale water source heat pump district heating scheme.	-	Dumbarton	Azets	Analytical procedures
Dumbarton Common Good	Subsidiary administered by the Council	-	Dumbarton	Forvis Mazars LLP	Analytical procedures
Trust Funds	Subsidiary administered by the Council	-	Dumbarton	Forvis Mazars LLP	Analytical Procedures
Dunbartonshire and Argyll and Bute Valuation Joint Board	Associate responsible for the maintenance of the electoral, council tax and non-domestic rates registers for Argyll and Bute, West Dunbartonshire and East Dunbartonshire Councils. The Council contributed towards 28.08% of the VJB running costs in 2023/24.	-	Dumbarton	Forvis Mazars LLP	Analytical Procedures
The West Dunbartonshire Health & Social Care Partnership	Joint Venture between the Council and NHS Greater Glasgow and Clyde with responsibility for health and social care functions.	-	Dumbarton	Forvis Mazars LLP	Analytical procedures

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Audit scope, approach, and timeline (continued)

Audit of trusts registered as Scottish charities

The Charities Accounts (Scotland) Regulations 2006 outline the accounting and auditing requirements for charitable bodies. The 2006 Regulations require charities to prepare annual accounts and an auditor to prepare a report to the charity trustees where any legislation requires an audit.

The Local Government (Scotland) Act 1973 specifies the audit requirements for any trust fund where some or all members of a Council are the sole trustees. Therefore, a full and separate audit and independent auditor's report is required for each registered charity where members of the Council are sole trustees.

Members of the Council are the sole trustees for West Dunbartonshire trust funds registered as Scottish charities, with total assets of £268,441 at 31 March 2024. The preparation and audit of financial statements of registered charities is regulated by the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

We have not identified any significant risks, other than the risk of management override of controls which we have also identified as a risk for the Council's annual accounts, for the financial statements of the Council's charitable trusts.

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04

Significant risks and other key judgement areas

Significant risks and other key judgement areas

Following the risk assessment approach discussed in section 3 of this document, we have identified risks relevant to the audit of financial statements. The risks that we identify are categorised as significant, enhanced or standard. The definitions of the level of risk rating are given below:

Significant risk
A risk that is assessed as being at or close to the upper end of the spectrum of inherent risk, based on a combination of the likelihood of a misstatement occurring and the magnitude of any potential misstatement. A fraud risk is always assessed as a significant risk (as required by auditing standards), including management override of controls and revenue recognition.

Enhanced risk
An area with an elevated risk of material misstatement at the assertion level, other than a significant risk, based on factors/ information inherent to that area. Enhanced risks require additional consideration but do not rise to the level of a significant risk. These include but are not limited to:

- Key areas of management judgement and estimation uncertainty, including accounting estimates related to material classes of transaction, account balances, and disclosures but which are not considered to give rise to a significant risk of material misstatement; and

- Risks relating to other assertions and arising from significant events or transactions that occurred during the period.
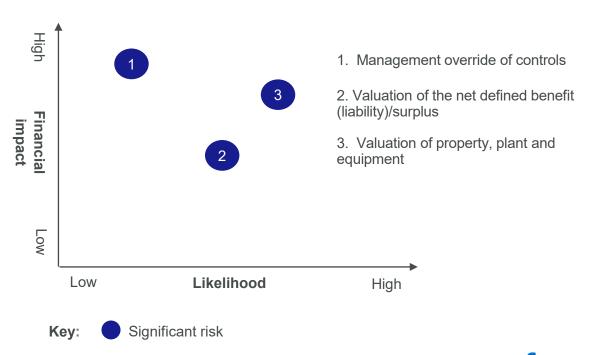
Standard risk
A risk related to assertions over classes of transaction, account balances, and disclosures that are relatively routine, non-complex, tend to be subject to systematic processing, and require little or no management judgement/ estimation. Although it is considered that there is a risk of material misstatement, there are no elevated or special factors related to the

nature of the financial statement area, the likely magnitude of potential misstatements, or the likelihood of a risk occurring.

Summary risk assessment
The summary risk assessment, illustrated in the table below, highlights those risks which we deem to be significant and other enhanced risks in respect of the Council. We have summarised our audit response to these risks on the next page.

1. Management override of controls

2. Valuation of the net defined benefit (liability)/surplus

3. Valuation of property, plant and equipment

Key: ● Significant risk

Significant risks and other key judgement areas (continued)

	Description	Fraud	Error	Judgement	Planned response
1	**Management override of controls** This is a mandatory significant risk on all audits due to the unpredictable way in which such override could occur. Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur there is a risk of material misstatement due to fraud on all audits.	Yes	No	Yes	We plan to address the management override of controls risk through performing audit work over accounting estimates, journal entries and significant transactions outside the normal course of business or otherwise unusual. We will address the risk through performing audit procedures covering a range of areas including (but not limited to): • accounting estimates included in the financial statements for evidence of management bias; • any significant transactions outside the normal course of business; and • journals and other adjustments recorded in the general ledger in preparing the financial statements.

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Significant risks and other key judgement areas (continued)

	Description	Fraud	Error	Judgement	Planned response
2	**Valuation of the net defined benefit (liability)/surplus** The Council's net defined benefit liability was £21 million as at 31 March 2024. Estimation of the net pension asset or liability depends on several complex judgements which are sensitive to changes. These include the discount rate used, the rate at which salaries are predicted to increase, inflation rates and life expectancy. Due to the high degree of estimation uncertainty associated with the valuations, we have determined there is a significant risk in this area.	No	Yes	Yes	We will address this risk by reviewing the controls that the Council has in place over the information sent to the Scheme Actuary by the fund administrators (Strathclyde Pension Fund). We will : • challenge the reasonableness of the Actuary's assumptions that underpin the relevant entries made in the financial statements; • critically assess the competency, objectivity and independence of the Actuary; • liaise with the auditors of the Pension Fund to gain assurance that the overall procedures and controls in place at the Pension Fund are operating effectively; • compare assumptions to expected ranges; • review the accuracy and completeness of the membership data used by the actuary in preparation of the Actuary's valuation report; and • agree data in the Actuary's valuation report for accounting purposes to the relevant accounting entries and disclosures in the Council's financial statements.

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Significant risks and other key judgement areas (continued)

	Description	Fraud	Error	Judgement	Planned response
3	**Valuation of property, plant and equipment** The Council held land and buildings (including council dwellings) with a net book value of £1.2 billion at 31 March 2024. The Council has adopted a rolling revaluation model which sees other land and buildings revalued over a five-year cycle. This may result in individual assets not being revalued for several years. This creates a risk that the carrying value of those assets that have not been revalued in year is materially different from the year end value recorded in the annual accounts. Valuations are based on specialist and management assumptions and changes in these can result in material changes to valuations. Due to the high degree of estimation uncertainty associated with valuations, we have determined there is a significant risk of material misstatement in this area.	No	Yes	Yes	We will address this risk through: • assessing the scope and terms of engagement with the Valuer; • assessing the competence, skills and objectivity of the Valuer; • assessing how management use the Valuer's report to value land and buildings included in the financial statements; • testing the accuracy of the data used in valuations; • challenging the Council and Valuer's assumptions and judgements applied in the valuations; • reviewing the valuation methodology used, including the appropriateness of the valuation basis; • considering the reasonableness of the valuation by comparing the valuation output with market intelligence; • testing a sample of revaluations in the year, by agreeing the revaluations recorded in the Annual Accounts to the Valuer's reports. As part of this testing, we will check whether the movements have been accounted for in accordance with the Code; • challenging management's assessment for those assets not subject to valuation in the year; • checking market movements to assess the materiality of potential movement for 2023/24 for those valued on Existing Use Value on a market comparable basis; and • for those valued on a Depreciated Replacement Cost basis, which would be impacted by changes in build costs during the year, we will test management's analysis of changes in the Build Costs Information Service (BCIS) index and assess any decisions management make in this regard. We will engage the Forvis Mazars Real Estate Valuation Team to assist us with the above.

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Significant risks and other key judgement areas (continued)

has knowledge of, the following matters:

In accordance with ISA (UK) 260 *Communication with Those Charged with Governance*, we are required to communicate certain matters to The Audit Committee which include, but are not limited to, significant difficulties, if any, that are encountered during our audit. Such difficulties may include matters such as:

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05

Wider scope and Best Value

Wider scope and Best Value

Financial management	Financial management means having sound budgetary processes. Audited bodies require the ability to understand the financial environment and whether internal controls are operating effectively. Auditors consider whether the body has effective arrangements to secure sound financial management.

Vision, leadership and governance	Audited bodies must have a clear vision and strategy, and set priorities for improvement within this vision and strategy. They work together with partners and communities to improve outcomes and foster a culture of innovation. Auditors consider the clarity of plans to implement the vision, strategy and priorities adopted by the leaders of the audited body. They also consider the effectiveness of governance arrangements for delivery.

Financial sustainability	Financial sustainability means being able to meet the needs of the present without compromising the ability of future generations to meet their own needs. Auditors consider the extent to which audited bodies have shown regard to financial sustainability. They look ahead to the medium term (two to five years) and longer term (over five years) to consider whether the body is planning effectively so that it can continue to deliver services.

Use of resources to improve outcomes	Audited bodies need to make best use of their resources to meet stated outcomes and improvement objectives, through effective planning and working with strategic partners and communities. Auditors consider the clarity of the arrangements in place to ensure that resources are deployed to improve strategic outcomes, meet the needs of service users taking account of equalities, and deliver continuous improvements in priority services.

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Wider scope and Best Value (continued)

Wider scope risks

The Code of Audit Practice requires us to consider the significant audit risks in areas defined in the Code as the wider scope audit.

The table below outlines the risks of significant weaknesses in arrangements that we have identified to date. We will report any further identified risks in our Annual Audit Report.

	Description	Financial management	Financial sustainability	Vision, leadership and governance	Use of resources to improve outcomes	Planned procedures
1	**Financial sustainability** The council forecasts cumulative budget gaps rising from £9.2 million in 2025/26 to £51 million in 2029/30. This is a potential risk to its financial sustainability, and its ability to maintain its services for the people of West Dunbartonshire.	No	Yes	No	No	As part of our audit we will review the Council's: • financial strategy; • financial position and track record in delivering planned recurrent and non-recurrent savings in 2023/24; • financial performance in 2024/25 and updates to its financial planning during the year, including the implications for general reserves balances; • regular reporting to Members on financial performance, savings plans and financial risks; • progress in developing plans to address future years budget gaps.

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Our work to follow-up on previous recommendations

As part of our 2022/23 audit, we identified risks in the Council's arrangements. The table below sets out the risks identified, our previous recommendations and the work we intend to carry out as part of our 2023/24 audit

| Previously identified risks in arrangements	Relevant reporting criteria	Our 2022/23 recommendations	Planned procedures for 2023/24
Leadership The Council's Chief Executive and Council Leader have a good working relationship and meet regularly. The Chief Executive, Leader and chief officers have weekly meetings covering areas including the Council's finances, emerging issues and communications. They also have monthly or bi-monthly meetings focused on performance and transformation. Officers and administration elected members worked together to develop a strategic plan with clear priorities, objectives, and measures of success. The cost-of-living working group is another example of elected members (including opposition councillors) and officers collaborating to make decisions that benefit the community. The number of chief officers reduced by 0.5 full time equivalent in 2023. The Chief Executive reviewed the organisational structure at chief officer level. Following this review, the Council agreed a new organisational structure with the remaining senior officers all taking on additional responsibilities. There is a risk that the new structure could impact on the capacity of the leadership team with chief officers having a wide range of duties. The Council is using its new structure to ensure services are better aligned. It hopes this will create efficiencies and increase chief officer capacity by encouraging services to work more closely together. The council should continue to review the capacity of its leadership team to deliver its strategic priorities and objectives.	Vision, leadership and governance	The Council should review whether its leadership team has sufficient capacity to deliver its strategic priorities and objectives. **Management Response:** The Chief Executive carried out an extensive review in June 2023 prior to the revised structure being presented to Committee. This included consultation with all Chief Officers and the Council administration. The review considered capacity, revised workloads and which services would work best within the same Chief Officer area to enable the Council to achieve its strategic objectives. As with any senior structure it will be kept under review however it is considered premature to undertake a more formal review until the structure has been in place for sufficient time to test the new arrangements. Accordingly we agree that a review is appropriate in the timescale indicated.	We will review the outcome of the Chief Executive's review.

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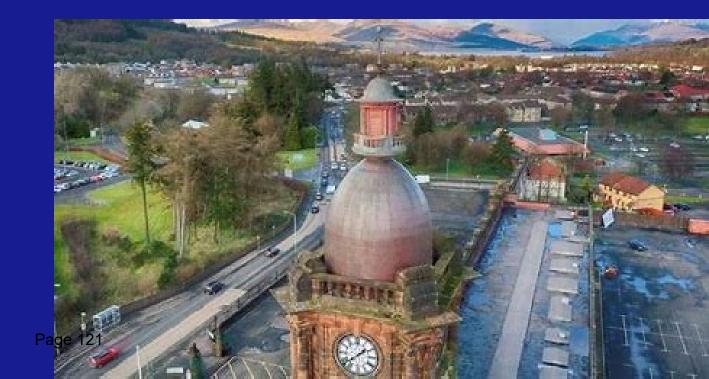
Our work to follow-up on previous recommendations (continued)

Previously identified risks in arrangements	Relevant reporting criteria	Our 2022/23 recommendations	Planned procedures for 2023/24
Statutory Performance Indicator 2: Demonstrating Best Value SPI 2 requires a council to report its own assessment and audit, scrutiny and inspection body assessments of how it is performing against its duty of Best Value, and how it has responded to these assessments. The Council's website includes a section on external audit and inspection reports with links to where reports can be found. School information webpages also have links to inspection reports and performance information. The Council's website does not include information on how it has responded to assessments made by audit, scrutiny and inspection bodies. Officers have agreed to update the education webpages to integrate the West Dunbartonshire improvement framework, school performance statistics, school inspection reports, standards and quality reports, and school improvement plans. The Council will also publish information on how it is responding to external assessments across its services. The Council publishes its performance against its duty of Best Value through reporting against its strategic plan objective, "Our Council is adaptable and focused on delivering best value for our residents". The Council monitors and reports progress and performance through the annual performance report and service annual delivery plans.	Service improvement and reporting	**SPI 2: Demonstrating Best Value (Level 2)** **Risk** – The Council does not fully comply with the requirements of SPI 2. **Recommendation** – The Council should ensure it publishes details of how it has responded to external audit and inspection reports. **Management's response** – Going forward external inspection reports and correlating action/school improvement plans will be published on the individual service pages of the Council website. This information will also be highlighted on the performance pages of the website. **Responsible officer** – Chief Officer Citizen Culture & Facilities **Implementation date** – 1 April 2024	We will review the council's compliance with SPI 2.

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06

Audit fees and other services

Audit fees and other services

the year ended 31 March 2024 is outlined below.

Fees for work as the Council's appointed auditor

We are proposing a divergence from the expected fees set by Audit Scotland based on planned additional pensions testing, explained further below. The expected fees set by Audit Scotland are available on the website: **Audit Scotland expected fees for 2023/24 audits**.

Area of work	2023/24 Proposed Fee	2022/23 Actual Fee
Auditor remuneration	£265,740	£250,450
Pooled costs	£9,680	£0
Contribution to PABV costs	£67,130	£60,670
Audit support costs	£0	£9,500
Sectoral cap adjustment	(£7,270)	(£4,560)
Additional fees for the audit of net defined benefit liability/surplus. We are required to perform additional audit procedures as this is a significant risk area. This includes membership data testing to reflect that the 2023/24 pension liability/surplus will be based on the latest triennial pension fund valuation.	£4,208	£0
Total fee	**£335,010**	**£316,060**

We have not provided any non-audit services to Council during the year.

Fees for work as the Charitable Trusts' appointed auditor

Our proposed fee for the audit of the Charitable Trusts is to be confirmed and agreed with management (2022/23 fee was £6,500). We have not provided any non-audit services to the Charitable Trusts in 2023/24.

Services provided to other entities within the Council's group

We provide audit services to the following group entities;

- West Dunbartonshire Integration Joint Board with a total fee of £33,360 (2022/23 fee was £31,470)
- Dunbartonshire and Argyle and Bute Valuation Joint Board with a total fee of £9,320 (2022/23 fee was £8,790).

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07

Confirmation of our independence

Confirmation of our independence

	Area	Description
	Requirements	We comply with the International Code of Ethics for Professional Accountants, including International Independence Standards issued by the International Ethics Standards Board for Accountants together with the ethical requirements that are relevant to our audit of the financial statements in the UK reflected in the ICAEW Code of Ethics and the FRC Ethical Standard 2019.
	Compliance	We are not aware of any relationship between Forvis Mazars and West Dunbartonshire Council that, in our professional judgement, may reasonably be thought to impair our independence. We are independent of West Dunbartonshire Council and have fulfilled our independence and ethical responsibilities in accordance with the requirements applicable to our audit.
	Non-audit and Audit fees	We have set out a summary of any non-audit services provided by Forvis Mazars (with related fees) to West Dunbartonshire Council in Section 6, together with our audit fees and independence assessment.

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Confirmation of our independence (continued)

We are committed to independence and confirm that we comply with the FRC's Ethical Standard. In addition, we have set out in this section any matters or relationships we believe may have a bearing on our independence or the objectivity of our audit team.

Based on the information provided by you and our own internal procedures to safeguard our independence as auditors, we confirm that in our professional judgement there are no relationships between us and any of our related or subsidiary entities, and you and your related entities, that create any unacceptable threats to our independence within the regulatory or professional requirements governing us as your auditors.

We have policies and procedures in place that are designed to ensure that we carry out our work with integrity, objectivity, and independence. These policies include:
- All partners and staff are required to complete an annual independence declaration.
- All new partners and staff are required to complete an independence confirmation and complete annual ethical training.
- Rotation policies covering audit engagement partners and other key members of the audit team.
- Use by managers and partners of our client and engagement acceptance system, which requires all non-audit services to be approved in advance by the audit engagement partner.

We confirm, as at the date of this report, that the engagement team and others in the firm as appropriate, Forvis Mazars LLP [and, when applicable, Forvis Mazars' member firms] are independent and comply with relevant ethical requirements. However, if at any time you have concerns or questions about our integrity, objectivity or independence, please discuss these with Council in the first instance.

Prior to the provision of any non-audit services, Tom Reid will undertake appropriate procedures to consider and fully assess the impact that providing the service may have on our independence as auditor.

Principal threats to our independence and the associated safeguards we have identified and/ or put in place are set out in Framework Agreement issued by Audit Scotland available from the Audit Scotland website: **Audit Scotland Framework Agreement (audit-scotland.gov.uk)**. Any emerging independence threats and associated identified safeguards will be communicated in our Annual Audit Report.

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08

Materiality and misstatements

Materiality and misstatements

(performance materiality), which is applied when we carry out our audit procedures and is designed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Further, we set a threshold above which all misstatements we identify during our audit (adjusted and unadjusted) will be reported to The Audit Committee.

performance materiality that we determine does not necessarily mean that uncorrected misstatements that are below materiality, individually or in aggregate, will be considered immaterial.

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Materiality and misstatements (continued)

and, as such, we base our materiality levels around this benchmark.

Group financial statements

	2023/24 £'000s	2022/23 £'000s
Overall materiality	11,523	12,115
Performance materiality	8,066	7,269
Clearly trivial	346	250

Council's single-entity financial statements

	2023/24 £'000s	2022/23 £'000s
Overall materiality	11,309	12,041
Performance materiality	7,916	7,225
Clearly trivial	339	250
Specific Materiality: Remuneration Report	£1,000 for senior councillors and senior employees' remuneration and pensions benefits. One banding for Employees' remuneration. One banding for exit packages.	

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Materiality and misstatements (continued)

West Dunbartonshire trust funds financial statements

	2023/24 £	2022/23 £
Overall materiality	5,369	5,152
Performance materiality	3,758	3,606
Clearly trivial	161	155
Specific materiality	Not Applicable	

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Materiality and misstatements (continued)

Misstatements

We will accumulate misstatements identified during our audit that are above our determined clearly trivial threshold.

We have set a clearly trivial threshold for individual misstatements we identify (a reporting threshold) for reporting to the Council and management that is consistent with a threshold where misstatements below that amount would not need to be accumulated because we expect that the accumulation of such amounts would not have a material effect on the financial statements.

Based on our preliminary assessment of overall materiality, our proposed clearly trivial threshold is £346k for the consolidated financial statements (Council:£339k) , based on 3% of overall materiality. If you have any queries about this, please raise these with Tom Reid.

Each misstatement above the reporting threshold that we identify will be classified as:

- **Adjusted:** Those misstatements that we identify and are corrected by management.

- **Unadjusted:** Those misstatements that we identify that are not corrected by management.

We will report all misstatements above the reporting threshold to management and request that they are corrected. If they are not corrected, we will report each misstatement to the Council as unadjusted misstatements and, if they remain uncorrected, we will communicate the effect that they may have individually, or in aggregate, on our audit opinion.

Misstatements also cover quantitative misstatements, including those relating to the notes of the financial statements.

Reporting

In summary, we will categorise and report misstatements above the reporting threshold to the Council as follows:

- Adjusted misstatements;

- Unadjusted misstatements; and

- Disclosure misstatements (adjusted and unadjusted).

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Appendices

A: Key communication points

B: Current year updates, forthcoming accounting and other issues

Appendix A: Key communication points

We value communication with The Audit Committee as a two way feedback process at the heart of our client service commitment. ISA (UK) 260 *Communication with Those Charged with Governance* and ISA (UK) 265 *Communicating Deficiencies In Internal Control To Those Charged With Governance And Management* specifically require us to communicate a number of points with you.

Relevant points that need to be communicated with you at each stage of the audit are outlined below.

Form, timing and content of our communications

We will present the following reports:

- Our Annual Audit Plan; and

- Our Annual Audit Report.

These documents will be discussed with management prior to being presented to yourselves and their comments will be incorporated as appropriate.

Key communication points at the planning stage as included in this Annual Audit Plan

Our responsibilities in relation to the audit of the financial statements;

- The planned scope and timing of the audit;

- Significant audit risks and areas of management judgement;

- Our commitment to independence;

- Responsibilities for preventing and detecting errors;

- Materiality and misstatements; and

- Fees for audit and other services.

Key communication points at the completion stage to be included in our Annual Audit Report

- Significant deficiencies in internal control;

- Significant findings from the audit;

- Significant matters discussed with management;

- Significant difficulties, if any, encountered during the audit;

- Qualitative aspects of the entity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures;

- Our conclusions on the significant audit risks and areas of management judgement;

- Summary of misstatements;

- Management representation letter;

- Our proposed draft audit report; and

- Independence.

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Appendix A: Key communication points

ISA (UK) 260 *Communication with Those Charged with Governance*, ISA (UK) 265 *Communicating Deficiencies In Internal Control To Those Charged With Governance And Management* and other ISAs specifically require us to communicate the following:

Required communication	Where addressed
Our responsibilities in relation to the financial statement audit and those of management and Those Charged with Governance.	Annual Audit Plan
The planned scope and timing of the audit including any limitations, specifically including with respect to significant risks.	Annual Audit Plan
With respect to misstatements: • Uncorrected misstatements and their effect on our audit opinion; • The effect of uncorrected misstatements related to prior periods; • A request that any uncorrected misstatement is corrected; and • In writing, corrected misstatements that are significant.	Annual Audit Report
With respect to fraud communications: • Enquiries of The Audit Committee to determine whether they have a knowledge of any actual, suspected or alleged fraud affecting the entity; • Any fraud that we have identified or information we have obtained that indicates that fraud may exist; and • A discussion of any other matters related to fraud.	Annual Audit Report and discussion at Audit Committee Audit planning and clearance meetings
Where relevant, any issues identified with respect to authority to obtain external confirmations or inability to obtain relevant and reliable audit evidence from other procedures.	Annual Audit Report

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Appendix A: Key communication points (continued)

Required communication	Where addressed
Significant matters arising during the audit in connection with the entity's related parties including, when applicable: • Non-disclosure by management; • Inappropriate authorisation and approval of transactions; • Disagreement over disclosures; • Non-compliance with laws and regulations; and • Difficulty in identifying the party that ultimately controls the entity.	Annual Audit Report
Significant findings from the audit including: • Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures; • Significant difficulties, if any, encountered during the audit; • Significant matters, if any, arising from the audit that were discussed with management or were the subject of correspondence with management; • Written representations that we are seeking; • Expected modifications to the audit report; and • Other matters, if any, significant to the oversight of the financial reporting process or otherwise identified in the course of the audit that we believe will be relevant to the Council or The Audit Committee in the context of fulfilling their responsibilities.	Annual Audit Report
Significant deficiencies in internal controls identified during the audit.	Annual Audit Report and Audit Committee meetings

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Appendix A: Key communication points (continued)

Required communication	Where addressed
Audit findings regarding non-compliance with laws and regulations where the non-compliance is material and believed to be intentional (subject to compliance with legislation on tipping off)} and enquiry of The Audit Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that The Audit Committee may be aware of.	Annual Audit Report and Audit Committee meetings
With respect to going concern, events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: • Whether the events or conditions constitute a material uncertainty; • Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements; and • The adequacy of related disclosures in the financial statements.	Annual Audit Report
Communication regarding our system of quality management, compliant with ISQM 1, developed to support the consistent performance of quality audit engagements. To address the requirements of ISQM (UK) 1, the firm's ISQM 1 team completes, as part of an ongoing and iterative process, a number of key steps to assess and conclude on the firm's System of Quality Management: • Ensure there is an appropriate assignment of responsibilities under ISQM1 and across Leadership • Establish and review quality objectives each year, ensuring ISQM (UK) 1 objectives align with the firm's strategies and priorities • Identify, review and update quality risks each quarter, taking into consideration of number of input sources (such as FRC / ICAEW review findings, AQT findings, RCA findings, etc.) • Identify, design and implement responses as part of the process to strengthen the firm's internal control environment and overall quality • Evaluate responses to identify and remediation process / control gaps We perform an evaluation of our system of quality management on an annual basis. Our first evaluation was performed as of 31 August 2023. Details of that assessment and our conclusion are set out in our 2022/2023 Transparency Report, which is available on our website **here**.	Annual Audit Plan

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Appendix A: Key communication points (continued)

Required communication	Where addressed
Reporting on the valuation methods applied to the various items in the annual consolidated financial statements including any impact of changes of such methods	Annual Audit Report
Explanation of the scope of consolidation and the exclusion criteria applied by the entity to the non-consolidated entities, if any, and whether those criteria applied are in accordance with the relevant financial reporting framework.	Annual Audit Plan and/or Annual Audit Report as appropriate
Where applicable, identification of any audit work performed by component auditors in relation to the audit of the consolidated financial statements other than by Forvis Mazars' member firms.	Annual Audit Plan and/or Annual Audit Report as appropriate
Indication of whether all requested explanations and documents were provided by the entity	Annual Audit Report

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Current and forthcoming accounting issue
New standards and amendments

Effective for accounting periods beginning on or after 1 January 2023

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements: Disclosure of Accounting Policies (Issued February 2021)
The amendments set out new requirements for material accounting policy information to be disclosed, rather than significant accounting policies. Immaterial accounting policy information should not be disclosed as accounting policy information taken in isolation is unlikely to be material, but it is when the information is considered together with other information in the financial statements that may make it material.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Issued February 2021)
The amendment introduces a new definition for accounting estimates and clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events.

IFRS 17 Insurance Contracts (issued May 2017) and Amendments to IFRS 17 Insurance Contracts (Issued June 2020)
IFRS 17 is a new standard that will replace IFRS 4 Insurance Contracts (IFRS 4). The standard sets out the principles for the recognition, measurement, presentation and disclosure about insurance contracts issued, and reinsurance contracts held, by entities.

Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 Financial Instruments (Issued December 2021)
The amendments address potential mismatches between the measurement of financial assets and insurance liabilities in the comparative period because of different transitional requirements in IFRS 9 and IFRS 17. The amendments introduce a classification overlay under which a financial asset is permitted to be presented in the comparative period as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset in the comparative period. The classification overlay can be applied on an instrument-by-instrument basis.

IFRS 17 Insurance Contracts has not yet been adopted by the FReM. Adoption in the FReM is expected to be from April 2025; early adoption is not permitted.

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Current and forthcoming accounting issue (continued)
New standards and amendments (continued)

Effective for accounting periods beginning on or after 1 January 2024
The information detailed on this slide is for wider IFRS information only. They will be subject to inclusion within the FReM and Code as determined by FRAB.

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Issued January 2020), Deferral of Effective Date (Issued July 2020) and Non-current Liabilities with Covenants (Issued October 2022)
The January 2020 amendments clarify the requirements for classifying liabilities as current or non-current in IAS 1 by providing clarification surrounding: when to assess classification; understanding what is an 'unconditional right'; whether to determine classification based on an entity's right versus discretion and expectation; and dealing with settlements after the reporting date.

The October 2022 amendments specify how covenants should be taken into account in the classification of a liability as current or non-current. Only covenants with which an entity is required to comply with by the reporting date affect the classification as current or non-current. Classification is not therefore affected if the right to defer settlement of a liability for at least 12 months is subject to compliance with covenants at a date after the reporting date. These amendments also clarify the disclosures about the nature of covenants, so that users of financial statements can assess the risk that non-current debts accompanied by covenants may become repayable within 12 months.

Amendments to IAS 16 *Leases*: Lease Liability in Sale and Leaseback (Issued September 2022)
The amendments include additional requirements to explain how to subsequently measure the lease liability in a sale and leaseback transaction, specifically how to include variable lease payments.

For further information, please refer to our blog article: *Amendments to IFRS 16 Leases – Lease Liability in a Sale and Leaseback*

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (Issued May 2023)
The amendments introduce changes to the disclosure requirements around supplier finance arrangements with the intention of providing more detailed information to help users analyse and understand the effects of such arrangements.

The amendments provide an overarching disclosure objective to ensure that users of financial statements are able to assess the effects of such arrangements on an entity's liabilities and cash flows, as well as some additional disclosure requirements relating to the specific terms and conditions of the arrangement, quantitative information about changes in financial liabilities that are part of the supplier financing arrangement, and about an entity's exposure to liquidity risk.

For further information, please refer to our blog article: *IASB publishes final amendments on supplier finance arrangements*

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Contact

Forvis Mazars

Tom Reid
Audit Director
Tel: +44 7816 354 994
tom.reid@mazars.co.uk

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