

Status of External Audit Action Plans arising from the 2019/20 Annual Audit.

Action No	Issue/Risk	Agreed Action	Responsibility/ Date	Current Status
1	General fund loans fund repayment The scheduled loans fund repayments were adjusted by £1.6 million to mitigate the impact of budget pressures. <i>The loans fund repayments do not comply with the council's accounting policy. This is reported as an unadjusted misstatement in the accounts.</i>	The council accepts audit's view and will review the loans fund repayment scheduling in 2020/21. The 'asset life method' will be consistently applied across the repayment periods from 2020/21.	Chief Officer – Resources 31 March 2021	Completed. The 20/21 approach has been agreed with the external auditors & no further action is required.
2	Untaken annual leave accrual Our review of the untaken annual leave accrual identified an error within the calculations. 17 members of staff were duplicated within two tabs. This resulted in a decrease of £85,000 in the accrual. <i>There is a risk that the annual leave accrual is not properly calculated.</i>	Officers will review the current procedures and introduce additional checks to reduce risk of future errors.	Finance Manager 31 December 2020	Completed. The procedures have been reviewed & amended. We are still processing the calculation and as such it hasn't been reviewed yet, but it will take on additional checks with additional people this year to ensure the revised procedures are clear.
3	Financial guarantees West Dunbartonshire Council issued letters of comfort to both West Dunbartonshire Leisure Trust and Clydebank Property Company. These letters were provided due to the ongoing circumstances surrounding Covid-19 and constitute as financial guarantees. However, the detail had not been included in the annual accounts. <i>There is a risk that the annual accounts are not complete and transparent.</i>	Officers will review the current procedures to reduce risk of future errors.	Finance Manager 31 January 2021	Completed. The procedures have been reviewed and updated and additional confirmation has been sought from each chief officer at the year end for any financial guarantees agreed.
4	Debtors and creditors	Officers will review the	Finance	Completed.

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	overstatement After the submission of the unaudited accounts, the council identified an error within receivables and payables. Both were overstated by £0.670 million, resulting in a nil net effect. <i>There is a risk that the figures in the Balance Sheet are overstated.</i>	current procedures and introduce additional checks to reduce risk of future errors.	Manager 28 February 2021	The procedures have been reviewed and amended. We are still processing DR/CR and as such it hasn't been reviewed yet, but it will take on additional checks to ensure the revised procedures are clear.
5	Capital project delays There were significant delays in a number of capital projects during 2019/20. The nature and scale of some of these delays suggest that there is still a level of optimism bias when setting project start dates for the annual capital programme. <i>There is a risk that the delivery of the annual capital programme is impacted by unrealistic or overly optimistic scheduling.</i>	The Council has a process in place to consider timing of spend and build in the effects of optimism bias in the phasing of the projects. Finance officers, when compiling future capital programmes will continue to seek assurances from relevant capital programme officers and project leads that the phasing identified is realistic and optimism bias has been considered, in line with the Council's agreed capital planning process.	Finance Manager 4 March 2021	Completed. Finance officers, when reviewing and updating the capital programmes requested assurances from relevant capital programme officers and project leads that the phasing identified was realistic and optimism bias has been considered prior to the budget being reported to and agreed by council.
6	Revised financial plans to reflect Covid-19 The council's long-term financial strategy was developed prior to the Covid-19 pandemic. <i>The assumptions made in the Council's long-term financial strategy are out of date as they do not take into account the</i>	Long term finance strategy is due to be updated and reported to Council in November 2020 and will consider the impact of covid 19 and include scenario planning of key financial assumptions, and will continue to be reviewed via	Chief Officer – Resources 31 March 2021	Completed. Budget for 2021/22 has been set and impact of COVID-19 considered. This also covered the 2020/21 position and any financial impact in 2020/21 that may have an impact on subsequent years.

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	<i>financial impact of Covid-19.</i>	Budget Update and Setting reports to Council ahead of setting the Council budget in March 2021.		
7	<p>Uncommitted general fund balance</p> <p>The uncommitted general fund balance of £2.752 million at 31 March 2020 was below the prudential reserve target of £4.122 million, set by the Council for 2019/20. In addition, Covid-19 is placing a significant financial pressure on the council during 2020/21.</p> <p><i>There is a risk that the council will not have sufficient free reserves to respond to future unforeseen events.</i></p>	The general fund uncommitted reserve balance will be considered as part of the long-term finance strategy and budget process 2021/22.	<p>Chief Officer – Resources</p> <p>31 March 2021</p>	<p>Completed.</p> <p>This was considered in setting the budget for 2021/22 and the budget agreed aims to attain the prudential target for uncommitted reserves.</p>
CH1	<p>Governance and investment documentation</p> <p>As previously reported:</p> <ul style="list-style-type: none"> • The Deed of Trust for the Dunbartonshire Educational Trust Scheme 1962 and UIE award require to be updated. • The governing documentation for the McAuley Price for Mathematics is not available and a new trust deed required. <p><i>There is a risk that the Trust does not hold the title to the investment. There is also a risk of delay in issuing awards.</i></p>	Officers continue to work with other Councils involved in these Funds to reach a satisfactory conclusion.	<p>Section Head – Legal Services</p> <p>31 March 2021</p>	<p>Ongoing.</p> <p>In relation to the Dumbarton Educational Trust, a draft Application for Approval of a Charity Reorganisation Scheme and a draft Supplemental Deed of Trust have been submitted to OSCR for comment. When OSCR's views are received, the finalised documents will be submitted. If OSCR agree to treat the Trust as a "very small" charity, their decision on the Application should be received within 13 weeks of the finalised documents being submitted.</p>

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				<p>The UIE Award Trust has its own constitution document which is not capable of updating at present as the trust is dormant with no trustees. Legal have been in contact with OSCR in 2020 to confirm the next steps which involve the appointment by the Court of new Trustees once the potential new Trustees have been contacted and agree to act.</p> <p>Two new Trustees have recently confirmed potential agreement to becoming involved with the new Trust once it is revived by the Court. Legal are in correspondence with a potential third Trustee to obtain her consent; once a third Trustee is identified then a Petition will be prepared for Court. Minimum 3 trustees required for a quorum.</p>
CH2	Dormant trusts As previously reported, some of the trusts have been dormant for a number of years and annual activity on all trusts is minimal.	Officers will continue to review options around the dormant funds and action as appropriate.	Section Head – Legal Services 31 March 2021	Ongoing. See above for Dumbarton Education Trust. As above for the UIE Award Trust.
CH3	Advertisement of trusts There is minimal information available regarding the trusts, or the application process to access funds, on the West Dunbartonshire Council website. <i>There is a risk that this will perpetuate the dormancy of the trusts if information can not be easily accessed.</i>	The Council will take action to increase any advertising of Trust funds, subject to the above recommendations.	Finance Manager 31 December 2020	The trust are advertised as linked below (CVS is new from last year). We have received only one application in 20/21. https://www.west-dunbarton.gov.uk/benefits-and-grants/trust-grants/ https://www.wdcvs.com/develop/trust-funds/