Agenda



Audit Committee

Date: Wednesday, 4 December 2024

Time: 14:00

Venue: Civic Space, 16 Church Street, Dumbarton G82 1QL

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 Gordon Scanlan (Chair)
Provost Karen Murray Conaghan (Vice Chair)
Councillor Clare Steel
Councillor Ian Dickson
Councillor Fiona Hennebry
Councillor Martin Rooney
Councillor Sophie Traynor
Mr C Johnstone

All other Councillors for information

Chief Executive
Chief Officers

Date of issue: 21 November 2024

AUDIT COMMITTEE

WEDNESDAY 4 DECEMBER 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 - 6

Submit for approval, as a correct record, the Minutes of Meeting of the Audit Committee held on 4 September 2024.

4 OPEN FORUM

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

5 2024/25 INTERNAL AUDIT ANNUAL STRATEGY AND PLAN

7 - 15

Submit report by Chief Officer – Resources advising of the planned programme of work for the Internal Audit Section for the year 2024/25.

6 INTERNAL AUDIT PLAN 2023/24 - PROGRESS TO 6 NOVEMBER 2024

17 - 37

Submit report by Chief Officer – Resources advising Members of progress to 6 November 2024 against the Internal Audit Plan for 2023/24. The report also advises Members of recently issued Internal Audit reports and action plans and of the status of implementation progress relating to action plans from previously issued Internal Audit reports.

7 NATIONAL FRAUD INITIATIVE 2022/23 EXERCISE

39 - 43

Submit report by Chief Officer – Resources informing Members of the Audit Scotland Report "National Fraud Initiative 2022/23" published in August 2024 and to provide an overview of the key messages and recommendations raised in the report and how these issues are being addressed by the Council.

8 PUBLIC INTEREST DISCLOSURES AND OTHER INTERNAL AUDIT INVESTIGATIONS 27 JANUARY TO 31 OCTOBER 2024

45 - 51

Submit report by Chief Officer – Resources advising of the outcome of investigations into allegations and disclosures in line with public interest disclosure and business irregularities policies received by Internal Audit between 27 January and 31 October 2024.

9 2023/24 TREASURY MANAGEMENT ANNUAL REPORT

53 - 68

Submit report by Chief Officer – Resources advising of the operation of the treasury function and its activities in 2023/24 and requesting that the Audit Committee remits the report to the full Council for their approval.

10 SCOTTISH PUBLIC SERVICES OMBUDSMAN COMPLAINTS REPORT 2023-24

69 - 84

Submit report by Chief Officer – Citizen, Culture and Facilities presenting the Scottish Public Services Ombudsman (SPSO) report on Complaints Handling by West Dunbartonshire Council for the year 1 April 2023 – 31 March 2024.

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AUDIT COMMITTEE

At a Meeting of the Audit Committee held in the Council Chambers, Clydebank Town Hall, 5 Hall Street, Clydebank on Wednesday, 4 September 2024 at 10.00 a.m.

Present: Provost Karen Murray Conaghan and Councillors Ian Dickson,

John Millar, Martin Rooney and Sophie Traynor.

Attending: Peter Hessett, Chief Executive; Councillor Lawrence O'Neill;

Laurence Slavin, Chief Officer – Resources: Amanda Graham, Chief Officer – Citizen, Culture and Facilities; Victoria Rogers, Chief Officer – People and Technology; Gail Macfarlane, Chief Officer – Roads and Neighbourhoods; Julie Slavin, Chief Finance Officer - Health and Social Care Partnership (HSCP); Andrew Brown, Education Service Manager; Tom Reid, Audit Director - Forvis Mazars; Caleb Oguche, External Auditor – Forvis Mazars; Fiona Taylor, Head of Health and Community Care; Michelle Lynn, Asset Co-ordinator; Anna Murrary, Risk and Health and Safety Officer; Fiona Taylor, Head of Health and Community Care – HSCP; Drew Cameron, Section Leader (ICT)

and Lynn Straker, Committee Officer.

Apologies: Apologies for absence were intimated on behalf of Councillors

Fiona Hennebry, Jonathan McColl and Michelle McGinty.

Provost 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 12 June 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.

STRATEGIC RISKS 2022-2027: BI-ANNUAL UPDATE REPORT

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

After discussion and having heard the Risk & Health and Safety Officer in further explanation and in answer to Members' questions, the Committee agreed to note the strategic risks as detailed at Appendix 1 in the report.

BEST VALUE THEMATIC REPORT: WORKFORCE INNOVATION

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

After discussion and having heard the Chief Officer – People & Technology and the Audit Director – Forvis Mazars in further explanation and in answer to Members' questions, the Committee agreed to note the content of the report and the two accepted recommendations.

INTERNAL AUDIT PLAN 2023/24 - PROGRESS TO 12 AUGUST 2024

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

After discussion and having heard the Chief Officer – Resources, the Head of Health and Community Care and the Education Service Manager in further explanation and in answer to Members' questions, the Committee agreed to note the content of this report.

FORVIS MAZARS - 2023/24 ANNUAL AUDIT PLAN

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

After discussion and having heard the Audit Director – Forvis Mazars, the External Auditor – Forvis Mazars and the Chief Officer – Resources in further detail and in answer to Members questions, the Committee agreed to note the 2023/24 Forvis Mazars Annual Audit Plan.

The meeting closed at 10.49 a.m.

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Officer - Resources

Audit Committee: 4 December 2024

Subject: 2024/25 Internal Audit Annual Strategy and Plan

1. Purpose

1.1 The purpose of this report is to advise members of the planned programme of work for the Internal Audit Section for the year 2024/25.

2. Recommendations

2.1 It is recommended that the Committee approve the 2024/25 Audit Plan.

3. Background

3.1 The Public Sector Internal Audit Standards include the requirement for the Chief Internal Auditor to prepare a risk-based plan to determine the priorities of the internal audit activity, consistent with the organisation's goals.

4. Main Issues

- 4.1 The audit universe contains all areas that have been identified for review and an assessment has been undertaken of the risk relating to each area based on a number of criteria. Account has also been taken of the risks identified in the Council's risk registers and risks identified by external scrutiny bodies through local scrutiny arrangements.
- 4.2 It is intended that audit work will be focused on areas of greatest risk taking into account management's own view of risk and meetings have been held with Chief Officers as appropriate. Each area has been assessed against a broad range of risk criteria and a risk score has been generated based on probability factors such as current control environment, results of last audit and time since last audit.
- 4.3 The audit plan also includes the carry forward of the completion of fieldwork for audits from 2023/24 and those audits which were deferred from 2023/24 due to vacancies arising in the team.
- 4.4 The Audit Plan also includes the activity of the Corporate Fraud Team and includes an allocation of days to provide the Internal Audit Service to the WD Integration Joint Board, the WD Leisure Trust and the Valuation Joint Board.
- 4.5 Internal Audit monitors delivery of the plan continuously during the year using a number of performance indicators. Progress is reported to members on a regular basis.

- **4.6** Outlined below are the current risk factors influencing our proposed audit coverage for 2024/25:
 - Budgetary Control The Council's Financial Update in June 2024 sets out
 the scale of the anticipated savings options required in 2025/26 and future
 years whilst there is a continued need for the Council to meet increases in
 expenditure arising from inflation and service delivery pressures. Internal
 Audit will review the adequacy and effectiveness of the budgetary control
 processes to ensure that members and officers are provided with relevant,
 reliable and timely management information in relation to the budget
 process.
 - Property Repairs and Maintenance this audit is carried forward from prior year and will focus on reviewing the adequacy and effectiveness of property repairs and maintenance to ensure value for money is obtained.
 - Void Management this audit is carried forward from prior year and will focus on the adequacy and effectiveness of the void management process to ensure value for money is obtained.
 - Participatory Budgeting this audit is carried forward from prior year and will focus on reviewing the Council's approach to participatory budgeting to ensure arrangements in place to monitor and report on performance are adequate and effective.
 - As part of the annual audit planning process, corporate procurement is a key risk area that is reviewed each year. For 2024/25 Internal Audit will agree the risk areas with the Corporate Procurement service and carry out an audit to ensure compliance with relevant policies and procedures.
- 4.7 The draft 2024/25 Internal Audit Strategy and Plan is included at Appendix 1. There are no significant threats to the independence of the internal audit activity, such as inappropriate scope or resource limitations. The Plan contains contingency provision that will be utilised during the year in response to unforeseen work demands that may arise e.g. special investigations and provision of ad hoc advice. The plan also includes a balance of days required to complete additional fieldwork from the 2023/24 audit plan.
- 4.8 The risk scoring system is maintained on a real-time basis and is altered as circumstances change. Regular reviews of the risk scores allow Internal Audit to address the changing risk exposure of the organisation more effectively and ensure audit effort is focused on those areas identified as higher risk.

5. Personnel Implications

5.1 There are no personnel issues with this report.

6. Financial and Procurement Implications

6.1 There are neither financial nor procurement implications arising directly from this report.

7. Risk Analysis

- 7.1 The Plan has been constructed taking cognisance of the risks associated with major systems. Consultation with relevant Chief Officers has been carried out to ensure that risks associated with delivering the Council's objectives have been considered.
- 8. Equalities Impact Assessment (EIA)
- **8.1** There are no issues.
- 9. Consultation
- **9.1** This report has been subject to consultation with appropriate Chief Officers.
- 10. Strategic Assessment
- **10.1** This report relates to all five of the Council's Strategic Priorities.

Laurence Slavin Chief Officer - Resources Date: 4 November 2024

Person to contact Andi Priestman, Shared Service Manager – Audit & Fraud

Email: andi.priestman@west-dunbarton.gov.uk

Appendix 1: Draft 2024/25 Internal Audit Strategy and Plan

Background Papers: None

Wards Affected: All wards

1. Introduction

- 1.1 The Public Sector Internal Audit Standards (PSIAS) set out the requirement for the Shared Service Manager Audit & Fraud to prepare a risk-based audit plan to determine the priorities of the internal audit activity, consistent with the organisation's goals.
- 1.2 The Shared Service Manager Audit & Fraud must review and adjust the plan as necessary in response to changes in the organisation's business, risks, operations and priorities.
- 1.3 The audit plan must incorporate or be linked to a strategic or high-level statement of how the Internal Audit Service will be delivered and developed in accordance with the Internal Audit Charter and how it links to the organisational objectives and priorities.
- 1.4 The strategy shall be reviewed on an annual basis as part of the audit planning process.

2. Internal Audit Objectives

2.1 The definition of internal auditing is contained within the PSIAS as follows:

"Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."

- 2.2 The primary aim of the internal audit service is to provide assurance services which requires the Chief Internal Auditor to provide an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control.
- 2.3 The internal audit service also provides advisory services, generally at the request of the organisation, with the aim of improving governance, risk management and control and contributing to the overall opinion.
- 2.4 The internal audit service supports the Chief Officer Resources in his role as West Dunbartonshire Council's (the Council) Section 95 Officer.

3. Risk Assessment and Audit Planning

- 3.1 The internal audit approach to annual audit planning is risk-based and all areas which may be subject to audit review are contained within an Audit Universe which is subject to formal review, at least annually.
- 3.2 The risk scoring system is maintained on a real-time basis and is altered as circumstances change. Regular reviews of the risk scores allow Internal Audit to address the changing risk exposure of the organisation more effectively and ensure audit effort is focused on those areas identified as higher risk.

2024/25 INTERNAL AUDIT ANNUAL STRATEGY AND PLAN Appendix 1

3.3 The Audit Universe is risk assessed each year to determine the Annual Audit Plan and ensure that suitable audit time and resources are devoted to reviewing the more significant areas of risk. Each area within the Audit Universe is assessed for impact against a number of broad risk categories as follows:

Strategy	Risks associated with the setting and achievement of strategic objectives.
Economy	Risks associated with the economy in which the Council operates.
Reputation	Risks associated with threats to the Council's name and standing in the sector.
Customer	Risks associated with customer relationships.
Legal/Regulatory	Risks associated with the requirement to comply with a wide range of statute.
Financial	Risks associated with financial loss or inefficiency.
Technology	Risks associated with application systems, their integrity,
	security and development.
Management	Risks associated with the provision of information for decision-
Information	making purposes.
Human Resources	Risks associated with people, e.g. recruitment, succession, development, motivation and morale etc.
Operations	Risks associated with the business operating process.
Business	Risks associated with disaster scenarios which would threaten
Continuity/Resilience	the continuing operation of the Council.
Security	Risks associated with security over customer and the Council's
	assets.
Stakeholder	Risks associated with management of stakeholder expectations
	(e.g. Government or local communities)
Fraud	Risks associated with asset misappropriation, corruption and
	financial statement fraud.

- 3.4 Account has also been taken of the risks identified in the Council's Risk Registers and risks identified by external scrutiny bodies through local scrutiny arrangements.
- 3.5 There will be regular ongoing discussion with External Audit to ensure respective audit plans are reviewed as circumstances change in order to minimise duplication of effort and maximise audit coverage for the Council.

4 Service Delivery

- 4.1 The provision of the internal audit service is through a directly employed in-house team. The Shared Service Manager Audit & Fraud is provided through a shared service arrangement with Invercive Council.
- 4.2 In relation to the total staff days allocated to the 2024/2025 plan, a resource allocation spreadsheet is completed for each member of staff which is split between annual leave, public holidays, training days, general administration and operational plan days.

2024/25 INTERNAL AUDIT ANNUAL STRATEGY AND PLAN

Appendix 1

The combined operational plan is 648 days which will be resourced as follows:

Team Member	Plan Days
Lead Internal Auditor (0.5 FTE)	70
Internal Auditor (0.6 FTE)*	10
Internal Auditor (0.5 FTE)	90
Internal Auditor (0.5 FTE)*	10
Audit Assistant	108
Corporate Fraud Officer	180
Corporate Fraud Officer	180
Total Plan Days	648

^{*} Two Internal Auditor posts became vacant during 2023/2024. Options are currently being progressed to fill these vacancies by 1 March 2025.

The Shared Service Manager – Audit & Fraud does not directly carry out the assignments included in the annual audit plan but provides the quality review and delivery oversight of the overall plan. As such, no direct time is included within the plan. Where there are any resource issues which may impact on delivery of the plan, this will be reported to Audit Committee at the earliest opportunity.

- 4.3 Given the range and complexity of areas to be reviewed it is important that suitable, qualified, experienced and trained individuals are appointed to internal audit positions. The PSIAS requires that the Chief Internal Auditor must hold a professional qualification such as CMIIA (Chartered Internal Auditor), CCAB or equivalent and be suitably experienced. The internal auditor posts must also be CMIIA/CCAB or equivalent with previous audit experience.
- 4.4 Internal audit staff members identify training needs as part of an appraisal process and are encouraged to undertake appropriate training, including in-house courses and external seminars as relevant to support their development. All training undertaken is recorded in a personal training record for CPD purposes.
- 4.5 Internal audit staff members require to conform to the Code of Ethics of the professional body of which they are members and to the Code of Ethics included within the PSIAS. An annual declaration is undertaken by staff in relation to specific aspects of the Code.
- 4.6 Following each review, audit reports are issued in draft format to agree the accuracy of findings and agree risk mitigations. Copies of final audit reports are issued to the relevant Chief Officer and Service Manager responsible for implementing the agreed action plan. A copy of each final audit report is also provided to External Audit.
- 4.7 The overall opinion of each audit report feeds into the Internal Audit Annual Report and Assurance Statement which is presented to the Audit Committee and is used by the s95 Officer in the preparation of the Annual Governance Statement.

2024/25 INTERNAL AUDIT ANNUAL STRATEGY AND PLAN

5 Proposed Audit Coverage 2024-2025

- 5.1 The proposed audit coverage is set out in the table below. This includes a range of risk based reviews, limited scope financial reviews and regularity audits.
- 5.2 The Plan contains a contingency provision that will be utilised during the year in response to unforeseen work demands that arise e.g. special investigations and provision of ad hoc advice.

Audit Area	Strategic Area	Risk Score	Staff Days	
Risk-Based Reviews				
Void Management (c/f 23-24)	Housing and Employability	9900	30	
Property Repairs and Maintenance (c/f 23/24)	Housing and Employability	9579	30	
Budgetary Control	Corporate	7105	30	
Participatory Budgeting (c/f from 23/24)	Corporate	6636	30	
Corporate Procurement	Corporate	N/A	20	
		Total	140	
Regularity Audits				
High Earners – Quarterly check	Corporate	N/A	12	
Residential Care – Overtime Claims	HSCP	N/A	15	
		Total	27	
Corporate Governance Reviews				
Annual Governance Statement (2023/24)	Corporate	-	5	
		Total	5	
Corporate Fraud Activity				
National Fraud Initiative	Corporate	-	40	
Fraud Referrals including Joint Working	-	-	250	
Whistleblowing and Other Investigations	-	-	50	
Liaison with DWP	-	-	10	
Fraud Awareness Training	Corporate	-	10	
		Total	360	
Other Work				
Audit follow up	Corporate	-	12	
IJB – Internal Audit Service	-	-	20	
VJB – Internal Audit Service	-	-	15	
Leisure Trust – Internal Audit Service	-	-	15	
Contingency	-	-	10	
Completion of 2023-2024 Audit Plan	-	_	44 116	
Total				
Total Staff Days for 2024/25			648	

2024/25 INTERNAL AUDIT ANNUAL STRATEGY AND PLAN

6 Quality and Performance

- 6.1 The PSIAS require each internal audit service to maintain an ongoing quality assurance and improvement programme based on an annual self-assessment against the Standards, supplemented at least every five years by a full independent external assessment.
- 6.2 In addition, the performance of Internal Audit continues to be measured against key service targets focussing on quality, efficiency and effectiveness. For 2024/2025 these have been set as follows:

Measure	Description	Target
Draft Report	Percentage of draft reports issued within 3 weeks of completion of fieldwork.	90%
2. Final Report	Percentage of final reports issued within 2 weeks of issue of draft report.	90%
3. Audit Plan Delivery	Percentage of audits completed v planned.	85%
4. Audit Budget	Percentage of audits completed within budgeted days.	80%
5. Audit Recommendations	Percentage of audit recommendations agreed.	90%
6. Action Plan Follow Up	Percentage of action plans followed up – Internal and External Audit.	100%
7. Customer Feedback	Percentage of respondents who rated the overall quality of internal audit as satisfactory or above.	100%
8. NFI recommended matches	Percentage of National Fraud Initiative high risk matches investigated within timescales.	100%
9. DWP liaison	Percentage of cases referred to/ actioned for DWP within DWP timescales.	100%
10. Staff compliance with CPD	Number of training hours undertaken to support CPD	80
11. Management engagement	Number of meetings with CMT and senior management as appropriate	1 per quarter

6.3 Actual performance against targets will be included in the 2024/25 Internal Audit Annual Assurance Report.

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Officer - Resources

Audit Committee: 4 December 2024

Subject: Internal Audit Plan 2023/24 – Progress to 6 November 2024

1. Purpose

- 1.1 The purpose of this report is to advise Members of progress to 6 November 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 was one audit review finalised since the last Audit Committee in September 2024:

COMMERCIAL WASTE INCOME BILLING AND COLLECTION (SEPTEMBER 2024)

- 4.5 The Council's Waste Service section provides a commercial waste collection, recycling and disposal services to the businesses and organisations across the Council area. The Waste Service collect commercial waste from approximately 500 commercial waste customers. The Corporate Admin Support (CAS) team has responsibility for managing the invoicing process for new and existing commercial waste customers.
- **4.6** The objective of this audit is 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 commercial waste income.
- 4.7 The review focused on the high-level processes and procedures in relation to commercial waste income and concentrated on identified areas of perceived higher risk such as the arrangements in place to maintain the customer base, to ensure commercial waste income due from customers was completely and accurately collected in a timely manner and commercial waste income was recorded and reconciled in a timely manner.

The overall control environment opinion for this audit review was **Satisfactory**. There were three AMBER issues identified as follows:

<u>Lack of Budget Oversight – Commercial Waste</u> (Amber)

The audit identified that service management has limited information/knowledge to explain the actual variances against the commercial waste income budget. Without effective financial management and monitoring of the commercial waste budget there are risks the service has limited budget accountability and operations are not managed efficiently.

Timely processing of Commercial Waste Sales Invoices (Amber)

CAS is responsible for raising sales invoices for all new and existing customers of Commercial Waste Service. Audit testing identified delays in processing of invoices resulting in:

- For one customer, a sales invoice amounting to £12,357.28 being missed from the automated invoicing process in July 2023 and not raised until November 2023.
- For one customer signing up to the service in 2021/22, the initial sales invoice of £5,188.96 was not issued. Separate subsequent invoices were raised for this customer in 2022/23 and 2023/24 totalling £8,657.08 however these invoices were unpaid and escalated to corporate debt for recovery. At the time of the audit, this company has gone into liquidation and a manual invoice has now been raised for the 2021/22 invoice and an amended claim has been issued to the liquidators.

The process of invoice generation is now carried out via an automated process which will ensure accurate and timely billing going forward.

Adequacy of information on WDC Website – Commercial Waste Service (Amber)

The audit identified that the Commercial Waste Service page on the Council's website is not subject to regular review and found that the page contained out of date information.

Where there is no regular review of information on the Council's website there is a risk that information is not up to date.

- **4.9** The audit identified six 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.
- **4.10** In relation to audit work for the Integration Joint Board, work is underway for the 2024/25 audit plan with regular reporting to the Integration Joint Board Audit & Performance Committee.
- **4.11** In relation to the Valuation Joint Board, audit planning is underway.
- **4.12** In relation to the Leisure Trust, audit planning has not yet started.

4.13 Internal Audit Action Plans

In relation to audit action plans, these are monitored by Internal Audit on a monthly basis. The status report at 31 October 2024 is provided at Appendix 2.

Ongoing Corporate Fraud Team Work

- 4.14 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.
- **4.15** 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

- 4.16 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.
- **4.17** The 2022 exercise is now complete and a separate report is on the agenda for today's meeting.

Benchmarking

- **4.18** 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.
- **4.19** 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 since 1 April 2024 is £90,222.
- **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: 6 November 2024

Person to Contact: Andi Priestman, Shared Service Manager – Audit & Fraud

E-mail: andi.priestman@west-dunbarton.gov.uk

Appendices: 2023/24 Annual Audit Plan – Progress to 6 November 2024

(Appendix 1)

Status of Internal Audit Action Plans at 31 October 2024

(Appendix 2)

Internal Audit Reports - Copies available on request

Wards Affected: All wards

2024-2025 Internal Audit Annual Audit Plan – Progress to 6 November 2024

Audit/Status	Not Started	Planning	Fieldwork	Fieldwork Complete	Draft Report	Final Report	Date Reported to Audit Committee
Risk-Based Reviews	Starteu			Complete	Report	IXepoit	Addit Committee
Corporate Complaints		✓	✓	✓	✓	✓	February 2024
Participatory Budgeting	Deferred	to 2024/25 A	Audit Plan	1	1		,
Supporting Employee Attendance		✓	✓	✓	✓	✓	June 2024
Commercial Waste Income		√	√	✓	√	✓	December 2024
FM Cleaning – Stock Control		✓	✓	✓	✓	✓	June 2024
FM Catering – Stock Control		✓	✓	✓	✓	✓	February 2024
Corporate Procurement		✓	✓	✓	✓	✓	September 2024
Value for Money Reviews						1	•
Void Management	Carried f	orward to 20	24/25 Audit Pl	lan			
Property Repairs and Maintenance	Carried f	orward to 202	24/25 Audit P	lan			
Limited Scope Financial System Reviews	1						
Debt Recovery		✓	✓	✓	✓	✓	September 2024
Project Assurance Review	1	1	1	1			-
Learning Disability Service – Service Redesign	Deferred	to future aud	lit plan as pro	ject not yet st	tarted.		
Regularity Audits	'						
Education CSA		✓	✓	✓	✓	✓	September 2024
Payroll High Earners – Quarterly Review	Ongoing	exercise in 2	024/25		•	<u> </u>	
HSCP - Imprest Accounts		✓	✓	✓	✓	✓	December 2023
Advisory Reviews					•	•	-
UK Shared Prosperity Fund	Final Rep	oort issued to	managemen	it.			
Roads – Route Optimisation	No audit	input require	d to date.				
Finance/HR Establishment Controls	Audit adv	ice and supp	ort provided	to working gre	oup.		
Other Work	•						
Integration Joint Board – Internal Audit Service	finalised						ete with one review n carried forward to the
Valuation Joint Board – Internal Audit Service	Audit Fol	low Up comp	leted.				
Leisure Trust – Internal Audit Service	Audit wo	rk complete a	and final repor	rt issued.			
National Fraud Initiative	The 2022	2 Exercise is	now complete	e. Data subm	nissions ar	e underwa	y for the 2024 Exerci
2022/2023 Audit Plan C/f	Complete						<u> </u>

2024-2025 Internal Audit Annual Audit Plan – Progress to 6 November 2024

Audit/Status	Not Started	Planning	Fieldwork	Fieldwork Complete	Draft Report	Final Report	Date Reported to Audit Committee
Risk-Based Reviews				•		<u>. </u>	•
2023/24 Brought Forward Reviews							
Participatory Budgeting		✓					February 2025
Void Management		✓	✓				February 2025
Property Repairs and Maintenance		✓	✓				February 2025
2024/25 Reviews		•	•				
Budgetary Control	✓						May 2025
Corporate Procurement	✓						May 2025
Regularity Audits					•		•
Payroll High Earners – Quarterly Checks		✓	✓				February 2025
HSCP Residential Care – Overtime Claims	✓						
Other Work							
Integration Joint Board – Internal Audit Service			nual plan for 2 way and the f				dit reviews. Planning d review.
Valuation Joint Board – Internal Audit Service	Audit pla	nning is unde	erway and the	audit review	will be ca	rried out in	Q1 2025.
Leisure Trust – Internal Audit Service	Audit pla	nning has no	ot yet started.				
National Fraud Initiative	The 2024 Exercise is underway. Data has been submitted in accordance with required timescales.						
2023/24 Audit Plan c/f	Final reports issued for FM Cleaning – Stock Control, Supporting Employee Attendance, CSA Education, Corporate Procurement Under £10k, Debt Recovery, UK Shared Prosperity Fund and Commercial Waste Income.						



REPORT TO AUDIT COMMITTEE ON STATUS OF INTERNAL AUDIT ACTION PLANS AT 31 OCTOBER 2024

Summary: Section 1 Summary of Management Actions due for completion by 31/10/2024

There was one action due for completion by 31 October 2024, which has missed the deadline set by management.

Section 2 Summary of Current Management Actions Plans at 31/10/2024

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

Section 3 Current Management Actions at 31/10/2024

At 31 October 2024 there were 16 current audit action points.

Section 4 Analysis of Missed Deadlines

At 31 October 2024 there were 11 audit action points where the original 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 31.10.2024

Strategic Area	No. of Actions Due	No. of Actions Completed	Deadline missed Revised Date set*	Deadline missed Revised Date to be set*
Roads and Neighbourhood	1		1	
Total	1		1	

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

SECTION 2

CURRENT ACTIONS BY STRATEGIC AREA

Roads and Neighbourhood	
Due for completion November 2024	1
Due for completion March 2025	5
Total Actions	6
HSCP - Health and Community Care	
Due for completion June 2025	1
Total Actions	1
Citizen, Culture and Facilities	
Completion date to be advised	2
Total Actions	2
Education Learning and Attainment	·
Due for completion March 2025	3
Total Actions	3
Regulatory & Regeneration	
Completion Date to be advised	1
Total Actions	1
Resources	
Due for completion December 2024	1
Total Actions	1
Housing and Employability	
Completion Date to be advised	2
Total Actions	2
Total current actions:	16

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/15	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-Jun-2025	HSCP Head of Strategy and Transformation	Chief Officer HSCP Board

Fleet Management (Report Issued May 2023)

Code	Agreed Action	Status	Original Due Date	Due Date	Assigned To	Managed By
IAAP/1	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/1	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

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	On track	Complete
	Overdue – update required	Missed original due date

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	To be advised	Facilities Manager	Chief Officer, Citizen, Culture and Facilities

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	On track	Complete
	Overdue – update required	Missed original due date

SECTION 3

Facilities Management - Cleaning Stock Control (Report Issued January 2024)

Code	Agreed Action	Status	Original Due Date	Due Date	Assigned To	Managed By
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	To be advised	Facilities Officer and Compliance Team Leader	Chief Officer, Citizen, Culture and Facilities

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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	On track	Complete
	Overdue – update required	Missed original due date

SECTION 3

Code Agreed Action	tion	Status	Original Due Date	Due Date	Assigned To	Managed By

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	To be advised	Chief Officer, Regulatory & Regeneration	Chief Officer, Regulatory & Regeneration

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

Code	Agreed Action	I 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

Status Key					
	On track		Complete		
	Overdue – update required		Missed original due date		

SECTION 3

Со	de	Agreed Action	Status	Original Due Date	Due Date	Assigned To	Managed By
IA	AP/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
IA	AP/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	To be advised	Working4u Manager	Chief Officer - Housing and Employability

Commercial Waste (Report Issued September 2024)

С	ode	Agreed Action	Status	Original Due Date	Due Date	Assigned To	Managed By
IA	AAP/244	Lack of Budget Oversight – Commercial Waste Income (Amber) Clear process is to be developed between Finance and Waste Services management for a more robust financial control of the budget to determine the budgeted income target in advance of Council approval at the March budget setting, Waste Service management is to be consulted, before being finalised and the effective monitoring of the approved budget.		31-Mar-2025	31-Mar-2025	Greenspace and Waste Manager	Chief Officer – Roads and Neighbourhood
IA	AP/247	Adequacy of information on WDC External Website – Commercial Waste Service (Amber) Liaise with the Web Manager and update all Commercial Waste Service information on the WDC External Website.		31-Oct-2024	30-Nov-2024	Greenspace and Waste Manager	Chief Officer – Roads and Neighbourhood

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Status Key					
	On track		Complete		
	Overdue – update required		Missed original due date		

REPORT TO AUDIT COMMITTEE ON STATUS OF INTERNAL AUDIT ACTION PLAN POINTS ANALYSIS OF MISSED DEADLINES AT 31.10.2024

Report	Agreed Action	Original Due Date	Revised Date	Management Comments
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.		30-Jun-2025	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. It is anticipated that the team will have concluded these other priority workstreams to allow them to complete this work by June 2025.
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.	,	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)	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.

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

Report	Agreed Action	Original Due Date	Revised Date	Management Comments
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.		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.
Corporate Procurement Below £10k (Report Issued June 2024)	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	To be advised	The new Procurement Manager joined the Council on 16 September and will progress the action to agree revised training and guidance.
UK Shared Prosperity Fund (Report Issued June 2024)	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	No update provided.

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Report	Agreed Action	Original Due Date	Revised Date	Management Comments
UK Shared Prosperity Fund (Report Issued June 2024)	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	To be advised	No update provided.
Fleet Management (Report Issued May 2023)	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	The action completion date has been extended.
FM Catering – Stock Control (Report Issued January 2024)	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	To be advised	Process still to be developed for the online forms Completion timescale is dependant on online form rollout and training.

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	On track	Complete
	Overdue – update required	Missed original due date

SECTION 4

Report	Agreed Action	Original Due Date	Revised Date	Management Comments
FM Cleaning – Stock Control (Report Issued January 2024)	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	To be advised	Information has been collected from the monthly stock returns but process is still to be developed following on from this.
Commercial Waste Income (Report Issued September 2024)	Adequacy of information on WDC External Website – Commercial Waste Service (Amber) Liaise with the Web Manager and update all Commercial Waste Service information on the WDC External Website.	31-Oct-2024	30-Nov-2024	Work has started to review this information as part of a wider review of the Waste Services information pages on the Council's website. This will be completed by the end of November.

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	On track		Complete		
	Overdue – update required		Missed original due date		

REPORT TO AUDIT COMMITTEE ON STATUS OF INTERNAL AUDIT ACTION PLANS SUMMARY OF ACTIONS BY AUDIT YEAR

SECTION 5

Status at 31 October 2024

Audit Year	No of Agreed	No of actions	Current actions by G		
	Actions	complete	Red	Amber	Green*
2020/2021	25	25	0	0	0
2021/2022	51	50	0	0	1
2022/2023	51	43	0	5	3
2023/2024	62	39	0	11	12
Total	189	157	0	16	16

^{*} 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 December 2024

Subject: National Fraud Initiative 2022/23 Exercise

1. Purpose

1.1 The purpose of this report is to inform Members of the Audit Scotland Report "National Fraud Initiative 2022/23" published in August 2024 and to provide an overview of the key messages and recommendations raised in the report and how these issues are being addressed by the Council.

2. Recommendations

2.1 It is recommended that the Audit Committee notes the contents of this report and agrees that a further update report is submitted to the September 2025 Audit Committee outlining the Council's progress with the 2024-2025 exercise.

3. Background

- 3.1 The NFI in Scotland is now well established with this being the 9th biennial exercise since 2006/07. The NFI enables public bodies to take advantage of computer data matching techniques to detect fraud and error. The NFI remains the largest national fraud detection and prevention scheme that can provide data matches within and between public bodies. Its key features are that it:
 - acts as a deterrent to potential fraudsters.
 - identifies errors and fraud thus enabling appropriate action to recover money and/or press criminal charges.
 - can provide assurances, similar to a regular health check, that systems are operating well and can also identify where improvements are required.
 - operates across boundaries between public bodies in different sectors and countries.
 - represents value for money in terms of the efficiencies deliverable through centralised data processing and identifying targeted high priority matches.
- 3.2 The NFI works by using data matching to compare a range of information held on bodies' systems to identify potential inconsistencies or circumstances that could indicate fraud or error which are called 'matches'. A match does not automatically mean that there is a fraud or error and investigations are required to enable the correct conclusion to be drawn for each match. Bodies investigate these and record on a secure web application appropriate outcomes based on their investigations.

- 3.3 Public bodies spend billions of pounds of taxpayers' money for the benefit of the Scottish population, providing services and financial assistance to all citizens including those that need them the most. Systems underpinning public spending can be complex and errors can happen. Unfortunately, there are also some individuals who seek to exploit the systems and fraudulently obtain services and benefits to which they are not entitled.
- 3.4 Data sharing enables bodies to match data internally and externally. Technology provides an efficient way to connect discrete data sets and can therefore limit the gaps available for fraudsters to manipulate and can help identify those that have. It also supports bodies to identify and implement process and control improvements that should reduce future errors and the costs of correcting these errors.
- 3.5 Audit Scotland, working closely with public bodies, external auditors and the Cabinet Office, has completed another major data sharing and matching exercise. The NFI exercises make a significant contribution to the security and transparency of public sector finances by confirming that services are provided to the correct people and by reducing fraud and error.

4. Main Issues

4.1 The latest report was published in August 2024 and can be found here:

In terms of key messages, the report identified the following:

- Fraud against the public sector costs the taxpayer money and can
 undermine both confidence in government and the delivery of public
 services. The proactive detection and prevention of fraud using the
 National Fraud Initiative (NFI) remains vitally important to public sector
 financial management as public bodies continue to recover from Covid-19
 and to deal with the impact of the cost-of-living crisis.
- NFI savings and outcomes have increased from £14.9 million in 2020/21 to £21.5 million in 2022/23, with increases across most data match areas. However, savings from council tax single person discounts are slightly reduced and additional outcomes in some areas are attributable to changes in estimation methodologies. Overall, it is not clear whether underlying levels of fraud have increased since 2020/21.
- NFI governance and follow-up arrangements remained sound for most participating bodies over the period covered by the 2022/23 exercise. However, when compared to previous exercises, slightly fewer bodies have been assessed by their auditors as having fully satisfactory arrangements, and there remains scope for some bodies to follow up on data matches more effectively.
- **4.2** The report highlighted some key areas where fraud or error was identified including:
 - Council Tax Single Person Discount £4.5m (down from £4.6m 2020/21)
 - Council Tax Reduction Scheme £0.92m (up from £0.65m 2020/21)

- Housing Benefit £2.2 m (up from £1.2m 2020/21)
- Pensions £5.6 m (up from £1.5m 2020/21)
- Blue badges £3.3m (up from £2.7m 2020/21)
- Housing Waiting Lists £1.2m (up from £0.6m 2020/21)
- Creditors £0.75m (up from £0.5m 2020/21)
- **4.3** From a local perspective, outcomes valued at £51,667 have been recorded for the 2022/23 exercise as follows:

Area	No. Of Cases	Fraud	Error	Financial Outcome
HB Claimants	4	4	0	£14,851
Council Tax Reduction	17	17	0	£32,916
Blue Badge	6	0	6	£3,900 (Notional)
TOTAL	27	21	6	£51,667

- **4.4** The report recommends that participating bodies should:
 - Ensure that an appropriate level of resource is available to deliver NFI follow-up activities in an efficient and effective manner, in line with local priorities.
 - Use the NFI Self-Appraisal Checklist as part of planning for the 2024/25 exercise.
 - Put in place arrangements for monitoring follow-up activity, and where it is necessary seek to understand reasons for low or nil outcomes.
- 4.5 In response to the recommendations, a copy of the completed self-appraisal checklist is attached at Appendix 1. This highlights the good progress the Council continues to make in undertaking counter-fraud activities.

5. Personnel Implications

5.1 There are no personnel issues with this report.

6. Financial and Procurement Implications

6.1 There are no direct financial implications arising from this report, however the initiatives described in this report are intended to detect fraud and error which can cause financial loss to the Council.

7. Risk Analysis

7.1 The NFI enables public bodies to take advantage of computer data matching techniques to detect fraud and error. This can lead to process risks being identified during the investigation of matches and internal controls being strengthened to reduce the risk of fraud and error recurring in the future and improve the Council's control environment.

- 8. Equalities Impact Assessment (EIA)
- **8.1** There are no issues.
- 9. Consultation
- **9.1** This report has been subject to consultation with appropriate Chief Officers.
- 10. Strategic Assessment
- **10.1** This report relates to all five of the Council's Strategic Priorities.

Laurence Slavin Chief Officer - Resources Date: 5 November 2024

Person to contact Andi Priestman, Shared Service Manager – Audit & Fraud

Email: andi.priestman@west-dunbarton.gov.uk

Appendix 1: NFI Self-appraisal checklist

Background Papers: None

Wards Affected: All wards

Self Appraisal Checklist Appendix 1

Part A			Аррениіх і
for those charged with Governance Leadership Commitment and Communication	Yes/No/Partly	Is action Required?	Who and By When
1 Are we aware of emerging fraud risks and taken appropriate preventative and detective action?		Yes - regular updates are received through NAFN and CIFAS which are circulated to relevant services within the Council.	
	Yes	The Internal Audit Annual Audit Plan for 2024/25 includes an allocation of resource to undertake relevant fraud activity including investigation of national fraud initiative exercise and other investigations.	N/A
2. Are we committed to NFI? Has the council/board, audit committee and senior management expressed support for the exercise and has this been communicated to relevant staff?	Yes	The responsibility for overseeing the NFI lies with Internal Audit. Internal Audit will review all aspects of NFI for the coming 2024/2025 exercise. A report will be presented to the Audit Committee outlining how the Council is engaging with the 2024/2025 exercise.	Shared Service Manager - Audit & Fraud
3. Is the NFI an integral part of our corporate policies and strategies for preventing and detecting fraud and error ?	Yes	The NFI is included within our Anti-Fraud and Corruption Policy.	N/A
4. Have we considered using the point of application data matching service offered by the NFI team, to enhance assurances over internal controls and improve our approach to risk management?	Partly	This is not something that is actively used by services as there are other systems and processes in place as part of the Council's system of internal control. We maintain a watching brief on this via the relevant audit	Shared Service Manager - Audit & Fraud May 2025
5. Are the NFI progress and outcomes reported regularly to senior management and elected/board members (eg, the audit committee or equivalent)?	Yes	and fraud networking groups. A high level summary is provided to Audit Committee on NFI progress and the annual report provides more detail on areas investigated and outcomes.	N/A
6. Where we have not submitted data or used the matches returned to us, eg council tax single person discounts, are we satisfied that alternative fraud detection arrangements are in place and that we know	N/A	All required data sets are submitted.	N/A
how successful they are? 7. Does internal audit, or equivalent, monitor our approach to NFI and our main outcomes, ensuring that any weaknesses are addressed in relevant cases?	Yes	The responsibility for overseeing the NFI lies with Audit & Fraud. Internal Audit will review all aspects of NFI for the coming 2024/2025 exercise. A report will be presented to the Audit Committee outlining how the Council is engaging with the 2024/2025 exercise. Outcomes of the NFI exercise are used to inform potential audit areas for future annual	Shared Service Manager - Audit & Fraud May 2025
8. Do we review how frauds and errors arose and use this information to improve our internal controls?		audit plans. Outcomes of the NFI exercise are used to inform potential audit areas for future annual audit plans.	
	Yes		N/A
9. Do we publish, as a deterrent, internally and externally the achievements of our fraud investigators (eg, successful prosecutions)?	Yes	Published on website and during fraud awareness training internally.	N/A
Part B For the NFI Key contacts and users			
Planning and Preparation 1.Are aware of emerging fraud risks and taken appropriate preventative and detective action?	Yes	Yes - regular updates are received through NAFN and CIFAS which are circulated by the Corporate Fraud team to relevant services within the Council. Members of the team attend the Scottish Local Authority Investigators Group.	Shared Service Manager - Audit & Fraud Ongoing
2. Are we investing sufficient resources in the NFI exercise?	Partly	As part of the 2024/25 exercise the Audit & Fraud team will carry out a review of dataset owners across the Council to ensure	Shared Service Manager - Audit & Fraud May 2025
3. Do we plan properly for NFI exercises, both before submitting data and prior to matches becoming	Yes	Quality checks on data are carried out regularly.	N/A
available? This includes considering the quality of data. 4. Is our NFI Key Contact (KC) the appropriate officer for that role and do they oversee the exercise properly?	Yes	The responsibility for overseeing the NFI lies with Audit & Fraud who will review all aspects of NFI for the coming 2024/2025 exercise.	Shared Service Manager - Audit & Fraud
5. Do KCs have the time to devote to the exercise and sufficient authority to seek action across the organisation?	Yes	A report will be presented to the Audit Committee outlining how the Council is engaging with the 2024/2025 exercise. Sufficient allocation of resource for the NFI work is included within the Internal Audit Annual Audit Plans. Progress reports are submitted to Audit Committee on a regular	May 2024 Shared Service Manager - Audit & Fraud Ongoing
6. Where NFI outcomes have been low in the past, do we recognise that this may not be the case the next time, that NFI can deter fraud and that there is value in the assurances that we can take from low outcomes?	Yes	basis. This is recognised in terms of the matches received. Resources for the Audit & Fraud team's workplan are reviewed in light of the matches received and the level of outcomes	Shared Service Manager - Audit & Fraud Ongoing
7. Do we confirm promptly (using the online facility on the secure website) that we have met the fair processing notice requirements?	Yes		N/A
8. Do we plan to provide all NFI data on time using the secure data file upload facility properly?	Yes	Audit & Fraud co-ordinates the NFI exercise and a timetable is in place to meet timescales for data upload for the 2024-2025	N/A
9. Have we considered using the the point of application data matching service offered by the NFI team to enhance assurances over internal controls and improve our approach to risk management?	Yes	This is not something that is currently used within the Council as it attracts additional costs and the functionality requires to be reviewed for any enhancements offered. This will be considered as part of the 2024/25 NFI exercise.	Shared Service Manager - Audit & Fraud May 2025
Effective Follow up Matches 10 Do all departments involved in NFI start the follow- up of matches promptly after they become available?	Yes	Progress is monitored and followed up by the Audit & Fraud team.	Shared Service Manager - Audit & Fraud Ongoing
11. Do we give priority to following up high-risk matches, those that become quickly out-of-date and those that could cause reputational damage if a fraud is not stopped quickly?	Yes	A full review of protocols for all services has been carried out by Audit & Fraud to ensure compliance. High risk matches have been fully discussed with all services and they are aware to prioritise these. This will be monitored by the Audit & Fraud Team.	Shared Service Manager - Audit & Fraud Ongoing
12. Are we investigating the circumstances of matches adequately before reaching a 'no issue' outcome, in particular? 13. (In health bodies) are we drawing appropriately on	Yes	User training has been provided by Audit &	N/A
the help and expertise available from NHS Scotland Counter-Fraud Services? 14. Are we taking appropriate action in cases where	N/A	Appropriate reports to PF, disciplinary action	
fraud is alleged (whether disciplinary action, penalties/cautions or reporting to the Procurator Fiscal)? Are we recovering funds effectively? 15. Do we avoid deploying excessive resources on match reports where early work (eg, on high-risk	Yes	are taken, debt recovery precedures are in	N/A Shared Service Manager -
matches) has not found any fraud or error?	Yes	will be deployed to other recommended or high risk matches. The Audit & Fraud team will review all services to ensure compliance.	Audit & Fraud Ongoing
16. Where the number of high-risk matches is very low, are we adequately considering the medium and low-risk matches before we cease our follow-up work?	Yes	The Audit & Fraud team have provided training on the investigation process which includes the consideration of investigating all matches.	N/A
17. Overall, are we deploying appropriate resources on managing the NFI exercise? Recording and Reporting	Yes	The Audit & Fraud team review resources to ensure appropriate resources are being deployed.	N/A
18. Are we recording outcomes properly in the secure website and keeping it up to date?	Yes	The Audit & Fraud team have carried out a full review of this area to ensure compliance. Officers have found the online training	N/A
19. Do staff use the online training modules and guidance on the secure website, and do they consult the NFI team if they are unsure about how to record outcomes (to be encouraged)? 20. If, out of preference, we record some or all outcomes	Yes	Officers have found the online training helpful and Audit & Fraud have provided additional training on the required process for 2024/25 exercise. All outcomes are reported in secure website.	1
outside the secure website, have we made arrangements to inform the NEI team about these outcomes?	N/A		N/A

to inform the NFI team about these outcomes?

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Officer - Resources

Audit Committee: 4 December 2024

Subject: Public Interest Disclosures and other Internal Audit Investigations 27 January to 31 October 2024

1. Purpose

1.1 The purpose of this report is to advise Committee of the outcome of investigations into allegations and disclosures in line with public interest disclosure and business irregularities policies received by Internal Audit between 27 January and 31 October 2024.

2. Recommendations

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

3. Background

- 3.1 A disclosure in the public interest is where a concern is raised by a Council employee about a danger or illegality that has a public interest aspect to it. A confidential reporting facility is managed by Internal Audit as part of the Council's Public Interest Disclosure Policy. Internal Audit maintains a central record of all concerns raised under the Public Interest Disclosure Policy. All such disclosures are investigated by Internal Audit, including liaising with Services and HR as appropriate.
- 3.2 Members of the public can also contact Internal Audit to raise issues of concern and such matters are investigated as appropriate, although they are not regarded as public interest disclosures in terms of legislation.

4. Main Issues

Public Interest Disclosure Cases

4.1 There were 9 outstanding cases from the previous report to Audit Committee on 21 February which require an update to this meeting.

Ref/			
Date	Service Area	Detail	Status
21/0323	Housing and	Allegation that	Closed – incorporated
41/1223	Employability	employee was off	into 2024/25 Internal
		sick but running	Audit Plan.
12.12.23		own business.	
03/0523	Housing and	Allegation of	Closed - Incorporated
16/0723	Employability	misappropriation	into 2024/25 Internal
		of council	Audit plan.
13.7.23		materials.	

Ref/			
Date	Service Area	Detail	Status
17/0723	Citizen, Culture	Allegation of	Closed. HR investigation
20/0723	and	inappropriate	concluded and outcome
	Communications	behaviour.	reached.
3.8.23			
18/0723	Housing and	Misuse of Council	Closed – Incorporated
	Employability	vehicle.	into 2024/25 Internal
27.7.23			Audit Plan.
43/1223	Education	Allegation that standard	Closed – unfounded.
25.12.23		procedures are	
		not being	
		followed.	
44/0124	Housing and	Alleged theft of	Closed – Incorporated
	Employability	Council materials.	into 2024/25 Internal
19.01.24			Audit Plan.

4.2 There were 18 new disclosures received during the period 27 January to 31 October 2024 as follows:

Ref/ Date	Service Area	Detail	Status
46/0224 49/0224 50/0224 19.3.24	Housing and Employability	Use of council materials in property was not value for money.	Closed – previously investigated and unfounded.
47/0224 9.2.24	Regulatory and Regeneration	Allegation of aggressive behaviour.	Referred to Service. Closed – limited information provided in referral and no formal complaint received.
01/0424 14/0924 21/1024 23/1024 25.10.24	Roads & Neighbourhood	Drug misuse by employees whist on duty.	Referred to Service – ongoing.
03/0424	Citizen, Culture and Facilities	Inappropriate authorisation of overtime.	Referred to Service – closed - unfounded.
04/0424 24.4.24	Housing & Employability	Misuse of council materials.	Referred to Service. Closed – unfounded.

Ref/			
Date	Service Area	Detail	Status
08/0624	Citizen, Culture and Facilities	Misappropriation of funds.	Closed – unfounded.
18.6.24			
10/0624	HSCP	Allegation of unfair practices.	Closed – unfounded.
24.6.24			
13/0824	Roads & Neighbourhood	Inappropriate use of council	Concluded - allegation substantiated and
20.8.24		resources.	recommendations made to service for action.
15/0924	Citizen, Culture and Facilities	Allegation that employee is	Referred to Service – ongoing
14.8.24		working elsewhere whilst being off sick.	
16/0924	HSCP	Potentially fraudulent	Closed – no fraud identified however
17.9.24		corporate	recommendations made to
		purchase card expenditure.	strengthen current process.
19/1024	Housing & Employability	Potential breach of code of	Referred to Service – ongoing
23.10.24		conduct/social media policy.	
20/1024	Road & Neighbourhood	Allegation of bullying	Referred to Service – ongoing
25.10.24			
22/1024	Housing & Employability	Allegation of fraudulent	Closed – Links to 03/0523 and will be incorporated
25.10.24		overtime and allowance claims	into 2024/25 Internal Audit Plan.

4.3 Activity relating to public interest disclosure for recent reporting periods is as follows:

Period	No. of Cases
1 st January 2017 to 30 th June 2017	1
1 st July 2017 to 31 st December 2017	7
1 st January 2018 to 30 th June 2018	2
1 st July 2018 to 31 st December 2018	3
1 st January 2019 to 30 th June 2019	5
1 st July 2019 to 30 th June 2020	8
1 st July 2020 to 31 st December 2020	4
1st January 2021 to 18th August 2021	15
19th August 2021 to 31st January 2022	7
1st February 2022 to 15th July 2022	7

16 th July 2022 to 18 th January 2023	5
19 th January to 18 th July 2023	19
19th July 2023 to 24th January 2024	10
27 th January to 31 October 2024	18

Other investigations (non public interest disclosure cases)

4.4 There were 5 other referrals investigated by Internal Audit during the period 27 January to 31 October 2024:

Ref/	Service Area		
Date		Detail	Status
09/0623 11/0623	Roads and Neighbourhood	Allegation of victimisation.	Closed – dealt with under complaints handling procedures.
13.6.23			
33/1023 9.10.23	Housing and Employability	Allegation that employees are sitting in vans	Ongoing - Referred to Service.
		reading newspapers for excessive periods of time.	
38/1123	Housing and Employability	Theft of Council Resources	Closed - will be incorporated into 2024/25 Internal Audit
3.11.23			Plan.
42/1223	Roads and Neighbourhood	Allegation that staff are receiving	Complete. No fraud identified.
19.11.23		additional payments which are not in line with policy.	

4.5 There were 11 new referrals received during the period 27 January to 31 October 2024 as follows:

Ref/	Service Area		
Date		Detail	Status
48/0224	Housing and Employability	Allegation that employee was	Referred to Service. Closed – employment terminated.
24.2.24		working elsewhere whilst being off sick.	
51/0324	Roads &	Allegation of	Referred to Service –
	Neighbourhood	misuse of drugs	ongoing.
25.3.24		and alcohol whilst	
		on duty.	

Ref/	Service Area		
Date		Detail	Status
52/0324	Education	Allegation of bullying.	Referred to Service. Dealt with as a complaint.
27.3.24			
05/0424	Roads &	Misuse of council	Closed – unfounded.
06/0524	Neighbourhood	vehicle and materials.	
3.5.24			
07/0524	HSCP	Fraudulent overtime claims.	Investigation ongoing.
10.5.24			
09/0624	Regulatory & Regeneration	Allegation of unfair treatment.	Closed – unfounded.
31.5.24			
11/0824	Housing & Employability	Misuse of council vehicle.	Closed – unfounded.
2.8.24			
12/0824	HSCP	Sale of council stock for personal	Closed – unfounded. Recommendations made to
15.8.24		gain.	management to improve
		94	control environment.
17/0924	Housing &	Allegation that	Referred to Service –
	Employability	vehicles are	unfounded.
24.9.24		parked outside	
		property for long	
		periods of time on several occasions.	
18/0924	Resources		Ongoing investigation.
10/0924	Resources	Allegation that some	Ongoing investigation.
27.9.24		organisations are	
		not being invoiced	
		correctly or at all.	

4.6 Activity relating to other investigation referrals for recent reporting periods is as follows:

Period	No. of Cases
1st January 2017 to 30th June 2017	3
1st July 2017 to 31st December 2017	5
1st January 2018 to 30th June 2018	5
1st July 2018 to 31st December 2018	4
1st January 2019 to 30th June 2019	14
1st July 2019 to 30th June 2020	8
1st July 2020 to 31st December 2020	2
1st January 2021 to 18th August 2021	1
19th August 2021 to 31st January 2022	2
1st February 2022 to 15th July 2022	2
16 th July 2022 to 18 th January 2023	5

19th January to 18th July 2023	0
19th July 2023 to 24th January 2024	10
27 th January to 31 October 2024	11

4.7 A follow up process is in place to ensure recommendations made have been implemented. Outcomes are used to inform internal audit planning for future years.

5. People Implications

- **5.1** There are no personnel implications with this report.
- 6. Financial and Procurement Implications
- **6.1** There are neither financial nor procurement implications with this report.
- 7. Risk Analysis
- 7.1 There are risks to the Council in financial, legal, operational and reputational terms of not providing a service to enable a disclosure in the public interest and to ensure that all public interest disclosure and other concerns raised with Internal Audit are properly investigated.
- 8. Equalities Impact Assessment (EIA)
- **8.1** There is no requirement to undertake an equality impact screening.
- 9. Consultation
- **9.1** This report has been subject to consultation with appropriate Chief Officers.
- 10. Strategic Assessment
- 10.1 The Public Interest Disclosure Policy and Business Irregularity Procedures contribute to the Council's strategic priorities by ensuring that early warnings of malpractice may mitigate the extent of financial losses to the Council, contribute to better asset management by utilising employees to manage risks to the organisation's reputation and support fit for purpose services through the continuation and promotion of robust employment practice.

Laurence Slavin Chief Officer - Resources Date: 5 November 2024

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Person to Contact: Andi Priestman, Shared Service Manager – Audit &

Fraud

Email: andi.priestman@west-dunbarton.gov.uk

Appendix: None

Public Interest Disclosure Policy; Business Irregularity Procedures **Background Papers:**

Wards Affected: All

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Officer - Resources

Audit Committee: 4 December 2024

Subject: 2023/24 Treasury Management Annual Report

1. Purpose

1.1 The purpose of this report is to advise the Committee of the operation of the treasury function and its activities in 2023/24 and request that the Committee remits the report to the full Council for their approval.

2. Recommendations

- **2.1** Committee to note the contents of the 2023/24 Annual Treasury Management Report.
- **2.2** Committee to remit the 2023/24 Annual Treasury Management Report. to full Council for approval.

3. Background

- 3.1 In accordance with the Treasury Policy governing the Council's treasury management activities the Chief Officer Resources is required to provide an Annual Report to Members regarding the Treasury function.
- 3.2 One of the key clauses is that a responsible body is required to ensure effective scrutiny of the treasury management strategy and polices. Within West Dunbartonshire Council the body identified to fulfil this role is the Audit Committee.

4. Main Issues

2023/24 Treasury Management Annual Report

- 4.1 A copy of the 2023/24 Treasury Management Annual Report is attached (Appendix 1) with it based upon the Council's unaudited 2023/24 Financial Statements.
- **4.2** The report details the loans borrowed and repaid during the course of the year, associated interest rates and debt rescheduling undertaken.
- 4.3 External borrowing (excluding Public Private Partnership (PPP) borrowing) has increased during the year from £670.883m at the beginning of the year to £760.698m at the end of the year. This was mainly due to capital expenditure and the repayment of temporary loans. Over the year as new debt has been borrowed and maturing debt replaced the average interest rate on loans held has increased from 3.19% at 31 March 2023 to 4.48% at 31 March 2024.

- **4.4** Consideration was given to available interest rates, and mainly short-term borrowing has been utilised to finance the current capital programme to take advantage of slightly lower interest rates.
- 4.5 Investments have increased as at the 31 March 2024 from £6.5m at the beginning of the year to £29.1m at the year-end. The average interest rate on these investments held as at 31 March 2024 increased from 4.00% to 4.62%.
- 4.6 As at 31 March 2024 fixed rate borrowing under 12 months was 36.73%. This is below the maximum allowable limit for short term debt and is as a result of action taken to reprofile the debt from short term to long loans. We will continue to take action with a longer term target to bring short term borrowing toward a figure less than 30% of the overall debt portfolio however this needs to be done prudently whilst monitoring projected future interest rates. All other year end indicators advised within Appendix 1 of this report are within the limits previously agreed by Council.

5. Option Appraisal

- **5.1** No option appraisal was required for this report.
- 6. People Implications
- **6.1** There are no personnel issues.
- 7. Financial and Procurement Implications
- **7.1** There are no financial or procurement implications.
- 8. Risk Analysis
- 8.1 There are three main risks associated with the formulation of prudential indicators. These are noted below. However the Council has robust monitoring processes in place and provides regular reports to Council and ensures further scrutiny by elected Members at the Audit Committee:
 - (a) The risk of Counterparties default (i.e. loss of principal sum invested) however, the Council has robust controls included within its treasury management and investment strategies that will assist in mitigating this risk.
 - (b) Capital inflation may increase capital expenditure levels, which in turn may affect the capital financing and borrowing requirement leading to an increase in borrowing, assuming no additional capital receipts or other funding are available.
 - (c) Capital receipts which affect the capital financing and borrowing requirement may not materialise which would require additional borrowing to fund the financing requirement.

9. Equalities Impact Assessment

9.1 No equalities impact assessment was required in relation to this report.

10. Environmental Sustainability

10.1 No assessment of environmental sustainability was required in relation to this report

11. Consultation

11.1 The views of Legal Services have been requested on this report and have advised there are neither any issues nor concerns.

12. Strategic Assessment

- **12.1** Proper budgetary control and sound financial practice are cornerstones of good governance and support Council and officers to pursue the 5 strategic priorities of the Council's Strategic Plan.
- **12.2** Treasury management contributes to the Financial Strategy via the interdependency that exists between pro-active treasury management and the formulation of long term financial plans.

Laurence Slavin
Chief Officer - Resources
Date: 19 November 2024

Person to Contact: Karen Shannon,

Finance Business Partner Council Offices, Church Street

Email: Karen.Shannon@west-dunbarton.gov.uk

Appendix: Annual Report 2023/24 -Treasury Management and Actual

Prudential Indicators

Background Papers: Loans register and portfolio;

Debt rescheduling schedules;

Prudential Indicators 2023/24 to 2032/33 and Treasury

Management Strategy 2023/24 to 2032/33

(Council 27 March 2024);

Mid-Year Monitoring Report 2023/24 - Treasury Management and Prudential Indicators (Council 20

December 2023); and

Treasury Management Annual Report 2022/23 (Council

20 December 2023)

Local Government Finance Circular 5/2022 - statutory repayment of debt – short term financial flexibility: guidance

Wards Affected: No wards directly affected.

Annual Report 2023/24 Treasury Management and Actual Prudential Indicators

1. Introduction

- **1.1** The Council's treasury management activities are regulated by a variety of professional codes and statutes and guidance:
 - The Local Government in Scotland Act 2003 (the Act), provides the
 powers to borrow and invest as well as providing controls and limits on
 this activity. The Act permits Scottish Ministers to set limits either on the
 Council or nationally on all local authorities restricting the amount of
 borrowing which may be undertaken (although no restrictions were made
 in 2023/24).
 - Statutory Instrument (SSI) 29 of 2004, requires the Council to undertake any borrowing activity with regard to the CIPFA Prudential Code for Capital Finance in Local Authorities, and therefore operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services; and the treasury activity with regard to the CIPFA Code of Practice for Treasury Management in Local Authorities.
 - Statutory Instrument (SI) 2016 No 123 requires the Council to document its policy on the prudent repayment of loans fund advances.
- 1.2 The Council has adopted the CIPFA Code of Practice for Treasury Management in the Public Sector and the Prudential Code and operates its treasury management service and capital programme in compliance with these Codes and the above requirements. These require that the prime objective of the treasury management activity is the effective management of risk, and that its borrowing activities are undertaken in a prudent, affordable and sustainable basis.

In December 2017, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued a revised Treasury Management Code and a revised Prudential Code.

A particular focus of these revised codes was how to deal with local authority investments which are not treasury type investments e.g. by investing in purchasing property in order to generate income for the Authority at a much higher level than can be attained by treasury investments. One recommendation was that local authorities should produce a new report to members to give a high level summary of the overall capital strategy and to enable members to see how the cash resources of the Authority have been apportioned between treasury and non-treasury investments. For 2023/24, a Capital Strategy was reported and approved by Council on 1 March 2023.

1.3 During 2023/24 the minimum reporting requirements were that the Council should receive the following reports:

- an annual treasury strategy in advance of the new financial year (Council 29 March 2023)
- a mid-year treasury update report (Council 20 December 2023)
- an annual report following the financial year-end describing the activity compared to the strategy (this report).

1.4 This report sets out:

- A summary of the 2023/24 strategy.
- The Council's treasury position at 31 March 2024.
- The main Prudential Indicators and compliance with limits.
- A summary of the economic factors affecting the strategy over 2023/24.
- The 2023/24 Treasury activity.
- Performance indicators set for 2023/24.
- Disclosure regarding the repayment of loan fund advances for 2023/24.
- Risk and Performance.

2. A Summary of the 2023/24 Strategy

- **2.1 Borrowing** it is forecast that the capital borrowing need (the Capital Financing Requirement) will be almost fully funded by external borrowing which is a mixture of short term and long term debt. Against this background and the risk within the economic forecast, caution will be adopted with the 2024/25 treasury operations. The Section 95 Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.
- 2.2 Investments with the economic background at the time, the investment climate had one over-riding risk consideration counterparty security risk. As a result of the underlying concerns, officers maintained an operational investment strategy which tightened the controls already in place in the approved investment strategy. The Council's investment strategy primary objectives are safeguarding the repayment of the principal and interest of its investments on time first and ensuring adequate liquidity second the investment return being a third objective.
- 2.3 Based on the above, the treasury strategy was to postpone borrowing (by not borrowing in advance of need) and in particular minimise longer term borrowing to avoid the cost of holding higher levels of investments at higher interest rates and to reduce counterparty risk.

3. The Council's Treasury Position at 31 March 2024

3.1 During 2023/24, the Chief Officer – Resources, in line with the Treasury Strategy, managed the debt position with the use of internal funds as well as a mix of short-term and long-term external borrowing, and the treasury position at 31 March 2024 compared with the previous year was:

Table 1

Treasury position – excluding PPP	31 March 2023		31 March 2024	
	Principal	Average Rate	Principal	Average Rate
Fixed Interest Rate Debt	£614.160m	3.19%	£718.597m	4.48%
Variable Interest Rate Debt	£0.000m	0.00%	£0.00m	0.00%
Total Debt	£614.160m	3.19%	£718.597m	4.48%
Total Investments	£6.478m	4.00%	£28.997m	4.62%
Net borrowing position	£607.682m		£689.600m	

- 3.2 From the above table, it can be seen that the average interest rate on the debt held as at 31 March has increased from 3.19% in 2023 to 4.48% as at 31 March 2024. At the same time the average rate has increased on the investments held as at 31 March from 4.00% in 2023 to 4.62% as at 31 March 2024.
- 3.3 The external debt figure included within Table 1 includes both short term and long term debt.
- 3.4 There are four treasury prudential indicators which cover the activity of the treasury function. Complying with these indicators reduces the risk of an adverse movement in interest rates impacting negatively on the Council's overall position:
 - Upper limits on variable rate exposure.
 - Upper limits on fixed rate exposure.
 - Maturity structures of borrowing.
 - Total principal funds invested for greater than 365 days.
- 3.5 Table 2 shows the actual upper limits set per debt type and maturity as at 31 March 2024.

Table 2

	2023/24 Actual	2023/24 Revised Indicator
Upper Limits on Fixed Interest Rates (Against maximum position)	100.00%	100.00%
Upper Limits on Variable Interest Rates (Against maximum position)	0.00%	50.00%

Maturity Structure Fixed Rate Borrowing (%)	Year End	Max	Min
Under 12 months	36.73%	50.00%	0%
12 months to 2 years	9.36%	50.00%	0%
2 years to 5 years	17.91%	50.00%	0%
5 years to 10 years	2.52%	50.00%	0%
10 years to 20 years	2.46%	50.00%	0%
20 years to 30 years	4.72%	50.00%	0%
30 years to 40 years	2.23%	50.00%	0%
40 years to 50 years	21.54%	100.00%	0%
50 years to 60 years	2.52%	100.00%	0%
60 years to 70 years	0.00%	100.00%	0%
Maximum Principal Funds Invested > 364 Days	£0.472m	£1m	Nil

4. The Main Prudential Indicators and Compliance with Limits

4.1 The Council is required by the Prudential Code to report the actual prudential indicators after the year end.

4.1.1 Capital Expenditure and its Financing

This indicator shows total capital expenditure for the year and how this was financed. The decrease in capital expenditure between revised estimate and actual as noted below in Table 3 is due to expenditure which has been reprofiled from 2023/24 into the 2024/25 capital programme, together with resources. The indicators for 2023/24 will be revised in line with this.

Table 3

		2023/24
	2023/24	Revised
	Actual	Estimate*
Capital expenditure:	£87.383m	£88.479m
Resourced by:		
Capital receipts and grants	£26.331m	£29.377m
Revenue	£0.077m	£0.250m
Capital expenditure - additional need to borrow for in-year capital spend	£60.975m	£55.852m

^{*} From the Treasury Strategy Report

4.1.2 Gross Borrowing and the Capital Financing Requirement (CFR)

In order to ensure that borrowing levels are prudent, over the medium term the Council's gross borrowing must only be used for capital purposes. Gross borrowing should not therefore, except in the short term, exceed the total of the capital financing requirement in the preceding year (2023/24) plus the estimates of any additional capital financing requirement for the current (2024/25) and next two financial years. This essentially means that the

Council is not borrowing to support revenue expenditure. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2023/24.

4.1.3 The Chief Officer Resources can confirm the Council has complied with this indicator over the medium term (as can be seen by comparing the gross debt figure at 31 March 2024 with the anticipated CFR at 31 March 2027 as detailed in Table 4 below), and in the short term, the adjusted gross borrowing position also under the CFR as at 31 March 2023.

Table 4

	2023/24 Actual	2023/24 Revised Indicator*
Gross borrowing position per Table1	£718.597m	£670.883m
PPP Liability	£87.449m	£89.815m
Adjusted gross borrowing position	£806.046m	£760.698m
Capital Financing Requirement	£794.231m	£792.123m

^{*} From the Treasury Strategy - Council 27 March 2024

	2023/24 Actual
CFR at 31 March 2024	
2023/24 Actual	£794.231m
Estimated Movement in CFR*	
2024/25	£99.415m
2025/26	£94.129m
2026/27	£49.419m
Anticipated CFR at 31 March 2027	£1,037.194m
Gross Debt at 31 March 2024	£806.046m

^{*} Estimated movements from treasury Management Strategy 2024/25 – March 2024

4.1.4 The Authorised Limit

The Authorised Limit is the "Affordable Borrowing Limit" required by Section 35 of the Local Government in Scotland Act 2003. The Council does not have the power to borrow above this level. The information in Table 5 demonstrates that during 2023/24 the Council has maintained gross borrowing within its Authorised Limit.

4.1.5 The Operational Boundary

The operational boundary is an indicator against which the Council monitors its external debt position. It is based on the Council's estimate of the most likely (i.e. prudent but not worst case) scenario for external debt. Periods where the actual position is either below or over the Operational Boundary are acceptable subject to the Authorised Limit not being breached. The information in Table 5 demonstrates that during 2023/24 the Council has maintained gross borrowing within its Operational Boundary.

4.1.6 Actual financing costs as a proportion of net revenue stream

This indicator shows the actual impact of capital expenditure in 2023/24 compared to the projected impact of the General Services Capital Plan Refresh and the HRA Capital Plan Update as approved by Members on 1 March 2023. The cost of capital is described as loan charges within the revenue budgets.

Table 5 *

	2023/24
	£898.992
Revised Indicator - Authorised Limit	m
	£824.012
Revised Indicator - Operational Boundary	m
	£717.577
Maximum gross borrowing position during 2022/23	m
	£602.573
Minimum gross borrowing position during 2022/23	m

	Estimate	Actual
Financing Costs as a properties of not revenue stream	u	Actual
Financing Costs as a proportion of net revenue stream		10.90
General Fund	8.53%	10.30
		41.90
Housing (HRA)	28.30%	%

^{*} From Mid Year Report 20 December 2023

5. Summary of the Economic Factors affecting the Strategy during 2023/24

5.1 The Economy and Interest Rates 2023/24 – to March 2024

(Source: Link Treasury Management Annual Report Template 2023/24 Scotland April 2024)

UK Economy

Against a backdrop of stubborn inflationary pressures, the Russian invasion of Ukraine, and war in the Middle East, UK interest rates have continued to be volatile from Bank Rate through to 50-year gilt yields, for all of 2023/24.

Markets have sought an end to central banks' on-going phase of keeping restrictive monetary policy in place on at least one occasion during 2023/24 but to date only the Swiss National Bank has cut rates and that was at the end of March 2024.

UK, Eurozone and US 10-year yields have all stayed high throughout 2023/24. The table below provides a snapshot of the conundrum facing central banks: inflation is easing, albeit gradually, but labour markets remain very tight by historical comparisons, making it an issue of fine judgment as to when rates can be cut.

	UK	Eurozone	US
Bank Rate	5.25%	4%	5.25%-5.5%
Inflation	3.4%	2.4%	3.2%
	year on year (Feb)	year on year (Mar)	year on year (Feb)
Unemployment	3.9%	6.4%	3.9%
Rate	(Jan)	(Feb)	(Feb)

The Bank of England, in their March meeting, left interest rates at 5.25% for the fifth time in a row. The Bank's communications suggest the Monetary Policy Committee (MPC) is gaining confidence that inflation will fall sustainably back to the 2.0% target. However, although the MPC noted that "the restrictive stance of monetary policy is weighing on activity in the real economy, is leading to a looser labour market and is bearing down on inflationary pressures", conversely it noted that key indicators of inflation persistence remain elevated and policy will be "restrictive for sufficiently long" and "restrictive for an extended period".

The UK economy has started to perform a little better in Q1 2024 but is still recovering from a shallow recession through the second half of 2023. Indeed, Q4 2023 saw negative GDP growth of -0.3% while year on year growth was also negative at -0.2%.

Unemployment is currently sub 4%, against a backdrop of still over 900,000 of job vacancies, and annual wage inflation is running at above 5%. With gas and electricity price caps falling in April 2024, the CPI measure of inflation - which peaked at 11.1% in October 2022 – is now due to slide below the 2% target rate in April and to remain below that Bank of England benchmark for the next couple of years, according to Capital Economics. The Bank of England still needs some convincing on that score. It is noted that core CPI was still 4.5% in February and, ideally, needs to fall further.

From a fiscal perspective, the further cuts to national insurance tax (from April) announced in the March Budget will boost real household disposable income by 0.5 - 1.0%. After real household disposable income rose by 1.9% in 2023, Capital Economics forecast it will rise by 1.7% in 2024 and by 2.4% in 2025. These rises in real household disposable income, combined with the earlier fading of the drag from previous rises in interest rates, means GDP growth of 0.5% is envisaged in 2024 and 1.5% in 2025. The Bank of England is less optimistic than that, seeing growth struggling to get near 1% over the next two to three years.

USA Economy

Despite the markets willing the Federal Open Market Committee to cut rates as soon as June 2024, the continued resilience of the economy, married to

sticky inflation, is providing a significant headwind to a change in monetary policy. Markets currently anticipate three rate cuts this calendar year, but two or less would not be out of the question. Currently, policy remains flexible but primarily data driven.

In addition, the Fed will want to shrink its \$16 trillion balance sheet at some point. Just because the \$ is the world's foremost reserve currency (China owns over \$1 trillion) does not mean the US can continually run a budget deficit. The mix of stubborn inflation and significant treasury issuance is keeping treasury yields high. The 10 year stands at 4.4%.

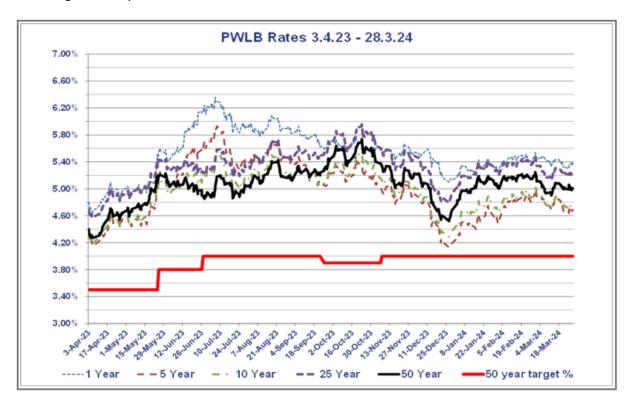
Inflation is currently a little above 3%. The market is not expecting a recession, but whether rates staying high for longer is conducive to a soft landing for the economy is uncertain, hence why the consensus is for rate cuts this year and into 2025.

EZ Economy.

Although the Euro-zone inflation rate has fallen to 2.4%, the European Central Bank will still be mindful that it has further work to do to dampen inflation expectations. However, with growth steadfastly in the slow lane (GDP flatlined in 2023), a June rate cut from the current 4% looks probable.

5.2 Borrowing Rates in 2023/24

The graph for Public Works Loan Board (PWLB) interest rates below shows that interest rates have continued to increase and most PWLB rates have been on a general upward trend since December 2023.



Source: Link Treasury Management Annual Report Template 2023/24 (Scotland)

- 6. 2023/24 Treasury Activity
- **6.1 Borrowing** The Council raised new short term loans of £248.000m during 2023/24 for the replacement of naturally maturing debt and to finance the Council's capital programme.
- **6.2** Rescheduling No debt rescheduling has taken place in 2023/24.
- **6.3** Repayment The Council repaid naturally maturing debt of £279.186m.
- **Summary of Debt Transactions** The overall position of the debt activity resulted in the average annual interest rate paid throughout the year, year on year increasing from 3.19% (2022/23) to 4.48% (2023/24)
- **6.5 Investment Policy** The Scottish Government issued The Local Government Investments (Scotland) Regulations 2010 on 1 April 2010.
- The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.
- 6.7 The Council's short term cash investments increased from £6.478m at the beginning of the year to £29.097m at the end of the year with an average balance of £11.093m and received an average return of 4.62% over the year. In addition to the short term cash investments the Council also had 2 long term investments in Clydebank Property Company and Hub West Scotland with a total value of £0.472m as at 31 March 2024 as identified in table 2 above (investments over 364 days).

7. Performance Indicators set for 2023/24

- **7.1** The treasury strategy defined a set of performance indicators covering the following areas:
- 7.1.1 Security In the context of benchmarking, assessing security is a very subjective area. Security is currently evidenced by the application of minimum quality criteria to financial institutions that the Council may choose to invest in, primarily through the use of credit ratings supplied by the three main credit rating agencies (Fitch, Moody's and Standard & Poors). The Council has benchmarked security risk by assessing the historical likelihood of default for investments placed with any institution with a long term credit rating of A- (this is the minimum long term credit rating used in the Council's investment strategy). The Council's maximum security risk is that 0.05% of investments placed with financial institutions could theoretically default based on global historical data. During the year all investments within the Council's portfolio were repaid on their due dates with no defaults of the principal sums recorded.

- 7.1.2 Liquidity As required by the CIPFA Treasury Management Code of Practice the Council has stated that it will "ensure that it has adequate, though not excessive, cash resources, borrowing arrangements, overdrafts or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives". In respect to liquidity as defined above the liquidity arrangements during the year were maintained in line with the facilities and benchmarks previously set by the Council as follows:
 - Bank overdraft £1.000m
 - Liquid short term deposits of at least £5.000m available overnight.
- 7.1.3 Return For the financial year the investment return averaged 4.569% which is an increase of 2.585% from the previous year. Table 6 illustrates that the Council's average return identified of 4.57% was less than the average return from the Council's bankers investment account (5.14%) and less than the Money Market Funds rate (noted in table 6) which are the local measures of return investment benchmarks approved in March 2012.

The Council's bankers (and therefore the bank with which the investment account is held) are currently Virgin money (formerly Clydesdale Bank plc) which falls within the Category 3 Investment Category approved in the investment strategy approved in February 2017. Due to the credit rating of this bank this category specified a maximum limit £5million which may be held on an overnight basis only thus limiting the ability to attract interest on this account.

Table 6

Benchmark	Benchmark	Average
	Return	Return
Compound 12 month SONIA*	4.98%	4.57%

^{*} SONIA is Sterling Overnight Index Average and has replaced LIBOR & LIBID

- 8. Disclosure regarding the repayment of loans fund advances for 2023/24
- 8.1 The policy on the prudent repayment of loans fund advances was detailed in the Mid-Year Monitoring Report 2023/24 Treasury Management and Prudential Indicators reported to Council on 20 December 2023.
- Table 7 shows the movement in the level of loan fund advances between 1 April 2023 and 31 March 2024 (excluding PPP).

Table 7

	General Fund	Housing
Opening Balance at 1 April 2023	£357.520m	£301.210m
New Advances in 2023/24	£7.223m	£44.618m
Repayments in 2023/24	(£4.023m)	(£7.662m)
Closing Balance at 31 March 2024	£360.720m	£338.166m

8.3 Table 8 details the anticipated repayment profile of the balance on the internal loans fund advances (excluding PPP) for both General Services and Housing held at 31 March 2024 (note, this is not external debt).

Table 8

Future Repayment Profile at 31			
March 2024	General Fund	Housing	Total
	£m	£m	£m
Under 12 months	4.551	9.502	14.053
2 years to 5 years	13.800	28.363	42.163
6 years to 10 years	25.637	49.888	75.525
11 years to 15 years	29.292	44.056	73.347
16 years to 20 years	25.043	50.144	75.187
21 years to 25 years	17.621	48.454	66.075
26 years to 30 years	12.166	28.263	40.429
31 years to 35 years	10.438	7.010	17.448
36 years to 40 years	12.097	5.568	17.665
41 years to 45 years	12.840	4.553	17.393
46 years to 50 years	15.130	6.178	21.308
51 years to 55 years	20.586	8.705	29.291
56 years to 60 years	25.425	7.739	33.164
61 year +	136.094	39.744	175.838
Total	360.720	338.166	698.886

9. Risk and Performance

- 9.1 The Council has complied with all relevant statutory and regulatory requirements which require the Council to identify and, where possible, quantify the levels of risk associated with its treasury management activities. In particular its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means both that its capital expenditure is prudent, affordable and sustainable, and its treasury practices demonstrate a low risk approach. Ongoing consideration of future affordability and sustainability are reported and considered by Members each year when setting the Council's General Fund and HRA capital and revenue budgets.
- 9.2 The Council is aware of the risks of passive management of the treasury portfolio and, with the support of the Council's treasury advisers, has proactively managed its treasury position within the current economic climate taking advantage of lower interest rates where it is deemed appropriate. The Council has complied with its internal and external procedural requirements. There is little risk of volatility of costs in the current debt portfolio as the interest rates are predominantly fixed, with the majority of debt comprised of long-term loans.

9.3 Shorter-term rates and likely future movements in these rates predominantly determine the Council's investment return. These returns can therefore be volatile and, whilst the risk of loss of principal is minimised through the annual investment strategy, accurately forecasting future returns can be difficult.

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Officer - Citizen, Culture & Facilities

Audit Committee: 4 December 2024

Subject: Scottish Public Services Ombudsman Complaints Report 2023-24

1. Purpose

1.1 The purpose of this report is to present the Scottish Public Services Ombudsman (SPSO) report on complaints handling by West Dunbartonshire Council for the year 1 April 2023 – 31 March 2024.

2. Recommendations

- **2.1** It is recommended that Committee:
 - Notes the contents of the report and the ongoing commitment at a service and strategic level to monitor complaints and ensure compliance with Scottish Public Services Ombudsman (SPSO) timelines.

3. Background

- 3.1 West Dunbartonshire Council administer the SPSO complaint handling model operating in line with all other Local Authorities. Complaints continue to be managed centrally by the Customer Relations team for all Council services. Complaints regarding West Dunbartonshire Health and Social Care Partnership (HSCP) are managed independently by the partnership.
- **3.2** Statutory appeals and reviews, such as planning decision appeals, continue to be directed to the relevant decision making body, and are not processed through the SPSO office.
- 3.3 The Complaints Handling Process is well established and understood by both Citizens and staff. Centralised complaints handling ensures an open and transparent process. Complaints are valued because they provide an insight into services, and how the Council is performing. The feedback offers valuable information helping to inform service planning, improve how services are delivered and ensure customer's voices are heard and views considered. Customers who remain dissatisfied with the final outcome of their complaint are openly directed to the SPSO to have their case considered for review.
- In 2023 an audit of the complaints process was carried out by Internal Audit with a report provided to Audit Committee in December 2023. The objective of the audit was to assess the adequacy and effectiveness of the governance, risk management and control procedures in relation to the corporate complaints process. Following the audit report Customer Relations have

- ensured all staff are aware of the complaints process and their responsibility to record and report all complaints. Work also has been undertaken with services to ensure central logging of complaints across all services.
- 3.5 West Dunbartonshire Council acts as factor for the buildings where we retain an interest with tenanted properties. Anyone who remains dissatisfied with the outcome of their complaint may also be signposted to the First-tier Tribunal for Scotland (Housing and Property Chamber). The Tribunal is an independent and impartial judicial body whose function is to review complaints from homeowners who consider their property factor has failed to perform its factoring duties or failed to comply with the Property Factors' Code of Conduct.
- 3.6 As a member of the Local Authority Complaints Handlers Network, the Council continues to fully engage in sharing of good practice and developing consistent approaches to complaints handling and reporting. Network meetings are held regularly, with SPSO in attendance at each meeting.

4. Main Issues

- 4.1 The SPSO delivers an annual report to each Local Authority detailing the number of complaints reported to its office. Appendix 1 provides a breakdown of enquiries handled by SPSO relating to West Dunbartonshire Council for 2023-24 together with comparison data for 2022-23. Appendix 2 is a summary breakdown of complaints received by the Council in 2023-24. Appendix 3 shows Social Work complaints handled by the HSCP for the same period. Appendix 4 offers a summary of 3 complaints which were fully investigated by the SPSO.
- 4.2 In the year 2023-24, SPSO received 29 complaints regarding the Council, an increase of 12 from 2022-23. The highest proportion of complaints made by West Dunbartonshire Citizens related to housing matters.
- 4.3 Of the 29 complaints to SPSO, 16 were handled at the Advice & Guidance stage. This is the initial receipt stage at SPSO where all enquiries are assessed. At this stage 10 were deemed as premature, which is terminology used by the SPSO when the complainant has not exhausted the Council's complaints process. A further 6 were handled as enquiries where SPSO would have offered information and support and can refer people to other organisations that may be better places to help such as the Financial Services Ombudsman.
- 4.4 The SPSO's Early Resolution stage is where SPSO start to gather the information they need for an investigation. Of complaints considered by SPSO at this stage 1 was closed as the subject matter was not in SPSO jurisdiction. A further 1 complaint failed the member of the public test, 1 was deemed out of time, i.e. it was not taken to SPSO within 12 months of becoming aware of the matter. A further 1 complaint was referred back to the Council.

- 4.5 A further 6 complaints were handled by the SPSO at the Early Resolution Stage. At this stage the SPSO applied discretion in 2 cases where it deemed insufficient benefit would be achieved by investigation. A further 4 complaints were closed by SPSO under good complaints handling meaning SPSO were satisfied complaints had been fully and appropriately investigated and responded to by the Council and SPSO could not achieve a better outcome.
- 4.6 The SPSO carried out full investigations into 3 complaints raised against West Dunbartonshire Council. Following a full investigation by SPSO 1 complaint was fully upheld. 1 complaint was deemed resolved as the SPSO had spoken with both the Council and the customer and the outcome sought was agreed without the need for a full investigation. The remaining 1 complaint was deemed not upheld. Appendix 4 provides a brief summary of each of the 3 fully investigated complaints.
- **4.7** The low number of complaints considered by SPSO is positive and reflects on the high level of effective complaints handling within West Dunbartonshire Council.
- 4.8 As outlined in Appendix 2, the Council handled 628 complaints internally in 2023-24. Of these, 543 were closed within 2023-24. The difference in complaints handled and closed is due to complaints being received during the reporting period, but still being worked on. The remaining 85 were closed in 2024-25 and will be included in appropriate reporting periods. When registering a complaint, residents preferred method is the online complaints form which accounted for 50% of all complaints received. The telephone is the next preferred method accounting for 35%.
- 4.9 As noted above, the number of complaints received in 2023-24 was 628. This represents a decrease of 2% when compared to complaints received in 2022-23 (642). It is important to continue to encourage capturing expressions of dissatisfaction. Complaints data provides services with valuable information to inform service improvement and understand the expectations of Customers.
- 4.10 Of the 543 complaints closed, 83% were resolved within SPSO timescales, including with extension where applicable, representing an increase of 3% from 2022-23 (80%). Customer Relations maintain a focus on right first time and is committed to ensuring the quality of responses remains high whilst seeking to improve response times again in 2024-25.
- **4.11** In line with this, the service continues to work to encourage a culture of welcoming complaints and ensuring services across the Council use the data provided to identify and progress complaints improvement activity.

5. People Implications

5.1 There are no people implications arising from this report.

6. Financial and Procurement Implications

6.1 There are no financial implications arising from this report.

7. Risk Analysis

- 7.1 There is a reputational risk in not responding to complaints in defined time periods within the two stage process. Complaints data is closely monitored, including response times and quality of response from services. Customer Relations continue to work to support services to improve response timescales and maintain quality of complaints management.
- 7.2 There is a risk that services do not learn from the complaints received and do not adapt processes or policies to stop it happening again. To reduce this risk complaints data is reported quarterly to Performance & Monitoring Group. Complaints data is also shared with Chief Officers and included within service Delivery Plans to ensure visibility and to assist in informing service improvements.

8. Equalities Impact Assessment (EIA)

8.1 The two stage process has been equality impact assessed at a National level. Locally, all aspects have been considered and assistance to navigate the complaints process is available for all customers.

9. Consultation

9.1 Not applicable to this report.

10. Strategic Assessment

10.1 Effective complaints handling contributes to all five Council strategic priorities.

Amanda Graham Chief Officer - Citizen, Culture and Facilities

Date: 1 November 2024

Person to Contact: Stephen Daly

Citizen & Library Manager Citizen, Culture and Facilities

Council Offices, 16 Church Street, Dumbarton

01389 737263

Appendices: Appendix 1 – SPSO Complaints Data

Appendix 2 - Summary of Council Complaints 2023-24

Appendix 3 - Summary of HSCP Complaints 2023-24

Appendix 4 – Summary of SPSO Complaints 2023-24

Background Papers: None

Wards Affected: All Wards

West Dunbartonshire Council complaints closed 2023-24

Stage	Outcome Group	Total					
Advice	7.10.0						
	A&G - Complaint submissions - premature	10					
	A&G - Enquiries	6					
	Organisation not in jurisdiction	0					
	Total	16					
Early	Cause and impact test not met (s 5 (3))	0					
Resolution	Discretion – Insufficient benefit would be achieved by	2					
	investigation						
	Discretion – Alternative action proposed	0					
	Discretion – Alternative route used or available	0					
	Discretion – Good complaint handling	4					
	Discretion – Referred back	1					
	Discretion – Resolved - both parties satisfied with	0					
	proposed outcome						
	Member of the public test not met (s 5 (6))	1					
	No response to contact	0					
	Organisation not in jurisdiction	0					
	Premature	0					
	Right of appeal to court/tribunal/Scottish ministers (s 7 (8))	0					
	Subject matter not in jurisdiction	1					
	Time limit (s 10)	1					
	Unable to proceed	0					
	Total	10					
Investigation	Fully upheld	1					
	Not duly made or withdrawn	0					
	Not upheld	1					
	Resolved	1					
	Some upheld						
	Total	3					
Total		29					

West Dunbartonshire Council complaints closed 2022-23

Stage	Outcome Group	Total
Advice	A&G - Complaint submissions - mature	1
	A&G - Complaint submissions - premature	3
	A&G - Enquiries	6
	Organisation not in jurisdiction	0
	Unable to proceed	0
	Total	10
Early	Cause and impact test not met (s 5 (3))	0
Resolution	Discretion – Insufficient benefit would be achieved by investigation	2
	Discretion – alternative action proposed	0
	Discretion – Alternative route used or available	0
	Discretion - Good complaint handling	0
	Discretion – referred back	1
	Discretion - Resolved - both parties satisfied with proposed outcome	0
	Member of the public test not met (s 5 (6))	0
	Organisation not in jurisdiction	0
	Premature	0
	Right of appeal to court/tribunal/Scottish ministers (s 7 (8))	0
	Subject matter not in jurisdiction	3
	Time limit (s 10)	0
	Unable to proceed	0
	Total	6
Investigation	Fully upheld	1
	Not duly made or withdrawn	0
	Not upheld	0
	Resolved	0
	Some upheld	0
	Total	1
Total		17

ITEM 10 APPENDIX 2

Year 2023-24		Complaints Received						_		Complaints										Outcome		
Performance & Monitoring	Total Complaints Received	Complaints Com Received Stage 1	nplaints eived Stage 2	Total complaints closed	Closed at Stage 1	Closed within 5 Working Days	Extension Stage 1	Exceeded S1 deadline after extension ie +10days	Total working days to close Stage 1 complaints	Average working days to close \$1	Closed at Stage 2	Closed withi 20 working days		Exceeded S2 deadline aft extention ie +25	er days to close		Escalated from Stage 1 to 2	Upheld Stage 1	Not Uphel Stage 1	d Upheld Stage 2	Not upheld Stage 2	Resolved
Citizen, Culture & Facilities	19	19	0	20	17	11	3		3 8:	2 !	5 2	2	2	0	0	23 11	.5	11	L	6	1	1 1
Education, Learning & Attainment	26	26	0	14		7	1		3 8	4	3	1	1 (0	0	14 1	.4 (3 (3	3	1	0 2
Housing & Employability	337	318	19	311	. 298	200	53	4	5 182	5	5 13	3	7	3	3	259 2	10 (172	12	6	4	9 0
People & Technology	0	0	0	0	0	C	0		0 (0) (0)	0	0	0	0 () ()	0	0	0 0
Regulatory & Regeneration	13		1	11			2		1 4		5 :	1)	0	1		14 () 2	2	8	0	1 0
Resources	60		3	50					4 42		9 2	2	1	0	1	59 3	0 (25			1	1 3
Roads & Neighbourhood	173	170	3	137	107	79	12	1	6 64	В	5 (0) (0	0	0	0 () 45	6.	2	0	0 30
Totals	628	602	26	543	488	325	81	. 8	2 311	1	5 19	9 1	1	3	5	449 2	4 (263	3 22	5	7 1	2 36
Complaint Category							Performance															
		Upl	neld per cate	egory Stage 1	Upheld per cat	egory Stage 2	% of complain	ts closed within	SPSO timescales							83	%					
Below declared service standard		0		0)	C	average worki	ng days to close	Stage 1 complai	nts							6					
Citizen expectation not met - quality of service		414		148	3	4	average worki	ng days to close	Stage 2 complai	nts						2						
Citizen expectation not met – timescales		146		83	1	2	% of Stage 1 co	% of Stage 1 complaints upheld 54%								%						
Council policy – charges		9		3	1	C	% of Stage 2 co	% of Stage 2 complaints upheld 37%								%						
Council policy – does not meet criteria		0		0)	C																
Council policy – level of service provision		1		0)		Channel Rece	eived					Equalities									
Delay in service delivery		0		0)		E-mail						4 Equality con	0								
Employee behaviour		40		22	!		Online Compla					31	1									
Error in Service Delivery		1		1			Internal Complaints form					-	D									
Failure to deliver service		9		1			In Writing					-	D									
Service standards not declared		0		0)		D By telephone					22	0									
Contractor		8		5	i	C	D Face to Face						2									
Total		520		252			Social Media						2									
Total		628		263	1	7	TOTAL					62	3									

WDHSCP - SMT

Period: 1st April 2023 - 31st March 2024

Social Work Services	Total						
Children's Health, Care & Criminal Justice	14						
Community Health and Care Services	25						
Mental Health, Learning Disability & Addictions	11						
Total	50						
Subject – a complaint can cover more than one subject							
Communication	6						
Failure to fulfil statutory responsibilities	1						
Failure to provide service	20						
Failure to Achieve Standards	28						
Data Breach	1						
Bias or unfair discrimination	1						
Employee Attitude	11						
Withdrawn							
Ongoing							
Response							
Acknowledged within 3 days	45						
Response within 28 days	21						
Outcomes							
Upheld	5						
Partially Upheld	10						
Not Upheld	32						
Withdrawn	1						
Complaint received but responded via a different policy	2						

Case ref: 202109366Date: September 2023

• Outcome: Upheld, recommendations

• Subject: Secondary School

Summary

C's child (A) was assaulted at school by other pupils. C complained that the council had failed to protect their child, failed to provide appropriate first aid and failed to provide a reasonable level of support to them following the incident. C also complained that the council failed to safeguard A from the bullying they subsequently experienced.

In their response to C's complaint, the council provided details of the first aid provided and the steps taken to notify C's spouse of what had happened. They said that the school had introduced a number of measures to help keep child A safe after the incident. The council initially said that C had refused to take part in restorative meetings, which they considered would have helped to resolve matters. After C complained about the council's response, the council conceded that C had not been invited to a restorative meeting and apologised for this inaccurate information in their response.

We reviewed the council's actions with reference to the relevant council policies. We considered that the assault had been taken seriously and acted upon swiftly. However, we found that although the council endeavoured to put in place a number of arrangements aimed at keeping A safe, these did not appear to have been fully implemented. We found that certain aspects of the council's policies were not followed, that the council acknowledged that no restorative meetings took place and that counselling was not available to child A. We found that the council failed to ensure A was sufficiently supported after the incident and we also found shortcomings in the council's complaints handling. We therefore upheld this complaint.

Recommendations

What we asked the organisation to do in this case:

- Apologise to C and C's family for the reliance on inaccurate information when reaching conclusions in the stage one response, with an acknowledgement of the impact this had on them. The apology should meet the standards set out in the SPSO guidelines on apology available at www.spso.org.uk/informationleaflets.
- Apologise to C for the issues highlighted in this decision notice. The apology should meet the standards set out in the SPSO guidelines on apology available at www.spso.org.uk/information-leaflets.

What we said should change to put things right in future:

 That the council consider creating a structured procedure and guidance for dealing with serious unacceptable behaviour and ensuring that the parties involved receive a full suite of support if required.

In relation to complaints handling, we recommended:

 Information contained within complaint responses should be accurate. In terms of good practice, complaint responses should be person-centred and non-confrontational.

We have asked the organisation to provide us with evidence that they have implemented the recommendations we have made on this case by the deadline we set.

• Case ref: 202007481

• Date: September 2023

• Outcome: Upheld, recommendations

• **Subject:** Council Tax

Summary

C complained about the council's handling of their council tax account. They had applied for a single person discount and a council tax reduction. C complained that the council failed to manage their account properly, did not communicate with them and issued warning notices for payment while the account was in dispute. C said that the council's handling of their account amounted to discrimination.

We found that there were significant delays throughout the council's assessment. However, we noted that this took place during the COVID-19 pandemic when services were disrupted. We found nothing to suggest the council were discriminating against C but considered that their communication was generally poor.

We were satisfied that C's council tax reduction entitlement was assessed reasonably, but we considered more could have been done to obtain the relevant information for the purposes of assessing C's application for single person discount. We upheld C's complaint.

Recommendations

What we asked the organisation to do in this case:

- Apologise to C for the issues highlighted in this decision. The apology should meet the standards set out in the SPSO guidelines on apology available at www.spso.org.uk/information-leaflets.
- Invite C to provide evidence of the date that they moved into the property and reassess the start date for their single person discount accordingly. The council should confirm to C what type of evidence they would accept as proof of the date of entry.

We have asked the organisation to provide us with evidence that they have implemented the recommendations we have made on this case by the deadline we set.

Appendix 4 (Cont'd)

Case ref: 202005474Date: October 2023

• Outcome: Not upheld, no recommendations

• Subject: Adoption / Fostering

Summary

C complained that the council failed to undertake a proper assessment of them as a prospective adoptive parent for a foster child placed in their care (A). C also complained that the transition of A from foster care to their adoptive family was unreasonable.

The council said that it was decided that C would not be considered further as a prospective adoptive parent for A based on C's responses to enquiries made of them at the early screening stage and their circumstances at the time. C did not agree with the council's response and brought their complaint to the SPSO.

We took independent advice from a social worker. We noted that the council had acknowledged their failure to ensure sufficient visits with C had taken place. However, we found that the council's decision not to consider C further as an adoptive parent was reasonable and did not uphold this part of C's complaint. In relation to the transition of A to their adoptive family, we found that this was reasonable and decisions were made with the best interests of A in mind. Therefore, we did not uphold this part of C's complaint.