Agenda

West Dunbartonshire COUNCIL

Audit Committee

Date: Wednesday, 15 February 2023

Time: 10:00

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

Contact: Ashley MacIntyre, Committee Officer
ashley.macintyre@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 Karen Conaghan (Chair)
Councillor Ian Dickson
Councillor Jonathan McColl (Vice Chair)
Councillor James McElhill
Councillor Michelle McGinty
Councillor John Millar
Councillor Martin Rooney
Councillor Hazel Sorrell
Mr C Johnstone

All other Councillors for information

Chief Executive
Chief Officers

Date of issue: 2 February 2023

AUDIT COMMITTEE

WEDNESDAY, 15 FEBRUARY 2023

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 the agenda and the reasons for such declarations.

3 MINUTES OF PREVIOUS MEETING 5 - 8

Submit for approval as a correct record, the Minutes of Meeting of the Audit Committee held on 9 November 2022.

4 OPEN FORUM

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

5 INTERNAL AUDIT PLANS 2021/22 AND 2022/23 – PROGRESS TO 18 JANUARY 2023 9 - 29

Submit report by the Chief Officer – Resources advising of progress at 18 January against the Internal Audit Plans for 2021/22 and 2022/23.

6 PUBLIC INTEREST DISCLOSURES AND OTHER INTERNAL AUDIT INVESTIGATIONS 16 JULY 2022 TO 18 JANUARY 2023 31 – 35

Submit report by the 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 16 July 2022 and 18 January 2023.

7 CIPFA GUIDANCE FOR AUDIT COMMITTEES 37 - 39

Submit report by the Chief Officer – Resources advising of the updated CIPFA guidance on Audit Committees within Local Authorities.

8 STRATEGIC RISKS 2022-2027 41 - 63

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

9 AUDIT UPDATE – WEST DUNBARTONSHIRE COUNCIL 65 - 75

Submit report by Mazars – West Dunbartonshire Council External Auditors providing an update for year ending 31 March 2023.

AUDIT COMMITTEE

At a Meeting of the Audit Committee held in the Council Chambers, Clydebank Town Hall, Clydebank on Wednesday, 9 November 2022 at 10.00 a.m.

Present: Councillors Karen Conaghan, Ian Dickson, Jonathan McColl, James McElhill, Michelle McGinty, John Millar, Martin Rooney and Hazel Sorrell and Lay Member Mr Christopher Johnstone.

Attending: Laurence Slavin, Chief Officer – Resources; Angela Wilson, Chief Officer – Supply, Distribution and Property; Victoria Rogers, Chief Officer – People and Technology; Julie Slavin, Chief Finance Officer, HSCP*; Andi Priestman, Shared Service Manager – Audit and Fraud; Gillian McNeilly, Finance Manager and Ashley MacIntyre, Committee Officer.

* arrived later in the meeting.

Also attending: Fiona Mitchell-Knight, Audit Director and Christopher Gardner, Senior Audit Manager, Audit Scotland.

Councillor Karen Conaghan in the Chair

DECLARATIONS OF INTEREST

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

MINUTES OF PREVIOUS MEETING

The Minutes of Meeting of the Audit Committee held on 10 August 2022 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.

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STRATEGIC RISKS 2022-2027

A report was submitted by the Chief Officer – People and Technology setting out proposed changes to the strategic risks for 2022-2027 following the Strategic Plan developments.

After discussion and having heard the Chief Officer – People and Technology and relevant officers in further explanation of the report and in answer to Members' questions, the Committee agreed the strategic risks as detailed in Appendix 1 to the report.

Note:- Julie Slavin, Chief Finance Officer, HSCP joined the meeting during consideration of this item.

TREASURY MANAGEMENT STRATEGY MID YEAR REPORT 2022/23

A report was submitted by the Chief Officer – Resources providing an update on treasury management to 31 August 2022.

After discussion and having heard the Chief Officer – Resources and the Finance Manager in further explanation of the report and in answer to Members' questions, the Committee agreed:-

(1) to note the treasury management stewardship information within Appendix 1 to the report;

(2) to note the 2022/23 revised estimates of treasury and prudential indicators as detailed in Appendix 1 to the report (Tables A, B, C, D, E, F, H, L and N); and

(3) to note that the report had been remitted to the Audit Committee from Council to ensure further scrutiny took place.

TREASURY MANAGEMENT ANNUAL REPORT 2021/22

A report was submitted by the Chief Officer – Resources providing an update on treasury management during 2021/22.

After discussion and having heard the Finance Manager in further explanation of the report and in answer to a Member's questions, the Committee agreed:-

(1) to note the information provided within the Annual Report as detailed in Appendix 1 to the report; and

(2) to note that the report had been remitted to the Audit Committee from Council to ensure further scrutiny took place.

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VALEDICTORY
GILLIAN MCNEILLY, FINANCE MANAGER

Laurence Slavin, Chief Officer – Resources advised that this was the last meeting of the Audit Committee that Gillian McNeilly, Finance Manager would be attending as she was leaving Council service before the end of the year.

On behalf of all Members of the Audit Committee, Councillor Karen Conaghan, Chair thanked Ms. McNeilly for her years of dedication and wished her well for the future.

Councillor Martin Rooney concurred with Councillor Conaghan's sentiments thanking Ms. McNeilly for her hard work and valued support.

In response, Ms. McNeilly thanked everyone for their kind well wishes.

ANNUAL AUDIT REPORT TO MEMBERS AND CONTROLLER OF AUDIT 2021/22

A report was submitted by the Chief Officer – Resources providing the opportunity to consider the Annual Audit Report to Members and Controller of Audit, for the Council and the Trusts administered by the Council, prior to approving the Audited Annual Accounts 2021/22 for both the Council and the Charities administered by the Council.

After discussion and having heard the Chief Officer – Resources, Audit Director and Senior Audit Manager, Audit Scotland in further explanation of the report and in answer to Members' questions, the Committee agreed:-

(1) to note the information provided within the letter to the Audit Committee in relation to DR AK Glen and West Dunbartonshire Trust Fund as detailed in Appendix 1 to the report;

(2) to note the Annual Audit Report to Members and Controller of Audit 2021/22 for the Council and the Charities administered by the Council as detailed in Appendix 3 to the report; and

(3) to note that the Letter and the Annual Audit Report, together with the Financial Statements will be reported to Council in December 2022.

AUDITED FINANCIAL STATEMENTS 2021/22

A report was submitted by the Chief Officer – Resources providing the opportunity to scrutinise and approve the Audited Annual Accounts 2021/22 for both the Council and the Charities administered by the Council.

After discussion and having heard the Chief Officer – Resources in further explanation of the report, the Committee agreed:-

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(1) to approve the information provided within the Audited Annual Accounts 2021/2021 – covering the Council and the Charities administered by the Council as detailed in the appendices to the report; and

(2) to note that the Statements will also be reported to Council in December 2022.

DECLARATIONS OF INTEREST

During consideration of the foregoing item of business and a discussion regarding overtime, Councillor Jonathan McColl made a declaration of interest noting that a member of his family was currently a Home Carer within West Dunbartonshire.

INTERNAL AUDIT PLANS 2021/22 AND 2022/23 - PROGRESS TO SEPTEMBER 2022

A report was submitted by the Chief Officer – Resources advising of progress at 30 September 2022 against the Internal Audit Plans for 2021/22 and 2022/23.

After discussion and having heard the Shared Service Manager – Audit and Fraud and relevant officers in further explanation of the report and in answer to Members' questions, the Committee agreed to note the contents of the report.

NATIONAL FRAUD INITIATIVE EXERCISE 2020/21

A report was submitted by the Chief Officer – Resources advising of the Audit Scotland Report "National Fraud Initiative 2020/21" published in August 2022 and providing an overview of the key messages and recommendations raised in the report and how these issues were being addressed by the Council.

After discussion and having heard the Shared Service Manager – Audit and Fraud and Chief Officer – Resources in further explanation of the report and in answer to Members' questions, the Committee agreed:-

(1) to note the contents of the report; and

(2) that a further update report would be submitted to the February 2023 Audit Committee outlining the Council's progress with the 2022-2023 exercise.

The meeting closed at 11:45 a.m.

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WEST DUNBARTONSHIRE COUNCIL

Report by Chief Officer – Resources

Audit Committee: 15 February 2023

Subject: Internal Audit Plans 2021/22 and 2022/23 – Progress to 18 January 2023

1. Purpose

1.1 The purpose of this report is to advise Members of progress at 18 January against the Internal Audit Plans for 2021/22 and 2022/23.

1.2 The report also advises Members of:

- Recently issued Internal Audit reports and action plans; and
- 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 plans for 2021/22 and 2022/23 were approved by the Audit Committee on 10 March 2021 and 15 June 2022 respectively. This report provides information on the progress in implementing the plans.

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 regularly 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 A new risk-based audit methodology was implemented during 2020/21. 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 Four audit reviews have been finalised since the Audit Committee meeting in November 2022 as follows:

- Housing Waiting Lists
- Vehicle Tracking System
- Financial Assessments Process – Health and Community Care
- Corporate Purchase Cards

Housing Waiting Lists

4.5 Councils are required under the Housing (Scotland) Act 2014 to undertake rolling reviews of Housing Lists to confirm that those persons on the lists confirm that they should remain. No rolling reviews of the West Dunbartonshire Council Housing Lists were carried out for a number of years prior to 2022. There were a number of reasons for this including:

- In April 2019 a major restructure of the Housing Service was implemented. More specialisation was introduced with Housing Officers concentrating on specific areas of work rather than their overall broad job specification.
- The Council brought on line the new Integrated Housing Management System (IHMS) from November 2019 replacing the previous SAFFRON system.
- The onset of Covid-19 and subsequent lockdowns in 2020 and 2021.

4.6 This resulted in a significant increase in the number of housing applicants listed as active on the Council's Housing Waiting lists. There were 6,659 applications listed as active at 31st July 2021. In addition the lack of proper maintenance of Housing Waiting lists during this period led to an increase in the number of queries raised under the National Fraud Initiative exercise in 2020. One of the Housing Operations Co-ordinators was given responsibility for maintaining the Housing Waiting Lists. This involved reviewing the existing Housing Waiting Lists with a view to ensuring the lists reflected the true number of active applications and the reinstatement of annual rolling reviews as required by legislation. The review was carried out during November/December 2021 and the final adjustments resulting from the review were updated on IHMS by the end of March 2022. This reduced the number of active applicants on the waiting lists to 4,737.

4.7 The objective of this audit was to provide management and the Audit Committee with an assessment of the adequacy and effectiveness of the governance, risk management and controls over the key risks faced by West Dunbartonshire Council in relation to the Council's Housing Waiting Lists.

4.8 The review focussed on the high level processes and procedures in relation to management of Housing Waiting Lists.

4.9 The overall control environment opinion for this audit review was **Satisfactory**. There was one AMBER issue identified as follows:

<u>Timely review and investigation of Waiting List National Fraud Initiative (NFI) Matches</u>

The National Fraud Initiative exercise is conducted on a biennial basis by the Cabinet Office and overseen by Audit Scotland. A high number of matches relating to Waiting Lists were identified through the 2018 and 2020 exercises however the audit identified that only a small proportion of matches were processed by the deadlines set by the Cabinet Office.

Where matches identified by the National Fraud Initiative are not reviewed and investigated in a timely manner there is a risk that fraud and error is not identified or control improvements are not put in place to reduce the risk of fraud and error in the future.

4.10 There were 3 issues identified, one of which we consider to be individually significant and an action plan is in place to address all issues by 30 April 2023.

Vehicle Tracking System

4.11 In 2010 West Dunbartonshire Council procured a Vehicle Fleet Emissions Monitoring and Tracking System to assist with the management of its vehicle fleet and emissions monitoring. Tracking equipment (Tom Tom Work) has been installed in 380 vehicles and the system permits each vehicle to be tracked via satellite and provides information, both live and historical, concerning vehicle fuel use, CO2 emissions, position, movements, travelling speed, driving incidents and operational status. Management Information can be extracted from the system using standard or bespoke reports which can be exported to Excel or in PDF format.

4.12 The primary aims and objectives of the system are to:

- Reduce vehicle fuel usage and therefore CO2 emissions.
- Improve the safety and security of operatives, vehicles and equipment.
- Increase efficiency through providing management with information on vehicle utilisation.
- Improve customer service through quicker response to requests and complaints through the identification of vehicles closest to service requirement.
- Identify the location of fleet vehicles at any time.
- Provide information relevant to the requirements of the Council's Management of Workplace Transport and Occupational Road Risk policy and to address the Driving at Work Guidelines published by the HSE/DfT which places responsibility on the Council to manage work related road safety.

4.13 The objective of this audit was to provide management and the Audit Committee with an assessment of the adequacy and effectiveness of the governance, risk management and controls over the key risks faced by West Dunbartonshire Council in relation to the Vehicle Tracking System.

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

Lack of Formal Process for Authorising User Access to Vehicle Tracking System

The audit identified that there is no formal process in place for granting authorised users access to the information generated by the Webfleet Vehicle Tracking system nor are regular reviews carried out to ensure all access levels remain appropriate and leavers are removed from the system.

Where there is no formal process in place for granting access to the Webfleet Vehicle Tracking System, there is a risk that the system may be accessed by unauthorised persons or that employees may be granted the incorrect access levels.

Lack of tracking units in hired vehicles

The audit identified that tracking units were not installed in hire vehicles including long term hires thereby restricting the monitoring of their use by management. Currently there are 127 long term hire vehicles in use by Council services however there are not enough tracking device units to enable installation in all vehicles.

Where tracking units are not installed in hire vehicles there is a risk that the vehicle cannot be effectively monitored in the same way as Council owned vehicles for the benefit of both management and the vehicle driver should an adverse driving event occur.

Under Utilisation of Vehicle Tracking System

The audit identified that a number managers in Services that use Council owned or hire vehicles are not aware of the full functionality of the vehicle tracking system and would benefit from refresher training. The responses to the CSA questionnaire also identified that a number of services had not nominated a relevant user to monitor, analyse and report management information provided by the system.

The under-utilisation of the Tracking System may impact on the realisation of the benefits set out in the business case.

Where a nominated user has not been appointed to monitor, analyse and report on vehicle information there is a risk that services cannot demonstrate that relevant vehicles are being efficiently and effectively utilised to improve service delivery.

4.15 The audit identified 5 issues, 3 of which we consider to be individually significant and an action plan is in place to address all issues by 31 March 2023.

Financial Assessments Process – Health and Community Care

4.16 West Dunbartonshire Health and Social Care Partnership (WDHSCP) is responsible for the planning and the delivery of high quality health and social care services to and with the communities of West Dunbartonshire. The service users receiving care and support from the HSCP may be required to contribute towards the cost of the services they receive. The services they receive will always be based on their needs and the charge will be based on their ability to pay. Therefore a Financial Assessment of the individual's income and capital is carried out to ensure the amount an individual will be charged is set in accordance with their ability to pay. The charges guidelines are detailed out in the WDHSCP Charging Policy for Non-Residential Care Services 2022/2023 and Charging for Residential Accommodation Guidance Updated 31 March 2022.

4.17 The objective of this audit was to provide management and the Audit Committee with a review on the adequacy and effectiveness of the governance, risk management and controls surrounding the Financial Assessment process within Health and Community Care.

4.18 The review focussed on the high level processes and procedures in relation to the Financial Assessment process within Health and Community Care and concentrated on identified areas of perceived higher risk, such as the financial assessment process is not completely and accurately carried out in a timely manner or financial assessment reviews were not being carried out.

4.19 The review focussed on the Financial Assessment process within Health and Community Care service only. The Financial Assessment processes carried out by other HSCP service areas will be subject to separate audits.

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

<u>Adequacy of Invoice Generation Process – Non-residential chargeable services</u>

Financial assessments for non-residential services within Health and Community Care are calculated in Excel. Until June 2022 the Excel calculations were sent to the Finance team by email for invoicing purposes. In June 2022 a change in process was introduced and the Excel calculation was input to the Individual Resource Framework form (IRF2) in the CareFirst system. However, due to this change, invoices were not issued to service users for the non-residential

chargeable services between 6th June and 2nd September 2022 as the notification to Finance was not automatic and no manual workaround was in place.

Where invoices for the services provided are not raised, income due is not received.

Action was taken immediately on this issue and all accounts are up to date.

No independent review of the Financial Assessment calculation

Social Workers within the Adult Care Team and the Community Older People's Team carry out the Financial Assessment process and calculate the cost for the non-residential services provided.

The supporting documentation required for the Financial Assessment is checked at the service user's home after which the Financial Assessment calculation is carried out in Excel and input to the IRF2 form in the CareFirst system.

However, the calculation is not independently checked by another officer for accuracy and completeness. In addition a copy of the supporting documentation is not retained for verification by another officer.

Where there is no independent check of the calculation process and supporting documentation is not available, there is a risk that calculations are not completely and accurately carried out.

Annual Review of Financial Assessment Calculation

COSLA's Guidance on Charging Policy states that - *charges will be reviewed in April each year to coincide with increases to pensions and benefits*.

The Audit highlighted that within the Adult Care Team and Community Older Peoples Team the annual review of Financial Assessments is not being carried out.

There is therefore a risk that correct costs will not be calculated for the chargeable services provided and therefore correct payments are not received.

4.21 The audit identified 6 issues, 3 of which we consider to be individually significant and an action plan is in place to address all issues by 31 March 2023.

Corporate Purchase Cards

4.22 The Council's purchasing cards are supplied by the Royal Bank of Scotland. They are used typically for the purchase of high volume, low value goods and services. Corporate purchase cards provide a simple to use, flexible system that can improve the efficiency of the order and payment process, reduce internal costs and allow goods to be obtained more quickly. The cards are used across all services with approximately 660 in circulation and are administered by the Finance Service Centre.

4.23 The objective of this audit was to provide management and the Audit Committee with an assessment of the adequacy and effectiveness of the governance, risk

management and controls over the key risks faced by the Council in relation to the use of corporate purchase cards.

4.24 The overall control environment opinion was Satisfactory. One AMBER issue was identified as follows:

Lack of Checking Process for Leavers

A weekly report of all leavers generated from the Council's Workforce Management System is issued to the Finance Service Centre for action, however there is no checking process to ensure corporate purchase cards assigned to leavers have been cancelled. We identified three instances where purchasing cards assigned to employees who had left the Council were still active.

Failure to cancel a card may result in the card being used fraudulently.

4.25 The audit identified four issues, one of which we consider to be individually significant and all actions are now complete.

4.26 The fieldwork for the 2021/22 Annual Audit Plan is now complete and fully reported to Audit Committee.

4.27 Full delivery of the 2021/22 audit plan was delayed due to unanticipated staff turnover, staff absence and completion of 2020/21 audit plan. The team has regained momentum and the planning and fieldwork for audits in the 2022/23 audit plan is well underway. The status of the 2022/23 audit plan is attached at Appendix 1.

4.28 In relation to audit work for the Integration Joint Board, the agreed audit plan is being progressed with regular reporting to the Integration Joint Board Audit & Performance Committee.

4.29 In relation to the Valuation Joint Board, planning for the 2022/23 audit plan has commenced.

4.30 In relation to the Leisure Trust, planning for the 2022/23 audit plan is complete and fieldwork is underway.

4.31 Internal and External Audit Action Plans
In relation to audit action plans, these are monitored by Internal Audit on a monthly basis. There were 7 actions due for completion by the end of December and all actions have been reported as completed by management. The status report at 31 December 2022 is provided at Appendix 2.

Ongoing Corporate Fraud Team Work

4.32 From 1 April to 31 December 2022, the Corporate Fraud team's day to day work has resulted in actual recoveries, charges and re-billings as detailed below, against an annual target of £250,000.

Description	**Amount (£)**
Council Tax Reduction	30,925
Council Tax Single Person Discount	15,147

National Fraud Initiative (Housing Benefit)	39,075
National Fraud Initiative (Council Tax/Council Tax Reduction)	32,806
National Fraud Initiative (Small Business Bonus Scheme)	0
Joint Working Housing Benefit/Council Tax Reduction	0
Non Department for Work and Pensions Housing Benefit	98,159
Non Department for Work and Pensions Council Tax Reduction	0
Department for Work and Pensions Housing Benefit Error	8,676
Covid 19 Business Grants	5,250
Scottish Welfare Fund Community Care Grant	6,095
Administrative Penalty	0
Total	**£236,133**

4.33 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.

National Fraud Initiative

4.34 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 timescale and report back on any savings.

4.35 The 2022 biennial exercise is now underway and datasets have been submitted to the Cabinet Office. Matches will be released from the end of January 2023.

Benchmarking

4.36 In accordance with the Council's Strategic Improvement Framework, services should undertake benchmarking activity with the equivalent function in other Councils. Therefore, the Council's Internal Audit service has entered into a benchmarking group which involves seven other Councils, these being:

- Argyll and Bute;
- Clackmannanshire;
- East Dunbartonshire;
- Falkirk;
- West Lothian;
- Inverclyde; and
- Stirling.

4.37 Meetings will continue to take place during 2023 to review performance against agreed performance indicators 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 As a result of Corporate Fraud Team activity, actual recoveries, charges and re-billings of £236,133 from 1 April to 31 December 2022 have been identified against an annual target of £250,000.

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.

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Laurence Slavin
Chief Officer - Resources
Date: 18 January 2023

Person to Contact: Andi Priestman, Shared Service Manager – Audit & Fraud
E-mail: andi.priestman@west-dunbarton.gov.uk

Appendices: 2022/23 Annual Audit Plans – Progress to 18 January 2023 (Appendix 1)
Status of Internal Audit Action Plans at 31 December 2022 (Appendix 2)

Background Papers: Audit Committee – 15 June 2022: Internal Audit Annual Plan 2022/23
Audit Committee – 21 March 2018: Counter Fraud and Corruption Strategy
Internal Audit Reports - Copies available on request

Wards Affected: All wards

2022-2023 Internal Audit Annual Audit Plans – Progress to 18 January 2023

Audit/Status 2022-23 Plan	Not Started	Planning	Fieldwork	Fieldwork Complete	Draft Report	Final Report	Date Reported to Audit Committee
Risk-Based Reviews							
Learning Disabilities Services – Financial Monitoring of Contracts	There is currently a redesign planned for LDS financial monitoring processes. Audit resource will be provided to the project and terms of reference will be agreed.						
Fleet Management		✓	✓				May 2023
Occupational Therapy Waiting Times		✓	✓				May 2023
Financial Assessment Process		✓	✓	✓	✓	✓	February 2023
Housing Repairs and Maintenance	✓						May 2023
Corporate Procurement – Supplier Management		✓	✓	✓	✓		May 2023
Vehicle Maintenance	✓						May 2023
Void Management	✓						May 2023
Housing Waiting Lists		✓	✓	✓	✓	✓	February 2023
Parent Pay		✓	✓				May 2023
Off Payroll Working		✓	✓	✓	✓		May 2023
Corporate Purchase Cards		✓	✓	✓	✓	✓	February 2023
Limited Scope Financial System Reviews							
Non-Domestic Rates	✓						May 2023
Creditors		✓	✓				May 2023
Compliance Reviews							
Health and Wellbeing Policy	✓						May 2023
Other Work							
Integration Joint Board – Internal Audit Service	The internal audit annual plan for 2022/23 is underway. Progress updates will be provided to the HSCP Board Audit & Performance Committee.						
Valuation Joint Board – Internal Audit Service	The internal audit annual plan for 2022/23 will be carried out in Q4.						
Leisure Trust – Internal Audit Service	The internal audit annual plan for 2022/23 will be carried out in Q4.						
National Fraud Initiative	Data sets have been uploaded. Matches will start to be received in January 2023.						
2021/2022 Audit Plan Completion	Four audits were finalised during 2022/23 –Debtors, Project Management Arrangements; Vehicle Tracking System and Overtime.						

West Dunbartonshire COUNCIL

REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLANS
AT 31 DECEMBER 2022

Summary:

Section 1 Summary of Management Actions due for completion by 31/12/2022

There were 7 actions due for completion by 31 December 2022 and all 7 actions have been reported as completed by management.

Section 2 Summary of Current Management Actions Plans at 31/12/2022

At 31 December 2022 there were no audit reports delayed due to management not finalising the action plan within agreed timescales.

Section 3 Current Management Actions at 31/12/2022

At 31 December 2022 there were 18 current audit action points.

Section 4 Analysis of Missed Deadlines

At 31 December 2022 there were 3 audit action points where the agreed deadline had 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 31.12.2022

SECTION 1

Strategic Area	No. of Actions Due	No. of Actions Completed	Deadline missed Revised date set*	No response received*
Supply, Distribution and Property	2	2		
Housing and Employability	1	1		
Resources	1	1		
HSCP – Health and Community Care	3	3		
Total	**7**	**7**		

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

REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS
SUMMARY OF CURRENT ACTION PLANS AT 31.12.2022

SECTION 2

CURRENT ACTIONS BY STRATEGIC AREA

Housing and Employability	
Due for completion February 2023	1
Due for completion March 2023	1
Due for completion April 2023	2
Total Actions	**4**
Supply, Distribution and Property	
Due for completion March 2023	3
Total Actions	**3**
Roads and Neighbourhood	
Due for completion March 2023	6
Total Actions	**6**
HSCP - Health and Community Care	
Due for completion February 2023	3
Due for completion March 2023	2
Total Actions	**5**
Total current actions:	**18**

REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS
CURRENT ACTION PLANS AT 31.12.2022

SECTION 3

Current Internal Audit Action Plans

173. Housing Voids (Report Issued October 2020)

Code	Agreed Action	Status	Original Due Date	Due Date	Assigned To	Managed By
IAAP/079	**Void Management Policy Review & Update (Amber)** The previous policy had fallen into abeyance, with the strategic direction for voids led by the Housing Improvement Board. Whereas this has led to significant improvements against the key tenets of the historic policy, given the extent of systemic and structural changes it would be beneficial to codify this within a revised policy. This will be developed with new tenant feedback and wider tenant consultation.		31-May-2021 28-Feb-2022	31-Mar-2023*	Housing Operations Manager	Chief Officer – Housing and Employability

IHMS Stores and Stock Management (Report issued January 2022)

Code	Agreed Action	Status	Original Due Date	Due Date	Assigned To	Managed By
IAAP/104	**Lack of Stock Control Process for Direct Purchases of UPVC Units (Red)** An inventory of sizes/ types/hands/styles of uPVC windows and doors will be developed for inactive orders. A plan will be put in place to install all units where feasible. Any unusable units will be dealt within in line with the Council's management of obsolete stock procedures.		31-Mar-2023	31-Mar-2023	Building Services Manager	Chief Officer – Supply, Distribution and Property

Status Key

	On track
	Overdue – update required

REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS
CURRENT ACTION PLANS AT 31.12.2022

SECTION 3

Employee Expenses (Report issued May 2022)

Code	Agreed Action	Status	Original Due Date	Due Date	Assigned To	Managed By
IAAP/109	**Lack of Co-ordination and Management of Pool Vehicles (Amber)** A working group has been established to review pool car procedures which is being chaired by the Chief Officer Shared Services Roads & Neighbourhood. The CAS team will be responsible for maintaining pool vehicle records. A review is currently being carried out of procedures to make this process more efficient. Cost Savings Analysis will be carried out on an annual basis and reported as appropriate.		01-Oct-2022	31-Mar-2023*	Shared Fleet and Waste Services Manager	Chief Officer – Roads and Neighbourhood
IAAP/111	**Identification of High Levels of Claims by Teams & Individuals for Recommendation of Pool Car Use (Amber)** A working group has been established to review pool car procedures which is being chaired by the Chief Officer Shared Services Roads & Neighbourhood. A list of high mileage claimants has been collated and the working group will assess the users in relation to allocation of pool cars and identify if additional vehicles are required.		01-Oct-2022	31-Mar-2023*	Shared Fleet and Waste Services Manager	Chief Officer – Roads and Neighbourhood

Management of Capital Projects (Report Issued July 2022)

Code	Agreed Action	Status	Original Due Date	Due Date	Assigned To	Managed By
IAAP/137	**Lack of Capital Project Post Implementation Reviews (Amber)** Produce revised PPR document and present to Strategic Asset Management Group for approval.		31-Dec-2022	31-Mar-2023	Corporate Asset Manager	Chief Officer-Supply, Distribution and Property
IAAP/138	**Lack of Capital Project Post Implementation Reviews (Amber)** Agree timeline for outstanding PPR's and commence in priority order.		31-Jan-2023	31-Mar-2023	Corporate Asset Manager	Chief Officer – Supply, Distribution and Property

Status Key

	On track
	Overdue – update required

REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS
CURRENT ACTION PLANS AT 31.12.2022

SECTION 3

Housing Waiting Lists (Report Issued January 2023)

Code	Agreed Action	Status	Original Due Date	Due Date	Assigned To	Managed By
IAAP/141	**Timely review and investigation of National Fraud Initiative Matches (Amber)** Training will be organised for additional users on the system.		28-Feb-2023	28-Feb-2023	Housing Operations Co-ordinator/ Housing Operations Team Leader	Chief Officer Housing and Employability
IAAP/142	**Timely review and investigation of National Fraud Initiative Matches (Amber)** Error report will be requested from IHMS.		30-Apr-2023	30-Apr-2023	Housing Operations Co-ordinator/ Housing Operations Team Leader	Chief Officer Housing and Employability

Vehicle Tracking System (Report Issued January 2023)

Code	Agreed Action	Status	Original Due Date	Due Date	Assigned To	Managed By
IAAP/147	**Lack of Formal Process for authorising Users Access to Vehicle Tracking System (Amber)** Users will be contacted and each service's identified administrator will be given access to review and confirm access rights are correct.		31-Mar-2023	31-Mar-2023	Shared Fleet and Waste Services Manager	Chief Officer – Roads and Neighbourhood
IAAP/148	**Lack of tracking units in hired vehicles (Amber)** Management will commence a review to assess practical application of tracking devices to Long term hires.		31-Mar-2023	31-Mar-2023	Shared Fleet and Waste Services Manager	Chief Officer – Roads and Neighbourhood
IAAP/149	**Under Utilisation of Vehicle Tracking System (Amber)** All Services operating vehicles with tracking units installed will be contacted and provided with updated Tracking System Procedures and training if required.		31-Mar-2023	31-Mar-2023	Shared Fleet and Waste Services Manager	Chief Officer – Roads and Neighbourhood

Status Key

	On track
	Overdue – update required

REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLAN POINTS
CURRENT ACTION PLANS AT 31.12.2022

SECTION 3

Code	Agreed Action	Status	Original Due Date	Due Date	Assigned To	Managed By
IAAP/150	**Under Utilisation of Vehicle Tracking System (Amber)** All Service managers that utilise Council owned or hired vehicles should ensure they are aware and are trained on the operational functionality of the Vehicle Tracking System.		31-Mar-2023	31-Mar-2023	Service Managers	Chief Officers

Financial Assessments Process H&CC (Report Issued January 2023)

Code	Agreed Action	Status	Original Due Date	Due Date	Assigned To	Managed By
IAAP/160	**No Independent review of the Financial Assessment calculation (Amber)** Review of financial assessment processes to ensure that Senior Social Workers are aware of their responsibilities and expectations in relation to checking FA calculations.		28-Feb-2023	28-Feb-2023	Integrated Operations Manager	Head of Health and Community Care
IAAP/161	**No Independent review of the Financial Assessment calculation (Amber)** Review of systems currently available within care contracts to consider ability to replicate for non-residential charges within ACT/COPT.		28-Feb-2023	28-Feb-2023	Integrated Operations Manager	Head of Health and Community Care
IAAP/162	**No Independent review of the Financial Assessment calculation (Amber)** The Head of Health and Community Care will consider meeting with other Heads of Services to discuss the feasibility, and financial and resourcing implications of setting up a centralised team to carry out Financial Assessment Process and calculations for the non-residential services teams.		31-Mar-2023	31-Mar-2023	Head of Health and Community Care	Chief Officer HSCP
IAAP/163	**Annual Review of Financial Assessment calculation (Amber)** Management will carry out a review of financial assessment yearly review processes with senior social workers to consider how current systems can be improved to ensure consistent completion of the reviews within appropriate timescales.		28-Feb-2023	28-Feb-2023	Integrated Operations Manager	Head of Health and Community Care
IAAP/164	**Annual Review of Financial Assessment calculation (Amber)** The annual review process will be monitored by Head of Service.		31-Mar-2023	31-Mar-2023	Head of Health and Community Care	Chief Officer HSCP

Status Key

	On track
	Overdue – update required

REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLANS
ANALYSIS OF MISSED DEADLINES

SECTION 4

Report	Agreed Action	Original Due Date	Revised Date	Management Comments
Housing Voids (October 2020)	**Void Management Policy Review & Update (Medium Risk)** The previous policy had fallen into abeyance, with the strategic direction for voids led by the Housing Improvement Board. Whereas this has led to significant improvements against the key tenets of the historic policy, given the extent of systemic and structural changes it would be beneficial to codify this within a revised policy. This will be developed with new tenant feedback and wider tenant consultation.	31-May-2021 28-Feb-2022	31-Mar-2023	The re-let standard, options paper has been finalised at void WG, thereafter will be presented to January HIB for sign off, then will be shared with WDTRO. Re the void policy, management have reviewed the previous document and consider this to be a void procedure document not a policy that will be updated to reflect the revised working practices/ systems for the voids process. This will not require Committee or consultation with WDTRO as it will be an operational procedure. Work is yet to start on this and will likely run over Xmas period, target date extended to 31/3/2023 to allow sufficient time to do the work between housing operations/building services and homeless teams to reflect updated practice.
Employee Expenses (May 2022)	**Lack of Co-ordination and Management of Pool Vehicles (Amber)** A working group has been established to review pool car procedures which is being chaired by the Chief Officer Shared Services Roads & Neighbourhood. The CAS team will be responsible for maintaining pool vehicle records. A review is currently being carried out of procedures to make this process more efficient. Cost Savings Analysis will be carried out on an annual basis and reported as appropriate.	31-Oct-2022	31-Mar-2023	Meetings have been set up with user groups, and the review is ongoing on delivering services with potential options of dedicated pool vehicles at each centre being identified.
Employee Expenses (May 2022)	**Identification of High Levels of Claims by Teams & Individuals for Recommendation of Pool Car Use (Amber)** A working group has been established to review pool car procedures which is being chaired by the Chief Officer Shared Services Roads & Neighbourhood. A list of high mileage claimants has been collated and the working group will assess the users in relation to allocation of pool cars and identify if additional vehicles are required.	31-Oct-2022	31-Mar-2023	Work on this exercise is ongoing to establish the cost benefit analysis baseline. This will inform other work being undertaken with service user groups.

REPORT TO AUDIT COMMITTEE ON
STATUS OF INTERNAL AUDIT ACTION PLANS
SUMMARY OF ACTIONS BY AUDIT YEAR **SECTION 5**

Status at 31 December 2022

Audit Year	No of Agreed Actions	No of actions complete	Current actions by Grade		
			Red	Amber	Green*
2020/2021	25	21	0	2	2
2021/2022	51	43	1	4	3
2022/2023	30	14	0	11	5
Total	**106**	**78**	**1**	**17**	**10**

* 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: 15 February 2023

Subject: Public Interest Disclosures and other Internal Audit Investigations 16 July 2022 to 18 January 2023

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 16 July 2022 and 18 January 2023.

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 WDC 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 no outstanding cases from the previous report to Audit Committee on 10 August which required an update to this meeting.

4.2 A new follow up process has been put in place to ensure recommendations made have been implemented. A service response is expected within 4 weeks of the follow up request. A number of follow up exercises have now been carried out as follows:

Ref	Date Issued	Detail	Follow Up Status
03/22	28/1/22	Allegation that an individual is stealing fuel and removing rubbish from shops in Clydebank in return for cigarettes as payment using Council vehicle.	1 of 3 recommendations fully implemented. The other 2 recommendations have been included in audit action plan relating to vehicle tracking system audit.
06/22	1/2/22	Allegation of personal use of a council vehicle by employee.	1 of 2 recommendations complete. Outstanding recommendation has been included in audit action plan relating to vehicle tracking system audit.
08/22	1/2/22	Allegation that employee leaves work early on a regular basis.	All recommendations fully implemented.
15/22	2/11/22	Allegation that an employee attended work with Covid-19 symptoms and subsequently tested positive.	3 out of 5 recommendations have been implemented. The remaining actions are on track to be completed by April 2023.
19/22	17/1/23	Allegation of theft of council materials.	Response not yet due.
26/22	2/11/22	Allegations that an employee is off sick but still working for another local authority.	Service response received. Employee resigned from the Council. All recommendations implemented.

4.3 There were 5 new disclosures received during the period 16 July 2022 to 18 January 2023 as follows:

Ref/ INV	Date Received	Detail	Status
05/ 1122	24/10/22	Allegation that employee was working for another organisation whilst suspended.	Investigation complete. External referral to Police Scotland.
06/ 1122	16/11/22	Allegation of misuse of council vehicle and council materials for personal use.	Investigation complete. No fraud established.
07/ 1122	17/11/22	Linked to INV/05/1122	N/A
08/	12/12/22	Alleged breach of code of	Investigation complete. No

1222		conduct.	irregularity identified.
09/ 0123	4/1/23	Allegation of unfair recruitment practices.	Ongoing investigation.

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

Period	No. of Cases
1st January 2017 to 30th June 2017	1
1st July 2017 to 31st December 2017	7
1st January 2018 to 30th June 2018	2
1st July 2018 to 31st December 2018	3
1st January 2019 to 30th June 2019	5
1st July 2019 to 30th June 2020	8
1st July 2020 to 31st 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
16th July 2022 to 18th January 2023	5

Other investigations

4.5 A total of 5 new referrals were received by Internal Audit during the period 16 July 2022 to 18 January 2023 as follows:

Ref	Date Received	Detail	Status
04/23	19/10/22	Missing laptop	Investigation complete. Laptop remains missing. Report issued to management with recommendations to strengthen the control environment.
01/ 1122	14/11/22	Breach of ICT security policy	Investigation complete. No fraud or irregularity identified. Recommendations made to raise staff awareness.
02/ 1222	02/12/22	Allegation that employee is working elsewhere whilst on sickness absence.	Investigation complete. Unable to fully substantiate allegations. Alleged other employer confirmed employee left their employment in 2021.
03/ 0123	16/1/23	Allegation that employee was running a business whilst being off sick.	Ongoing investigation.
04/ 0123	16/1/23	Allegation that employee was on holiday whilst being off sick.	Ongoing investigation.

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
16th July 2022 to 18th January 2023	5

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.

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Laurence Slavin
Chief Officer - Resources
Date: 18 January 2023

Person to Contact: Andi Priestman, Shared Service Manager – Audit & Fraud
Telephone: 01389-737436
Email: andi.priestman@west-dunbarton.gov.uk

Appendix: None

Background Papers: Public Interest Disclosure Policy agreed by the Corporate Services Committee on 13 August 2014; Business Irregularity Procedures

Wards Affected: All

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Officer - Resources

Audit Committee: 15 February 2023

Subject: CIPFA Guidance for Audit Committees

1. Purpose

1.1 The purpose of this report is to advise members of the updated CIPFA guidance on Audit Committees within Local Authorities.

2. Recommendations

2.1 It is recommended that Members note the updated guidance for Audit Committees and agree that the Chair of the Audit Committee reviews the updated guidance with support from the Chief Financial Officer and Shared Service Manager – Audit & Fraud which will inform an update on the Council's current arrangements to the Audit Committee and any required improvement actions to a future meeting of the Committee for consideration and approval.

3. Background

3.1 CIPFA guidance for Audit Committees was updated in October 2022 in the publication "Audit Committees: Practical Guidance for Local Authorities and Police" (2022 Edition"). This publication represents CIPFA's view of best practice for audit committees in local authorities throughout the United Kingdom. The 2022 version contains some appendices, including:

- Self-Assessment of Good Practice; and
- Evaluating the impact and effectiveness of the Audit Committee.

3.2 These appendices set out key areas for self-assessment and evaluation including Audit Committee Purpose and Governance; Functions of the Audit Committee; Membership and Support; and Effectiveness of the audit committee.

3.3 This CIPFA publication also includes a 2022 Position Statement on Audit Committees in local authorities which sets out roles and responsibilities and good practice principles for audit committees. In particular, CIPFA is clear that Audit Committees are a key component of an authority's governance framework, their purpose being to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The Position Statement also sets out the core functions of an audit committee being as follows:

- Maintenance of governance, risk and control arrangements;
- Financial and governance reporting; and
- Establishing appropriate and effective arrangements for audit and assurance.

3.4 CIPFA expects that all local government bodies should make their best efforts to adopt the principles, aiming for effective Audit Committee arrangements.

3.5 It is important that the Council's Audit Committee demonstrates a high level of compliance with best practice guidance on Audit Committees in order to ensure that it can evidence its effectiveness as a scrutiny body and as a foundation for strong corporate governance.

4. Main Issues

4.1 The CIPFA guidance for Audit Committees was last updated in 2018 and a full review of the guidance was undertaken by the Chair of the Audit Committee supported by the Audit & Risk Manager and an action plan was developed to implement improvements at that time.

4.2 Regular progress reports were provided to Audit Committee regarding the implementation status of agreed actions.

4.3 The updated 2022 guidance presents an opportunity to review current arrangements against the updated guidance to confirm ongoing compliance and identify any additional areas for improvement.

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 The review of the updated guidance will ensure that the Audit Committee will maximise the opportunity for effective scrutiny and to fulfil its governance role.

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 This report relates to strong corporate governance.

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Laurence Slavin
Chief Officer - Resources
Date: 18 January 2023

Person to Contact:	Andi Priestman, Shared Service Manager – Audit & Fraud Telephone: 01389-737436 Email: andi.priestman@west-dunbarton.gov.uk
Appendices:	
Background Papers:	CIPFA Publication: "Audit Committees: Practical Guidance for Local Authorities and Police" (2022 Edition). Copies circulated to members.
Wards Affected:	All

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Officer – People & Technology

Audit Committee: 15 February 2023

Subject: Strategic Risks 2022-2027

1. Purpose

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

2. Recommendations

2.1 It is recommended that the Committee note:

- The strategic risks as detailed at Appendix 1.

3. Background

3.1 The Council's 2022 – 2027 strategic risks were agreed by the Corporate Services and Audit Committees in November 2022. The appended risks have been reviewed with re-assessment undertaken before being reported to this committee. This report is submitted as agreed to Corporate Services and Audit Committees on a bi-annual basis (noting that this report is remitted now to revert to the bi-annual cycle).

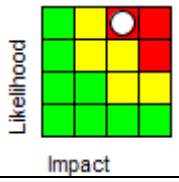
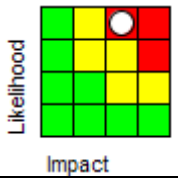
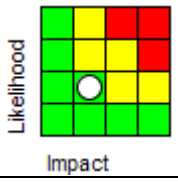
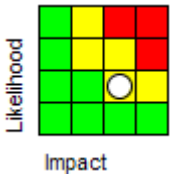
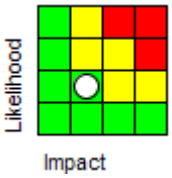
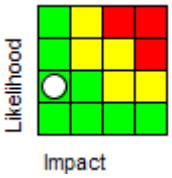
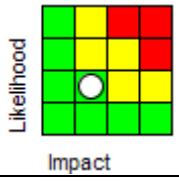
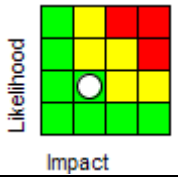
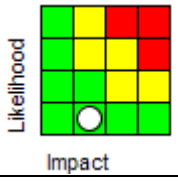
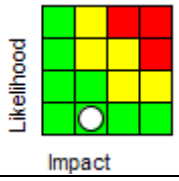
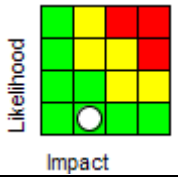
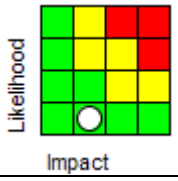
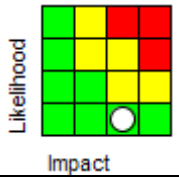
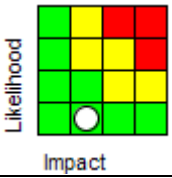
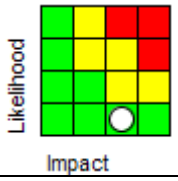
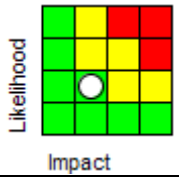
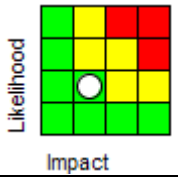
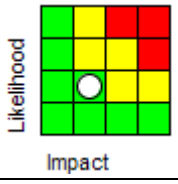
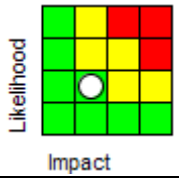
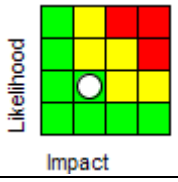
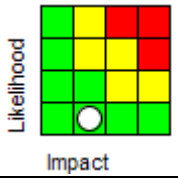
4. Main Issues

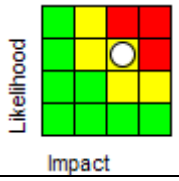
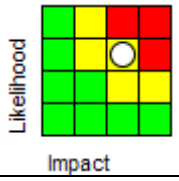
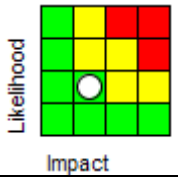
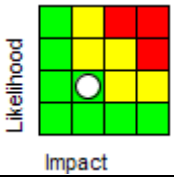
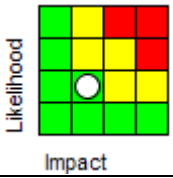
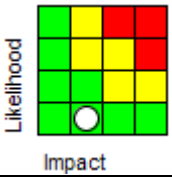
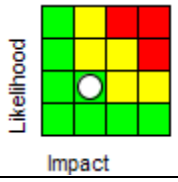
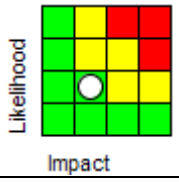
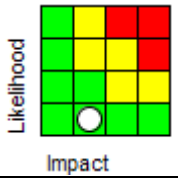
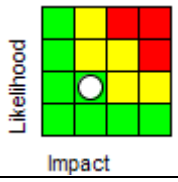
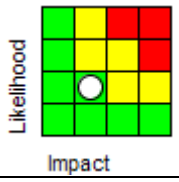
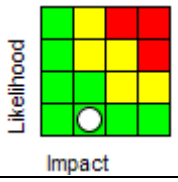
Strategic Risk

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

4.2 Table 1 represents a risk dashboard that includes information on the original, current and target rating for each strategic risk, as well as an assessment of the current risk status. Each strategic risk is identified and supported by more detailed information available on a "drill-down" basis in Appendix 1.
Two strategic risks, associated actions and milestones are met, a further seven are progressing as expected and closer to reaching their assigned targets and SR001 and SR008 are currently off-target and this is explained in further detail below. Supplementary information on SR002 is also provided.

Table 1 Key Strategic Risk Information

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

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

Risk Methodology and Reporting

4.3 Each strategic risk is populated in Pentana in terms of the following template:

- Risk title and code;
- Description;
- Ownership;
- Potential effect;
- Measures of impact;
- Risk factors;
- Internal controls;
- Risk opportunity; and
- Linked actions.

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

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

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

Likelihood

Score	Descriptor
1	Unlikely
2	Likely
3	Very likely
4	Certain

Impact

Score	Descriptor
1	Minor
2	Moderate
3	Significant
4	Critical

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

Service Risk

4.6 Following the methodology in 4.3 to 4.4 above, each service has owned operational risk registers in Pentana (the Council's performance system); these will be reviewed as part of the 2023/24 service planning process.

4.7 Significant financial funding reductions/limitations from Scottish Government

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

4.8 Threat of Cyber Attack

SR008 is currently off target due to a number of factors. The cyber threat continues to increase with ransomware being the biggest threat even during this period of Geo-political instability. Work has been undertaken to continue securing the Confidentiality, Integrity and Availability of our data and has resulted in the implementation of new technologies such as remote updating of devices, network scanning, secure remote control of employee devices and the replacement of ageing security hardware. In addition, a new secure

process for remote control of employee devices have also been implemented to address some of the security challenges from emerging threats.

New ways of working, including increased remote access users, robotic process automations, digital transformations and adoption of cloud based technologies all have an impact on the risk profile of the organisation and ICT continue to work with service areas to reduce and mitigate emerging risks. Lack of user awareness within organisations still remains one of the biggest Cyber Security threats, with a visible increase in Voice Phishing attempts being seen throughout the organisation, Bank Mandate fraud attempts have also significantly increased with several attempts to change bank details for employees being observed. To combat this we have resumed physical training events to Elected Members, the Joint Consultative Forum and senior management within the Council. Face to face cyber security training combined with DPA and fraud awareness sessions has also resumed and these have been well attended. We have invested in an online Security Training Platform which will provide additional security awareness training and allow us to run Phishing campaigns for our staff, delivering short, brief awareness videos where they are most required. We are taking steps to reduce the amount of information that is publicly available about our systems, policies and processes by restricting specific areas of the employee Intranet site to a secure login. ICT are reviewing the structure and resources of the security team to ensure capacity and resilience is built in. In addition, ICT employees are attending industry standard security training to assist in managing the threat of Cyber Risk to WDC.

Work continues to take place to improve our security posture in line with the national Public Sector Action plan (PSAP) and Public Sector Network (PSN) compliance. Vigilance of the National Cyber Security Centre (NCSC) Cyber Security guidance continues to remain in place in light of any changes regarding the geopolitical instability in Ukraine and the surrounding areas.

4.9 <u>Challenges in implementing broad-ranging school improvement to raise attainment and achievement</u>

SR002 has reduced the risk rating since last reported. The pandemic affected national and local outcomes in education attainment and equity due to periods of school/ ELC closure; absence due to Covid and shielding. The risk reporting period ended on 31st March 2022 and The Education Service had a recovery strategy for attainment in place. This needed a full academic year (August 2021 to June 2022) to have an impact on attainment although employee and pupil absences due to Covid were still being experienced. However, in academic session 2021/22, a narrowing of the attainment gap and increase in attainment was achieved in the attainment levels in the Broad General Education at primary level. A robust improvement and recovery model is in place to build on the progress made in academic session 2021/ 22. As the challenge of Covid absence is lessened this session then further improvement gains are predicted for academic session 2022/2023. The Education Committee is provided with regular update reports on progress with

the strategy to raise attainment and achievement and also the national agencies monitor and report on local attainment performance.

5. People Implications

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

6. Financial and Procurement Implications

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

7. Risk Analysis

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

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

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

8. Equalities Impact Assessment (EIA)

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

9. Consultation

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

10. Strategic Assessment

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

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

10.2 The strategic risks have been identified to complement the main strategic priorities.

Name: Victoria Rogers
Designation: Chief Officer People & Technology
Date: 13 January 2023

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

Appendices: Appendix 1: Detailed Strategic Risk List

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

Strategic Risk Report

Generated on: 05 January 2023

	SR 01 Significant financial funding reductions / limitations from Scottish Government	It is expected that the Council will be faced with significant ongoing funding reductions/limited increases from the Scottish Government settlement. This is based on recent settlements, the March 2022 Resource Spending Review which states that Council funding will remain as 'flat cash' (at current 2022/23 levels) until 2025/26 with a £100m added in 2026/27 – the real term impact of this (taking inflation into account) for the next four years is a 7% reduction between 2022/23 and 2026/27. This coincides with a period where costs are expected to rise in relation to social care due to an aging population; inflationary increases with RPI at a level not seen since 1991; post-COVID-19 ongoing costs; increases in the cost of borrowing as interest rates increase and pay award pressures linked to inflation. The ongoing population decline of West Dunbartonshire versus the average population for the whole of Scotland leads directly to funding reductions with marginal impact on service delivery cost/need.

Current Risk Matrix	Last Review Date	Current Rating	Target Risk Matrix	Target Date	Target Rating	Assigned To
Likelihood / Impact	05-Jan-2023	**12**	Likelihood / Impact	31-Mar-2027	**4**	Laurence Slavin

Potential Effect	Shortfall in finances and therefore the Council is unable to provide all services as intended.
Measures of Impact	- Reduction in government grant - Demographic change (population decline/growth, aging population) - Cost reduction required including cutting level and/or quality of service provision - Increased Debt (collection of Council Tax, HRA rents, etc)
Risk Factors	- Level of government grant - Lack of time to plan for changes in the level of grant funding due to single year settlements and settlement information from Scottish Government - General inflationary factors -Bank of England Base Rate increases -ongoing prevalence and impact of COVID-19 - Significant additional burdens - Capital receipts -EU Exit
Internal Controls	- 10 year Financial Strategy subject to regular review - Monitor and maintain General Services and Housing Revenue Account prudential targets - Reporting and monitoring of Treasury Management Strategy - Budgetary control process - Regular budgetary control and savings monitoring reports provided to CMT and Council / committees - Rigorous debt collection processes - Annual Internal Audit Plan - Work of External Auditors (external control) - Annual Governance Statement - Procurement Improvement Plan
Latest Note	The Chief Officer for Resources provided a verbal update to Council on 21 December 2022 on the 2023/24 local government settlement. Assumptions on future Scottish Government funding are updated regularly and a further update will be provided when Council agrees the 2023/24 budget in March 2023. It is still expected that future Scottish Government funding will be insufficient to pay for current levels of service delivery.
Risk Opportunity	- Annual exercise to identify efficiencies - Projects to implement new ways of working (e.g. digitisation, asset management) - Enhance the reputation of the Council as an organisation which manages its finances soundly

Linked Actions Code & Title	Progress	Status	Assigned To
RES/22-23/001 Review ways of decreasing corporate debt through continued improvements to debt collection processes in relation to sundry, NDR, Council Tax and rent	33%		Ryan Chalmers

RES/22-23/002 Review ways to improve rent collection rates in conjunction with Housing and W4U	33%		Ryan Chalmers; Stefan Kristmanns
RES/22-23/012 Maximise automation opportunities across the organisation to improve efficiency	28%		Arun Menon
RES/22-23/010 Review capital programme, monitoring and reporting	100%		Laurence Slavin
RES/22-23/011 Review financial arrangements against the CIPFA financial code of practice	100%		Laurence Slavin

	SR 02 Challenges in implementing broad-ranging school improvement to raise attainment and achievement	This risk concerns the delivery of excellence and equity for our young people to support them to attain and achieve at the highest level. In particular, it is aimed at bridging the attainment gap and breaking the cycle of disadvantage. This also includes the focus on intervention at early years to improve life chances at all points on the learning journey. A key national and local priority is to accelerate progress with the aspirations to deliver improved attainment, tackle the poverty related attainment gap and recover from any negative impact of the pandemic. Scottish Equity funding devolved to local authorities aims to deliver on priorities between 2023-26.

Current Risk Matrix	Last Review Date	Current Rating	Target Risk Matrix	Target Date	Target Rating	Assigned To
Likelihood / Impact	05-Jan-2023	**4**	Likelihood / Impact	31-Mar-2027	**2**	Julie McGrogan

Potential Effect	The national expectation for education would not be delivered. Improved outcomes for young people would not be attained and achieved. The Council would fail to meet the needs of individual learners. The Service would fail to bridge the attainment gap and break the cycle of poverty related disadvantage. The Council would fail in its legal duty for the education of young people within West Dunbartonshire. There would be reputational damage to the service and the wider Council. There would be a lack of income generation from external funding sources.
Measures of Impact	Stretch Aims and Targets set in October 2022 to be achieved by December 2023– locally set but aggregated nationally. West Dunbartonshire Performance Targets West Dunbartonshire Improvement Board Quality Indicator Evaluations National Qualifications Attainment and Achievement Results Broad General Education Achievement of Level Results West Dunbartonshire Scottish National Standardised Assessment Data Positive Destination Data West Partnership Attainment , Equity and Destination Performance Measures Her Majesty's Inspectors of Education inspection reports Stakeholder Feedback
Risk Factors	Staff resources - adequate funding for projects - workforce development - effective leadership - accurate and timely data collection - accurate and timely reporting - effective communication with partners and external agencies - disrupted learning - staff absence - pupil absence - adapted model of delivery to ensure safety - limiting curriculum flexibility - learning style flexibility - impact of COVID on social and emotional wellbeing - risk to funding streams. There is a change to the local authority funding model for Scottish Equity Fund (SEF) with an annual tapered reduction of funding to WDC between 2022-2026. This will reduce resources available to deliver work streams related to SEF.
Internal Controls	-Raising Attainment Strategy -Project management by Senior Education Officer -Education Improvement Board chaired by Chief Education Officer -Scrutiny by Scottish Government and Education Scotland (progress reports produced and submitted) -WDC Improvement Framework -Termly progress reports submitted as part of Educational Service committee reports -Relevant Continuous Professional Development programme to support education staff -Meetings between WDC and Education Scotland/Her Majesty's Inspectors of Education -BGE Attainment and Performance Data -Literacy, Numeracy and HWB Steering Group -National Improvement Framework (NIF) -Education Recovery Plan

Latest Note	Building on achievements made since 2015 the service is developing plans to both accelerate and embed progress in academic sessions 2021/22 and 2022/23, these plans are being reviewed to reflect the refreshed SAC programme. The key risk to ongoing progress is SG's plan for a tapered SAC funding model between 2022 to 2026. In academic session 2021/22, a narrowing of the attainment gap and increase in attainment was achieved in the attainment levels in the Broad General Education at primary level.
Risk Opportunity	Improved attainment - improved attendance - reduced exclusions - reduced violent incidents - reduction requirement for targeted support over time - reduction requirement for specialist placements over time - improved learning & community engagement - children/pupils at risk identified earlier and more effectively - more empowered community providing self-sustaining peer support - increase in the percentage and range of positive destinations over time - increased access to digital learning resources

Linked Actions Code & Title	Progress	Status	Assigned To
ELA/22-23DP/NIF3 Narrow the attainment gap between the most and least disadvantaged children and young people	4%		Julie McGrogan
ELA/22-23DP/NIF3/34 To close the poverty-related attainment gap at LA and school level	45%		Katherine Forbes; Julie McGrogan
ELA/22-23DP/NIF5 Improve attainment, particularly in literacy and numeracy	6%		Julie McGrogan
ELA/22-23DP/NIF3/05 Literacy and numeracy progress is used to measure the attainment gap	0%		Rebecca Johnston
ELA/22-23DP/NIF5/05 Continue to track attainment in literacy and numeracy at ELC and close the gap	0%		Rebecca Johnston

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

Current Risk Matrix	Last Review Date	Current Rating	Target Risk Matrix	Target Date	Target Rating	Assigned To
Likelihood / Impact	05-Jan-2023	**4**	Likelihood / Impact	31-Mar-2027	**2**	Craig Jardine; Michelle Lynn

Potential Effect	- Assets are not utilised in the most effective and efficient manner - Service cannot be properly delivered to the satisfaction of service users - Service users require to seek alternative service provision -Increase in reactive maintenance costs/ demand/ volume -Council assets in poor conditions -Council assets fail to meet relevant standards which are reported to either Scottish Government and/or Care Inspectorate.
Measures of Impact	- Condition surveys - Suitability surveys - Customer perceptions of service delivery - Investment levels in upkeep and improvement of asset base and facilities -Asset user satisfaction - Operating costs and savings
Risk Factors	- Adequacy of funding available to improve asset base - Adequacy of staff resources allocated to the area of asset management - Council buildings/ assets deemed to be unfit for existing purpose - Economic conditions may reduce level of potential capital receipts from surplus property sales - Increase public liability claims - Ongoing effects of EU Exit
Internal Controls	- Corporate Asset Management Strategy (currently under review) - Learning Estate Strategy - Capital project meetings are carried out monthly in addition to project specific meetings. - Property Asset Management Plan - Capital Programme - Strategic Asset Management Group - Learning Estate Project Board - Detailed asset database that shows relevant information on a

	property by property basis in relation to operational, non-operational - Sustainability Policy
Latest Note	The current plan will continue into 2022/23. The new 5 year Corporate Asset Management Strategy and Property Action Plan will be developed in 2022/23 to ensure it meets the aspirations of the new Strategic Plan. No change to risk matrix.
Risk Opportunity	-Enhance reputation of Council by being able to improve Council assets. -Estate, assets and service delivery (e.g. new school buildings, operational building upgrades, office and depot rationalisation projects) - Enhance employee "feel good" factor by providing modern office accommodation equipped with up to date IT facilities -Improved satisfaction from public building users - Secure external funding for development of assets (e.g. EC, lottery, Historic and Environment Scotland) - Prioritised Building Upgrade Plan

Linked Actions Code & Title	Progress	Status	Assigned To
SD&P/22-23/CAM/03 Progress delivery of the Corporate Asset Management Strategy to align with the Councils Strategic Plan	33%		Craig Jardine
SD&P/22-23/CAM/04 Monitor the progress of disposal of key strategic sites over 22/23	50%		Craig Jardine

	SR 004 Keeping abreast of developments in the innovative use of Information Technologies	Failure to keep pace with changing technology environment

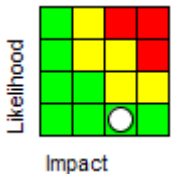
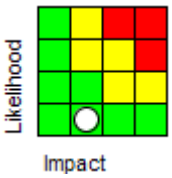
Current Risk Matrix	Last Review Date	Current Rating	Target Risk Matrix	Target Date	Target Rating	Assigned To
Likelihood / Impact	05-Jan-2023	**2**	Likelihood / Impact	31-Mar-2027	**2**	Patricia Kerr; Brian Miller

Potential Effect	A lack of consistent, sufficiently robust service planning in respect of ICT arrangements is likely to result in the Council being ill prepared to meet future demands in key service areas and lacking the capacity to respond effectively to changing need such as increased requirement for remote working as identified during covid pandemic.
Measures of Impact	• Close relationship and working practices with Asset Management Service with regard to commissioning and decommissioning buildings. • Number of systems that have supplier maintenance contracts. • Invocation of Service Business Continuity Plans and ICT Disaster Recovery plan • Degree of compliance with security controls to prevent data loss through poor o/s patching, cyber attack, firewall configurations, switch replacements/upgrades etc • Fit for purpose primary and secondary data centres • Extent of wireless connections in the Council network – all schools and refurbished Office accommodation complete • Number of ICT Help Desk incidents resolved within half day - exceeded the target for 2021-22 and higher target set. • Extent of functionality development in key Council systems (i.e. lack of development beyond base system leading to ineffective management information) – several channel shift projects delivered and more are in progress. • Fit for purpose Council website, delivering information and services to a significant percentage of the Council's customers. • Provide efficient desktop services supporting laptops, chromebooks, PCs, Thin client terminals to meet changing workforce flexibility and property rationalisation requirements. 5-year Device replacement programme in place. • Implementation of mobile and flexible working, enabling a downsizing of required office accommodation as people to work more efficiently and to adopt a more flexible policy towards office accommodation and desk provision. • Broadband speed in the Council area - WDC has 2nd highest broadband speeds in Scotland. Investigating funding options for fibre network.
Risk Factors	• Insufficient resourcing of ICT developments so that benefits and opportunities identified are not realised • poor network security controls implemented for example • Lack of intrusion detections alerts, • failure to respond to audit / PSN test findings and recommendations, • insufficient resources allocated to security tasks. However Service redesign and ICT resources aligned to security tasks and improved monitoring processes and tools as well as additional tools purchased to help

	support remote working environment all help to mitigate this risk. • Poor Service Business Continuity Plans and/or Disaster Recovery Capability. • Poor project and programme change management arrangements. • Poor quality of mobile communication provision. • Poor uptake on channel shift.
Internal Controls	- Capital programme established for technology refresh projects - Information & Communication Technology (ICT) Policies such as ICT Security Framework - Governance structures such as ICT Steering Board, Education ICT Steering Board, Digital Transformation Board in place to support integrated planning and decision making in relation to ICT - Use of both internal IT resources from across the Council and skilled specialist advisers in key areas - Fit for purpose primary and secondary data centres
Latest Note	**Dec 2022** • Began migration of first batch of mailboxes to Microsoft 365 cloud platform enabling secure authentication access from anywhere and any device Mobile Phones also part of migration and testing almost complete. • Project underway to publish ICT Freshservice Helpdesk system externally and available to our customers on any device. • Automation project underway for data matching • Automation project underway for proving ICT system & network status page on WDC Intranet • Wireless – project under way to start replacement of WAP's that are becoming end of support. New AP's will support more modern WIFI 6 and 6E technologies. • Switches – Majority of switch replacement project now complete, 2 devices still on order for delivery in January next switch update required for EOL equipment expected 2026. • SAN – new storage area network installed and preparing data migration plan • Data Domain – tender released view to replace backup storage before this goes end of life April 23. • Server Software upgrade - project is underway to upgrade 125 servers to latest version. • Citrix Cloud Proof of concept in testing with a view to moving Citrix environment to cloud platform.
Risk Opportunity	-COVID-19 has increased the number of users and services working remotely. Several manual processes amended and driving process reviews across the Council. Opportunity to redesign infrastructure and introduce new tools and security measures to support hybrid working environments. - rapid deployment of conferencing technologies has helped drive demand and give visibility to importance and suitability of digital technologies and processes - annual network penetration tests and for PSN compliance audit - Annual External Audit on ICT Controls - Continued investment in ICT infrastructure and its focus on network security and resilience. - Provide appropriate technology for employees, pupils and service users as well as for ICT support teams such as Logmein for remote device support and Qualsys for device vulnerability scanning. - Rationalise IT systems - Provide Council employees with secure access to email and supporting systems at times and locations of choice as part of 365 project. - Increased use of mobile devices eg tablet devices, chromebooks and mobile phones. - Provide self service style systems to employees and the local community

Linked Actions Code & Title	Progress	Status	Assigned To
P&T/22-23/ICT/03 Review and implement ICT processes and service improvements in line with new technologies	50%		James Gallacher
P&T/22-23/ICT/03 Upskill ICT team in new tools and processes	50%		James Gallacher

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

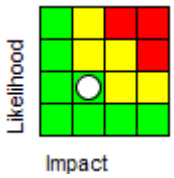
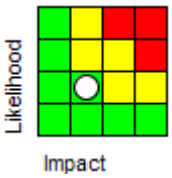
Current Risk Matrix	Last Review Date	Current Rating	Target Risk Matrix	Target Date	Target Rating	Assigned To
	05-Jan-2023	**3**		31-Mar-2027	**2**	Clare English; Elaine Troup

Potential Effect	Potential for tensions to develop with residents and local community groups Reputational damage to council services Degradation of trust in service provision A failure of strong partnerships could impact on the Councils obligations under Community Empowerment Act
Measures of Impact	Successful delivery of Local Outcome Improvement Plan (LOIP) and supporting plans positive partnership inspections Informed and engaged residents participating in consultation activity Telephone survey monthly, quarterly and annual measures Increased social media engagement and reach
Risk Factors	Inability to deliver improved outcomes which require strong partnership activity Council's reputation is adversely affected through a failed partnership arrangement Lack of appropriate staff development / skills may be lacking to support new model of service delivery inequity of engagement across the partnership on key local issues Council seen as unresponsive to community if feedback from engagement not acted upon Apathy within communities leads to little or no engagement Some community groups feel their voices are not being heard
Internal Controls	Robust partnership arrangements through community planning partnership Align the Council's strategic plan with the Local Outcome Improvement Plan (LOIP) Ensure that partners have signed up to deliver on the outcomes and targets set in the LOIP Develop data sharing protocols with partner agencies Participate in reform agenda as it impacts on Council area Ensure robust mechanisms for public feedback (Embedding the Strategic Engagement Framework) Annual budget consultation events Citizens Panel Open Forum questions at Council meetings
Latest Note	Citizens & Communities & Partnerships were previously two separate risks but have been combined for the next 5 year Strategic Plan. Whilst the Community Planning Partnership is now being managed under a shared service agreement, it is well established with strong partnership working arrangements in place reducing likelihood of this risk being realised. We continue to promote and ensure strong communications and engagement through the Engaging Communities Framework. Development of the Community Empowerment Strategy priority projects including a Communication strategy is progressing well and includes a Community led transition from the Community Alliance. As well as gathering resident feedback, we ensure that key information is communicated through a variety of media channels including online, social media and publications such as Housing News.
Risk Opportunity	Position West Dunbartonshire as a modernising Council Residents are more comfortable with the digital platform as a result of the enforced cessation of face to face services - this presents an opportunity to modernise communication Community Empowerment Act Participation requests Asset transfer

Linked Actions Code & Title	Progress	Status	Assigned To
H&E/22-23/CT/01 Build community resilience and advance community empowerment including the development of a training programme to support the Community empowerment agenda	45%		Clare English
H&E/22-23/CT/03 Explore alternative forms of funding to encourage less reliance on mainstream council funding	60%		Clare English
H&E/22-23/CT/04 Deliver the objectives set out in the Community Empowerment Strategy and Action Plan through identified priority projects	50%		Clare English
H&E/22-23/CT/05 Lead on the Council's approach to Participatory Budgeting Mainstreaming across the organisation	50%		Clare English

H&E/22-23/CT/06 Develop an Employee Volunteering Policy to support the ambitions of the Community Empowerment (Scotland) Act 2015	33%		Clare English
H&E/22-23/CT/07 Identify and implement improvements in partnership working between the CCTV team and key partners to promote feelings of safety in the area	50%		Clare English

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

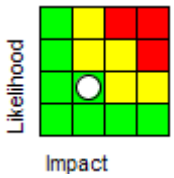
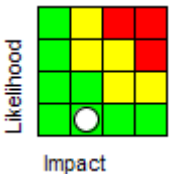
Current Risk Matrix	Last Review Date	Current Rating	Target Risk Matrix	Target Date	Target Rating	Assigned To
	05-Jan-2023	**4**		31-Mar-2027	**4**	Alison McBride

Potential Effect	Poor health and safety culture within the organisation leading to; Risk of an employee, service user, pupil (young person) or member of the public being seriously / fatally injured by fault of the Council; reputational risk regarding negative publicity; financial risk in terms of claims management compensation to the injured party; increase in insurance premiums; risk of prosecution by the HSE resulting in a fine and/or a Council Employee being subject to criminal charges, poor employee morale, high staff turnover leading to diminished service delivery.
Measures of Impact	Resources associated with in-house/HSE investigation. Incident statistics. Service delivery impact in terms of injury-related absence and potentially enforced cessation of work activities. Impact of injury on employees/members of the public, legal proceedings, financial penalties, potential reputational damage and risk of criminal charges. Hazard reporting. Actions at health and safety committees. Implementation of Corporate health and safety plan.
Risk Factors	Lack of resources, inadequate Safety Management Standards and H&S strategy. Poor health and safety culture. Under reporting of incidents. Blame culture. Poor communication between management and employees. Competent advice.
Internal Controls	•Competent health and safety advice readily available from the Corporate H&S team. •Corporate health and safety plan developed and monitored via Pentana. •Robust health and safety management system, FIGTREE. • Council has in place a robust H&S policy, Safety Management Standards and Fire Risk Management Strategy that includes service specific health and safety plans, duties and responsibilities for Chief Officers, managers and employees. • Adequate H&S resources in place to that will allow statutory obligations in terms of the Health and Safety at Work etc. Act and supporting legislation. • Embedded H&S culture that discusses H&S issues at senior level and cascades throughout the organisation through the health and safety committee system. • Monthly reports to PMRG on organisational safety performance and issues. •Chief Officers attend service H&S committees on a quarterly basis. • Workplace inspection and audit programme. • Service risk profiling. • H&S training needs analysis for every employee group. • The Council has in place a Trade Union Health and Safety Partnership Agreement. • Council promotes health and safety training for TUs to diploma level. • Hazard reporting module via FIGTREE. • Health & safety e-learning package. • Risk assessment working groups for service areas and review process.
Latest Note	The H&S team continue to review and streamline key service areas such risk, Safety Management Standards and learning. Figtree has seen improvements in how risk assessments are managed and the team are looking to build on this with hazard reporting. A newsletter has also been developed to update and promote good practice. The team continue support all H&S committees and RPO's to ensure a consistent approach. The team are continuing to improve the process in managing health surveillance with OH& line managers. Fire safety management is ongoing across the authority including fire risk assessments and fire safety training.
Risk Opportunity	Demonstrate to committees, elected members, Trade Unions, employees, the community and other external partner's evidence of robust H&S culture. Good knowledge and awareness of health and safety throughout all services. Positive relationship with Corporate health & safety team and all services. Reduced incidents, costs and absence rates.

Linked Actions Code & Title	Progress	Status	Assigned To

P&T/22-23/P&C/03 Embed H&S commitments with service delivery and workforce planning. Build and support workforce groups to promote good practice	60%		Stephen Gallagher

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

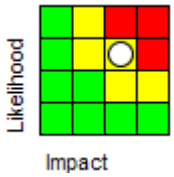
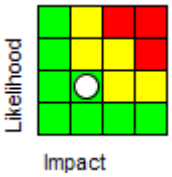
Current Risk Matrix	Last Review Date	Current Rating	Target Risk Matrix	Target Date	Target Rating	Assigned To
	05-Jan-2023	**4**		31-Mar-2027	**2**	Alison McBride

Potential Effect	Inability to deliver services effectively Reduced level of service Lack of improvement or increase in staff absences Council underachieves as an organisation Low staff morale Employee conflict Increased turnover Inability to attract/recruit
Measures of Impact	- Access to and participation of employees in learning and development activities - Absence rate and trends - Employee turnover - Grievance, discipline and other monitoring information - Employee voice and associated actions - Reports from external scrutiny bodies and award bodies - Benchmarking with appropriate comparators
Risk Factors	- Inability to attract/recruit - Lack of appropriate development - inadequate skills -risk to new models of service delivery - Lack of resource/capability to deliver - Workforce unable to adapt to change
Internal Controls	- HR processes designed to meet service delivery needs - Develop new structures to reflect strategic priorities and aligned to Standard Operation Model (SOM) - Align workforce plan to the Council's strategic planning processes (i.e. have the right people available at the right time with the right skills to fulfil properly all of the Council's strategic priorities) - Periodic review of pay arrangements in accordance with EHRC guidance (currently every 3 years) - Incorporation of succession planning into workforce planning framework - Identify training programmes to upskill staff - Effective use of SWITCH to support alternative careers - Flexible HR policies, in particular People First covering workforce planning, learning & development (including elearning), digital/continuous improvement, employee wellbeing & engagement. - Effective use of Occupational Health Service - Robust Be the Best Conversations process - Effective leadership and management behaviours, practice and programmes
Latest Note	Workforce planning has developed well alongside service delivery planning. Workforce planning strategy 2022-2027 to go to Corporate Services Committee in February 2023. People First Strategy is in place covering 2022-2027 and this is a consolidation of a number of areas: well-being, employee engagement, workforce planning, learning and development and digital. WDC are recognised as leading in terms of adapting flexible working practices. A recent report around the use of Church Street offices has reinforced employee behaviour and expectation around accessing flexible working. A robust package of wellbeing resources continue to be available, absence levels are closely monitored, with personal stress and minor ailments absences prevalent. Development course for mid to senior leaders is ongoing with positive feedback received. Trickle relaunch is ongoing across the whole of the organisation to ensure this tool is better used for employee feedback and engagement.

	There will be a further promotion of the Trade Union Learning Agreement which encourages all employees to participate in regular learning and development and now encompasses some volunteering opportunities. WDC Fit for Future programme continues to support services.
Risk Opportunity	- Identify previously unknown skills and talents in the workforce - Realise the potential of staff

Linked Actions Code & Title	Progress	Status	Assigned To
CORP/22-23/WFP/01 1. Our people (workforce profile) - Ensure resilience and engagement of the workforce	22%		Leeanne Galasso/Louise Hastings
CORP/22-23/WFP/02 2. Recruitment & Retention - Current and predicted future workforce gaps are addressed and core skill sets retained.	24%		Lisa McGregor/Leeanne Galasso
CORP/22-23/WFP/03 3. Structure & Roles - Service Structure and delivery model/s are stable, fit for purpose and future requirements	15%		Lisa McGregor/John Duffy
CORP/22-23/WFP/04 4. Skills & Capabilities - Current and future skills gaps and capabilities are addressed.	18%		Lorraine Mair/Anne McFadden

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

Current Risk Matrix	Last Review Date	Current Rating	Target Risk Matrix	Target Date	Target Rating	Assigned To
	05-Jan-2023	**9**		31-Mar-2027	**4**	James Gallacher; Iain Kerr

Potential Effect	• Homeworking could be impacted by loss of internet services. • Disruption to services impacting service delivery to citizens • Staff and Citizen data loss with the potential for misuse such as identity fraud • Misinformation being delivered to the public via WDC communication channels • Potential for significant fines currently under the Data Protection Act and from May 2018 under the provisions of the General Data Protection Regulations • Reputational damage • Redirection of resources to deal with the effects of an attack and away from BAU work
Measures of Impact	• Failure to secure Cabinet Office compliance certification. • Monitor remote access usage • Recorded attempts from external sources to breach council cyber defences • Recorded cyber related incidents in the Cyber incident log • Quantity of breaches/incidents reported to the Information Commissioners Office • Fines levied for breaches
Risk Factors	• Potential for attacks out of normal working hours /days • Inappropriate Cyber defences at the perimeter of the council networks • Inappropriate delivery of security patches to desktop, network switches and server estates • Compliance with security standards such as PSN, PCI, Public Sector Action Plan on Cyber resilience for Scotland • Continually changing threat landscape • Maintaining relevant skill sets among employee group / cost of securing expert resources • Increased targeted attacks and risks due to COVID/Hybrid working.
Internal Controls	• Robust backup strategy in place on premise and cloud backup for 365 with immutable capability. • Service Continuity Plans • ICT Disaster Recovery Plan • Implementation of internal Policies on Patching and hardware/software hardening and expanded during COVID to patch devices remotely. • Annual PSN compliance audit including a comprehensive IT Health Check • Governance structure in place, ICT Steering Board consisting of senior management and relevant stakeholders meeting bi-monthly or as required in response to incidents/events • Programme of Internal and External ICT audits • Information Security/Data Protection forum. Project specific forums eg PCI working group • Multiple layers of Cyber defences • Network Segregation • Rolling programme of security awareness sessions • Interagency and cross Council working groups and sharing.

	• National Digital Office / Scottish Government Public Sector Security programme and guidance
Latest Note	Dec 2022. We continue to follow NCSC guidance and implement additional tools and fixes as identified. Recent focus has centered on deploying software updates and security patches and automating the update processes where possible and remote accessing of devices which went line in September 2022. Geo-blocking to GB remains in place and the geo-political situation continues to be monitored. Resourcing of security will continue to be examined as part of normal ICT service design management processes.
Risk Opportunity	• Increase Cyber resilience and awareness for staff, members and citizens • Contribute to Scottish Government Public Sector Action Plan on Cyber resilience for Scotland and potential to become involved in a national/shared security operations centre • Upskill employees to address current and emerging threats • Increased employee awareness across Council

Linked Actions Code & Title	Progress	Status	Assigned To
P&T/22-23/ICT/01 Secure the Council's Technology Infrastructure	85%		James Gallacher
P&T/22-23/ICT/02 Enhance Security and Cyber awareness programmes tailored for hybrid working	60%		James Gallacher

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

Current Risk Matrix	Last Review Date	Current Rating	Target Risk Matrix	Target Date	Target Rating	Assigned To
Likelihood / Impact	05-Jan-2023	**4**	Likelihood / Impact	31-Mar-2027	**2**	Gail Macfarlane

Potential Effect	- Assets are not utilised in the most effective and efficient manner - Service cannot be properly delivered to the satisfaction of service users - Service users seek alternative service provision -Increase in reactive maintenance costs/ demand/ volume -Council assets in poor conditions -Council assets fail to meet relevant standards -Failure to comply with Transport (Scotland) Act 2019 -Failure to comply with Waste (Scotland) Regulations 2012
Measures of Impact	- Condition surveys - Suitability surveys - Road Condition SPI - Customer perceptions of service delivery - Investment levels in upkeep and improvement of asset base and facilities -Asset user satisfaction -Operating costs and savings -Local Government Benchmarking Framework (LGBF) -Association for Public Service Excellence (APSE) -Waste Managers Network Group
Risk Factors	-Adequacy of funding available to improve asset base - Adequacy of staff resources allocated to the area - Council assets deemed to be unfit for existing purpose - Economic conditions may reduce level of potential capital receipts -Over one third of the road network is in need of repair and the current long term capital funding only sustains a steady state condition of the road network

	- Increased public liability claims due to poor condition of roads network - Increase public liability claims due to poor condition of footpaths and roads which are not part of our adopted network. -Poor customer engagement for recycling, deposit return scheme, refuse transfer station -Financial challenges - Budget Sensitivity Analysis (fuel costs, waste refuse disposal tonnage costs, bitumen availability and costs)
Internal Controls	- Corporate Asset Management Strategy (scheduled refresh in 2nd half of 2021/22 year) - Learning Estate Strategy - Capital Investment Team - Capital project meetings are carried out monthly in addition to project specific meetings. - Capital plan - Roads and Lighting Asset Implementation Plan - Fleet Asset Implementation - Open Space Asset Implementation Plan - Sustainability Policy -User feedback – complaints data, Citizens' Panel and monthly telephone survey -Fit for future service reviews -Deposit Return Scheme -Climate Change Strategy -Community Empowerment Strategy -Food Growing Strategy and Allotments -Equality Outcomes
Latest Note	Service continues to provide full service, monitoring in place to ensure any adverse issues are highlighted and appropriate actions taken. No change to Risk Matrix
Risk Opportunity	-Enhance reputation of Council -Estate, assets and service delivery (e.g. office and depot rationalisation projects, roads upgrade programme, vehicle replacement programme, greenspace upgrade projects) - Secure external funding for development of assets (e.g. EC, lottery, Historic and Environment Scotland) - The continued implementation of the energy efficient street lighting project will both improve the asset and reduce costs significantly through reduced maintenance, energy consumption and carbon output. - The effect of these energy efficiencies has demonstrated that significant savings and environmental benefit can be achieved through the utilisation of developing technology.

Linked Actions Code & Title	Progress	Status	Assigned To
R&N/22-23/F&W/02 Continue to work collaboratively with Argyll & Bute and Inverclyde Councils to develop a best value proposal for procuring the reception, transportation, treatment and compliant disposal of biodegradable municipal waste	50%		Kenny Lang; Jenna Mccrum
R&N/22-23/F&W/04 Produce a business case for the development of a waste transfer station within Council's boundary	75%		Kenny Lang; Jenna Mccrum
R&N/22-23/R&T/12 Develop an action plan for depot rationalization	100%		Liam Greene
R&N/22-23/R&T/13 Review winter gritting programme and implement a more effective service provision	100%		Liam Greene

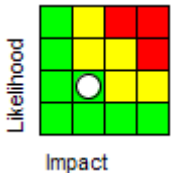
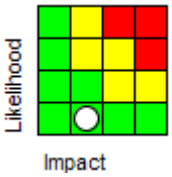
	SR 10 Failure to maintain Housing Stock	The risk that Council's Housing Stock are not fully fit for purpose with consequent adverse impact on our ability to deliver efficient and effective housing for Council tenants.

Current Risk Matrix	Last Review Date	Current Rating	Target Risk Matrix	Target Date	Target Rating	Assigned To
Likelihood / Impact	05-Jan-2023	**4**	Likelihood / Impact	31-Mar-2027	**4**	Alan Young
Potential Effect	- Housing stock is not utilised in the most effective and efficient manner - Service cannot be properly delivered to the satisfaction of service users					

	-Increase in reactive maintenance costs/ demand/ volume -Housing stock in poor condition -Housing stock fail to meet relevant standards - Non-compliance with Scottish Housing Quality Standard
Measures of Impact	- Condition surveys - Suitability surveys - Customer perceptions of service delivery - Investment levels in upkeep and improvement of housing stock -User satisfaction -Operating costs and savings - Local Government Benchmarking Framework (LGBF)
Risk Factors	- Adequacy of funding available to improve housing stock - Adequacy of staff resources allocated to the management of housing stock - Housing stock deemed to be unfit for existing purpose -Increasing issues relating to supply of labour and materials, due to increased energy, transport and raw material costs, impacted on supply chains, and third parties and our ability to carry out works within budget and on time.
Internal Controls	- Housing Capital Investment Programme (refreshed and delivered annually) - Housing Capital Improvements - WDC Local Housing Strategy 2021-25 - The Housing Capital Investment Team - The Planned Maintenance Section - Housing Asset Management Strategy - Detailed asset database that shows relevant information on a property by property basis in relation to HRA properties. - More Homes Better Home Project Board. - Telephone Survey feedback - Fit for future reviews -Other benchmarking/ feedback - Climate Change Strategy
Latest Note	Full programme of maintenance and upgrade in place, with regular monitoring and reporting.
Risk Opportunity	-Enhance reputation of Council by being able to improve Council housing stock -Estate, assets and service delivery (housing investment programme) -Improved satisfaction from tenants - The effect of these energy efficiencies has demonstrated that significant savings and environmental benefit can be achieved through the utilisation of developing technology. -Improvement of SHQS & EESSH compliance performance and points, and reduced SHQS abeyance numbers through the strategic planning and management of housing assets. - Increase in environmental improvements including bin stores - Increase in internal (e.g kitchens, bathrooms, showers, special needs adaptations, central heating, smoke detectors, windows and doors) and external updates (e.g new roof coverings, external insulated render and tenement structural refurbishments) - Increase in number of New Build Homes as part of the Strategic Housing Investment Programme (SHIP) -Achieve energy efficiency standard for social housing

Linked Actions Code & Title	Progress	Status	Assigned To
SD&P/22-23/HAI/10 Ensure the Council's Housing stock maintains compliance with the Scottish Housing Quality Standard and reduce the number of properties held in abeyance.	60%		Alan Young
SD&P/22-23/HAI/11 Deliver the HRA Capital Investment programme for 2022/23	60%		Alan Young
SD&P/22-23/HAI/12 Ensure the Council's Housing stock progresses towards the achievement of the energy efficiency standard for social housing.	60%		Alan Young

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

Current Risk Matrix	Last Review Date	Current Rating	Target Risk Matrix	Target Date	Target Rating	Assigned To
	05-Jan-2023	**4**		31-Mar-2027	**2**	Adam Armour - Florence

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

	positively and proactively, especially where there are cost implications to the delivery of climate actions.
Internal Controls	. Climate Change Strategy 2021-2026 . Action Plan 2021-2026 . Climate Change Action Group (CCAG) . Pentana Risk Management System – devolved responsibilities of climate change actions/milestones/KPI's to service areas. . Scottish Government – Mandatory annual Climate Change Duties Reporting . Queens Quay District Heating Network . Strategic Environment Assessment (SEA) . Air quality monitoring . Converting some Council pool fleet to Electric Vehicles (EVs). . Climate Ready Clyde (CRC) – a cross-sector initiative funded by fifteen member organisations and supported by the SG. Delivery of a Locale Heat & Energy Efficiency Strategy (LHEES) and delivery plan by December 2023 – which sets out the Council's area-based approach to reducing emissions of heating and energy efficiency improvements to ALL assets across WD. This includes private housing, businesses, etc. which are not owned/operated by WDC. . Waste infrastructure and greatly improving approach to how Council and residents reduce, reuse and recycle waste. Notably, taking a Circular Economy approach to waste services and implementing appropriate infrastructure and contracts to do so.
Latest Note	**Progress for 2022/23 emissions target** • Based on the little data we currently have, progress in meeting the target of 21,649 tCO2 (or reduction in 3.5%) will be challenging, but not unachievable. This is due to the Council's operations being more stable after the years of the COVID 19 Pandemic. **2045 - net zero carbon reduction trajectory** • However, it will be harder to achieve the same carbon reduction targets, and therefore overall carbon reduction trajectory by 2045, particularly in light of budget cuts for the Council. With this in mind, it is important that each service area, including energy & compliance, receive the necessary funding/support (both internal and external) to deliver on climate change projects. Notably, for the reduction in waste streams/emissions, energy efficiency and decarbonising the Council fleet. • The Council is therefore likely more at risk at not achieving the carbon reduction target for 2023/24 onwards, unless momentum is maintained with climate change projects.
Risk Opportunity	.Our local environment is protected, enhanced and valued resulting in: - Our public spaces are attractive and welcoming - Our residents feels pride in their local neighbourhood - The percentage of household waste sent for reuse, recycling and composting has increased resulting in reduction in the percentage that was being landfilled. - The percentage of council land which promotes diversity of habitat and species has increased .Our resources are used in an environmentally sustainable way - Increase in the percentage of businesses taking action to reduce their carbon impact - Reduction in CO2 emissions under the Council's influence - Reduction in West Dunbartonshire Area-Wide emissions as per requirements of the climate change (Scotland) act - Residents actively involved in tackling climate change and protecting the environment - The economy and infrastructure become more low carbon and environmentally-friendly . Our neighbourhoods are sustainable and attractive - Increased investment in our housing stock including improving energy efficiency - Housing developments are meeting the needs of our changing population - The quality of neighbourhoods has improved - Our roads and transport network are maintained and they promote safe travel routes

Linked Actions Code & Title	Progress	Status	Assigned To
REG&R/22-23/011 Co-ordinate, monitor and report the progress of the Council's Climate Change Action Plan for 2022/23	80%		Adam Armour - Florence

Risk Status	
	Alert
	High Risk

	Warning
	OK
	Unknown

Audit Update

West Dunbartonshire Council

Year ending 31 March 2023

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Contents

01 Audit scope, approach and timeline

02 Wider scope audit and Best Value

03 Revised auditing standard on Identifying and assessing the risks of material misstatement: ISA (UK) 315 (Revised 2019)

This document is to be regarded as confidential to West Dunbartonshire Council. It has been prepared for the sole use of the Audit Committee. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.

01

Section 01:

Audit scope, approach and timeline

1. Audit scope, approach and timeline

Audit scope

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

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

Audit approach

Our audit approach is risk-based and primarily driven by the issues that we consider lead to a higher risk of material misstatement of the accounts. Once we have completed our risk assessment, we develop our audit strategy and design audit procedures in response to the risks identified.

If we conclude that appropriately-designed controls are in place then we may plan to test and rely upon these controls. If we decide controls are not appropriately designed, or we decide it would be more efficient to do so, we may take a wholly substantive approach to our audit testing. Substantive procedures are audit procedures designed to detect material misstatements at the assertion level and comprise: tests of details (of classes of transactions, account balances, and disclosures); and substantive analytical procedures. Irrespective of the assessed risks of material misstatement, which take into account our evaluation of the operating effectiveness of controls, we are required to design and perform substantive procedures for each material class of transactions, account balance, and disclosure.

Our audit will be planned and performed so as to provide reasonable assurance that the financial statements are free from material misstatement and give a true and fair view.

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

1. Audit scope, approach and timeline

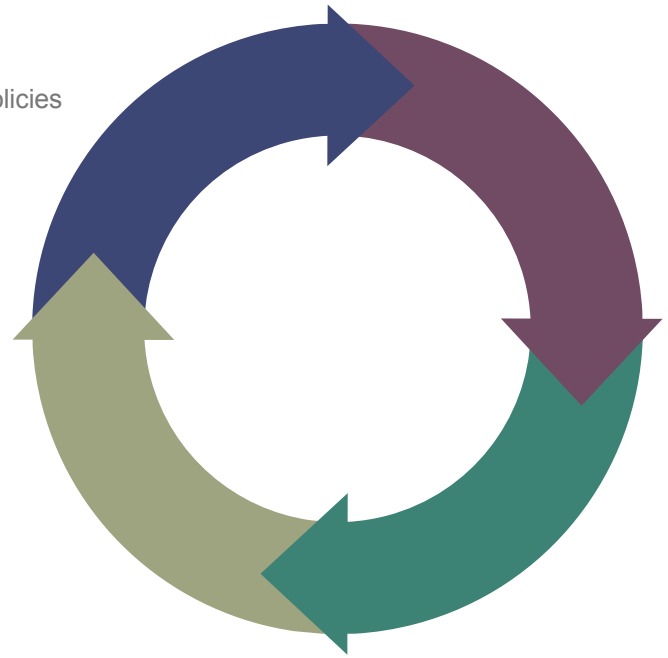
Financial statements audit 2022/23

Planning and Risk Assessment (January to March 2023)

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

Interim (April to June 2023)

- Documenting systems and controls
- Performing walkthroughs
- Interim controls testing including tests of IT general controls
- Early substantive testing of transactions
- Reassessment of audit plan and revision if necessary
- Carry out wider scope and Best Value audit work



Completion (September to October 2023)

- Final review of financial statements
- Final director review and engagement quality review
- Agreeing content of letter of representation
- Reporting to those charged with governance
- Reviewing subsequent events
- Signing the independent auditor's report

Fieldwork (July to September 2023)

- Receiving and reviewing unaudited financial statements
- Delivering our audit strategy starting with significant risks and high risk areas including detailed testing of transactions, account balances and disclosures
- Communicating progress and issues
- Clearance meeting

02

Section 02:

Wider scope audit and Best Value

2. Wider scope audit and Best Value

Wider scope of public audit

The wider scope audit is an integral part of our annual audit work. The Code of audit practice (the Code) requires auditors to consider the following audit areas when undertaking their annual risk assessment of the audited body and preparing their annual audit plans:

- Financial management
- Financial sustainability
- Vision, leadership and governance
- Use of resources to improve outcomes.

We will carry out audit work across these four areas and report our findings in the annual audit report. We will carry out more detailed work where we identify significant risks.

Best Value

Best Value audit work is fully integrated with the wider scope annual audit work and results reflected in annual audit reports.

There are seven Best Value themes:

1. Vision and leadership
2. Governance and accountability
3. Effective use of resources
4. Partnerships and collaborative working
5. Working with communities
6. Sustainability
7. Fairness and equality.

2. Wider scope audit and Best Value

2022/23 Best Value audit approach

We will review the Best Value findings reported in previous Best Value Assurance Reports and annual audit reports to identify outstanding improvement actions for follow up in the current year.

We will establish what intelligence and auditor judgements has been previously reported on each of the seven Best Value themes. Where we identify risks or improvement areas, or where an audit assessment needs to be updated due to intelligence being out of date or incomplete, we will include coverage in audit plans.

We will also carry out specific work to review the Council's service performance and reporting arrangements.

The Accounts Commission will identify areas of risk where it requires thematic audit work to be carried out in all councils, in addition to the annual Best Value work. For 2022/23 thematic work is required on leadership of the development of new local strategic priorities by councils following the local government elections in May 2022. We will prepare a separate management report to document the findings of this work.

No Best Value Assurance Reports will be published from 2022. To provide the Accounts Commission with assurance on Best Value in individual councils, the Code requires a programme of Controller of Audit reports. These reports will be based on annual audit findings reported on Best Value in each council. We are therefore required to include current judgments on the pace and depth of continuous improvement in the council in the Annual Audit Report. The latest Annual Audit Report will be presented to the Commission with the Controller's reports. The programme of Controller reports will commence in October 2023. Therefore no such reports are required for 2022/23 audits. West Dunbartonshire Council is scheduled to be included in the first year of the programme from October 2023 to August 2024.

03

Section 03:

Revised auditing standard on Identifying and assessing the risks of material misstatement: ISA (UK) 315 (Revised 2019)

3. Revised auditing standard on Identifying and assessing the risks of material misstatement: ISA (UK) 315 (Revised 2019)

Background

ISA (UK) 315 (Revised 2019) introduces major changes to the auditor's risk identification and assessment approach, which are intended to drive a more focused response from auditors undertaking work to obtain sufficient appropriate audit evidence to address the risks of material misstatement. The new standard is effective for periods commencing on or after 15 December 2021 and therefore applies in full for the Council's 2022/23 audit.

The most significant changes relevant to the Council's audit are outlined below.

Enhanced risk identification and assessment

The standard has enhanced the requirements for the auditor to understand the audited entity, its environment and the applicable financial reporting framework in order to identify and assess risk based on new inherent risk factors which include:

- Subjectivity
- Complexity
- Uncertainty and change
- Susceptibility to misstatement due to management bias or fraud.

Using these inherent risk factors, we assess inherent risk on a spectrum, at which the higher end of which lies significant risks, to drive an audit that is more focused on identified risks. Auditors are now also required to obtain sufficient, appropriate evidence from these risk identification and assessment procedures which means documentation and evidence requirements are also enhanced.

Greater emphasis on understanding IT

In response to constantly evolving business environments, the standard places an increased emphasis on the requirements for the auditor to gain an understanding of the entity's IT environment to better understand the possible risks within an entity's information systems. As a result, we are required to gain a greater understanding of the IT environment, including IT general controls (ITGCs). However, the standard acknowledges the fact that there is a need for scalability in gaining this understanding and provides more detailed guidance on how to approach the topic depending on the complexity of the commercial software and/or IT applications.

Increased focus on controls

Building on the need for auditors to gain a greater understanding of the IT environment, the standard also widens the scope of controls that are deemed relevant to the audit. We are now required to broaden our understanding of controls implemented by management, including ITGCs, as well as assess the design and implementation of those controls.

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