

AUDIT & PERFORMANCE REVIEW COMMITTEE

At a Meeting of the Audit & Performance Review Committee held in Committee Room 3, Council Offices, Garshake Road, Dumbarton on Wednesday, 9 March 2016 at 2.03 p.m.

Present: Councillors George Black, Jim Brown, Jonathan McColl, Ian Murray, Tommy Rainey, Gail Robertson, Martin Rooney and Mr Stevie J. Doogan.

Attending: Joyce White, Chief Executive; Angela Wilson, Executive Director of Corporate Services; Richard Cairns, Executive Director of Infrastructure and Regeneration; Gillian McNeilly, Finance Manager; Colin McDougall, Audit and Risk Manager; Amanda Coulthard, Corporate & Community Planning Manager; and Craig Stewart, Committee Officer, Legal, Democratic and Regulatory Services.

Also Attending: Mr David McConnell, Assistant Director, Mr Peter Lindsay, Audit Manager and Ms Karen Cotterell, Senior Auditor, Audit Scotland; and Ms Yvonne Douglas, Audit Manager, South Lanarkshire Council.

Apologies: An apology for absence was intimated on behalf of Councillor Patrick McGlinchey.

Councillor Jonathan McColl in the Chair

CHAIR'S REMARKS

Councillor McColl, Chair, informed the Committee that Laurence Slavin, Senior Auditor was moving on and his new post would not involve attending the Committee in the future. After hearing Councillor McColl, the Committee agreed that a letter of thanks be sent to both Mr Slavin and Ms Elaine Boyd, formerly Senior Audit Manager, Audit Scotland as a gesture of appreciation for their hard work and support.

DECLARATIONS OF INTEREST

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

MINUTES OF PREVIOUS MEETING

The Minutes of Meeting of the Audit & Performance Review Committee held on 9 December 2015 were submitted and approved as a correct record.

INTERNAL AUDIT PLAN 2015/16 PROGRESS REPORT TO 31 JANUARY 2016

A report was submitted by the Executive Director of Corporate Services advising on the work undertaken by the Internal Audit Section against the Audit Plan 2015/16.

After discussion and having heard the Executive Director of Corporate Services and Audit and Risk Manager in further explanation and in answer to Members' questions, the Committee agreed to note the report.

AUDIT ACTION PLANS

A report was submitted by the Executive Director of Corporate Services advising of:-

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

After discussion and having heard the Audit and Risk Manager, Executive Director of Corporate Services and relevant officers in elaboration and in answer to Members' questions, the Committee agreed to note the contents of the report.

INTERNAL AUDIT CHARTER – UPDATE

A report was submitted by the Executive Director of Corporate Services providing the Committee with an updated version of the Audit Charter previously submitted to the meeting on 11 March 2015.

After discussion and having heard the Audit and Risk Manager, Chief Executive and the Executive Director of Corporate Services in further explanation and in answer to Members' questions, the Committee agreed to approve the revised Internal Audit Charter.

AUDIT SCOTLAND – REVIEW OF ADEQUACY OF INTERNAL AUDIT ARRANGEMENTS

A report was submitted by the Executive Director of Corporate Services advising of the External Auditor's assessment of the adequacy of the Council's Internal Audit arrangements.

After discussion and having heard Mr Lindsay, Audit Manager, Audit Scotland in further explanation, the Committee agreed to note the contents of the report.

AUDIT SCOTLAND ANNUAL AUDIT PLAN 2015/16

A report was submitted by the Executive Director of Corporate Services presenting for information Audit Scotland's Audit Plan for the audit of financial year 2015/16.

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

- (1) to note the terms of the discussion that had taken place in respect of this matter; and
- (2) otherwise to note Audit Scotland's audit plan for the audit of financial year 2015/16.

INTERNAL AUDIT PLAN 2016/17

A report was submitted by the Executive Director of Corporate Services advising on the planned programme of work for the Internal Audit Section for the year 2016/17.

The Committee agreed to approve the Audit Plan for 2016/17.

PUBLIC SECTOR INTERNAL AUDIT STANDARDS (PSIAS) – EXTERNAL QUALITY ASSESSMENT OF INTERNAL AUDIT AT WDC

A report was submitted by the Executive Director of Corporate Services presenting the External Quality Assurance of Internal Audit at West Dunbartonshire Council.

After discussion and having heard Ms Douglas, Audit Manager, South Lanarkshire Council, and the Chief Executive in elaboration and in answer to Members' questions, the Committee agreed:-

- (1) to pass on thanks and appreciation to the Audit and Risk Manager and his team for the hard work and assurance given as a consequence of the review;
- (2) to note that the report, provided at Appendix 1, included an action plan, which once implemented would ensure the Council's Internal Audit Service was fully compliant with PSIAS; and
- (3) to pass on its thanks to Ms Douglas and her team for the professional manner in which the review was conducted, while also acknowledging and recording thanks to all Council staff and Elected Members who contributed to the process.

COUNTER FRAUD PROGRESS REPORT

A report was submitted by the Executive Director of Corporate Services advising on the results from investigating matched datasets provided to the Council through participation in the National Fraud Initiative and other work taking place within the Corporate Fraud team.

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

PUBLIC INTEREST DISCLOSURES FOR THE PERIOD 1 JULY 2015 TO 31 DECEMBER 2015

A report was submitted by the Executive Director of Corporate Services advising on public interest disclosures received during the period 1 July 2015 to 31 December 2015.

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

PRUDENTIAL INDICATORS 2015/16 TO 2025/26 AND TREASURY MANAGEMENT STRATEGY 2016/17 TO 2025/26

A report was submitted by the Executive Director of Corporate Services providing an update on:-

- (a) the proposed Prudential Indicators for 2015/16 to 2018/19;
- (b) Treasury Management Strategy (including the Investment Strategy) for 2016/17 to 2018/19; and
- (c) the indicative prudential indicators for the period from 2019/20 to 2025/26.

After discussion and having heard the Finance Manager and the Chief Executive in further explanation and in answer to Members' questions, the Committee agreed to note that Council approved the following at its meeting on 24 February 2016:-

- (1) The Prudential Indicators and Limits discussed in Appendix 1 of the report and set out within Appendix 6 of the report for the period 2016/17 to 2018/19:-
 - (a) Capital Expenditure and Capital Financing Requirements (Tables A and B);
 - (b) Forecast and estimates of the ratio of financing costs to Net Revenue Stream (Table C);

- (c) Incremental impact of capital investment decisions on the Band D Council Tax (Table D); and
 - (d) Incremental impact of capital investment decisions Housing Rent levels (Table E).
- (2) The Treasury Management Strategy for 2016/17 to 2018/19 (including the Investment Strategy) contained within Appendices 2 to 6;
 - (3) The Treasury Prudential Indicators and Limits discussed in Appendix 2 and set out within Appendix 6 for the period 2016/17 to 2018/19:-
 - (a) Operational Boundaries (Table G);
 - (b) Authorised Limits (Table H);
 - (c) Counterparty Limits (Table K); and
 - (d) Treasury Management Limits on Activity (Table M).
 - (4) The draft Prudential and Treasury Management Indicators for the period 2019/20 to 2025/26 discussed in Appendices 1 and 2 and set out within Appendix 6; and
 - (5) The statement by the Section 95 Officer regarding the gross debt level in comparison to the Capital Financing Requirement (Appendix 2 – Point 2.3).

LOCAL GOVERNMENT BENCHMARKING FRAMEWORK 2014/15

A report was submitted by the Executive Director of Corporate Services providing the Committee with the West Dunbartonshire position in the recently published Local Government Benchmarking Overview report for 2014/15.

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

- (1) to note the publication of the national overview report;
- (2) to note the relative position of West Dunbartonshire across the suite of indicators used in the benchmarking report; and
- (3) to note the actions already underway within each department following publication of this information.

RECRUITMENT OF 1 LAY MEMBER VACANCY ON COMMITTEE

Having heard the Audit and Risk Manager, the Committee agreed to note that work was ongoing to fill the Lay Member vacancy on the Committee and that a further update would be provided in the near future, with regard to the appointment.

The meeting closed at 4.20 p.m.