

West Dunbartonshire Council

Annual Audit Plan 2018/19



 AUDIT SCOTLAND

Prepared for by West Dunbartonshire Council

March 2019

Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

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Risks and planned work

1. This annual audit plan contains an overview of the planned scope and timing of our audit and is carried out in accordance with International Standards on Auditing (ISAs), the [Code of Audit Practice](#), and any other relevant guidance. This plan sets out the work necessary to allow us to provide an independent auditor's report on the financial statements and meet the wider scope requirements of public sector audit, including the audit of Best Value.
2. The wider scope of public audit contributes to assessments and conclusions on financial management, financial sustainability, governance and transparency and value for money.


Adding value


3. We aim to add value to West Dunbartonshire Council through our external audit work by being constructive and forward looking, by identifying areas for improvement and by recommending and encouraging good practice. In so doing, we intend to help the council promote improved standards of governance, better management and decision making and more effective use of resources.


Audit risks


4. Based on our discussions with staff, attendance at committee meetings and a review of supporting information we have identified the following main risk areas for the council. We have categorised these risks into financial risks and wider dimension risks. The key audit risks, which require specific audit testing, are detailed in [Exhibit 1](#).

Exhibit 1 2018/19 Key audit risks

 Audit Risk	Source of assurance	Planned audit work
Financial statements issues and risks		
<p>1 Risk of management override of controls</p> <p>ISA 240 requires that audit work is planned to consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes consideration of the risk of management override of controls to change the position disclosed in the financial statements.</p>	<p>Owing to the nature of this risk, assurances from management are not applicable in this instance.</p>	<ul style="list-style-type: none"> • See point 14 - completion of the external audit review of the council's response to issues identified on the awarding of a series of contracts • Review of the Annual Governance Statement • Review of the assurances obtained by the Section 95 officer for the Governance Statement. • Review the work completed by the procurement section, including analysis of spend against contracts.


 Audit Risk	Source of assurance	Planned audit work
		<ul style="list-style-type: none"> • Detailed testing of journal entries. • Review of accounting estimates. • Focused testing of accruals and prepayments. • Evaluation of significant transactions that are outside the normal course of business.
<p>2 Risk of fraud over income</p> <p>The council receives a significant amount of income from several sources in addition to Scottish Government funding. The extent and complexity of income means that, in accordance with ISA240, there is an inherent risk of fraud.</p>	<p>Robust income generation and cash handling processes, including separation of duties.</p> <p>Independent monitoring of suspense codes – including bank reconciliations.</p> <p>Normal budgetary control processes – reported monthly to Corporate Management Team (CMT and departmental budget holders)</p> <p>Authorisation processes regarding transactions within the ledger – e.g. journals & creditor requests.</p>	<ul style="list-style-type: none"> • Analytical procedures on income streams. • Detailed testing of revenue transactions focusing on the areas of greatest risk.
<p>3 Risk of fraud over expenditure</p> <p>As most public-sector bodies are net expenditure bodies, the risk of fraud is more likely to occur in expenditure.</p>	<p>Robust expenditure processing and cash handling processes, including separation of duties.</p> <p>Independent monitoring of suspense codes – including bank reconciliations.</p> <p>Normal budgetary control processes – reported monthly to Corporate Management Team (CMT) and departmental budget holders.</p> <p>Authorisation processes regarding transactions within the ledger – e.g. journals & creditor requests.</p>	<ul style="list-style-type: none"> • Analytical procedures on expenditure streams. • Detailed testing of expenditure transactions focussing on the areas of greatest risk.
<p>4 Estimation and judgements</p> <p>There is a significant degree of subjectivity in the measurement and valuation of the material account</p>	<p>Applicability of actuarial assumptions reviewed by officers.</p>	<ul style="list-style-type: none"> • Review council's procedures for ensuring actuarial valuations provided are appropriate.

	Audit Risk	Source of assurance	Planned audit work
	<p>areas within pensions, non-current assets and provisions. This subjectivity represents an increased risk of misstatement in the financial statements.</p>	<p>Valuation methodology consistent with accepted valuation principles.</p> <p>Rolling programme of valuations & review of significant changes each year</p>	<ul style="list-style-type: none"> • Completion of 'review of the work of an expert' for the professional valuers. • Focussed substantive testing of key areas.
5	<p>Housing revenue account – housing stock</p> <p>In 2017/18, there was a material adjustment to the financial statements due to 12 new build properties omitted from the fixed asset register.</p> <p>There is a risk that non-current assets may be understated in the council's balance sheet.</p>	<p>The process for valuing housing stock will be amended to ensure all relevant increases and decreases in stock levels are reflected in the valuation</p>	<ul style="list-style-type: none"> • Detailed testing of housing stock and review of the fixed asset register.
6	<p>Untaken annual leave accrual</p> <p>For the past four financial years, there have been audit adjustments to the council's untaken annual leave accrual. There is a risk the accrual may be understated in the council's balance sheet</p>	<p>A further review of procedures for calculation and reviewing will take place to ensure the annual leave accrual is calculated accurately</p>	<ul style="list-style-type: none"> • Review of the 2018/19 untaken annual leave accrual during the financial statements audit. • Review the checking procedures put in place by officers
7	<p>Accounts payable/receivable working papers</p> <p>During the 2016/17 and 2017/18 financial statements audit, the working papers for accounts payable and accounts receivable did not provide a clear breakdown of the balances held at year end.</p> <p>There is a risk of misstatement within the financial statements.</p>	<p>Officers will liaise with external audit to agree the form and content of these working papers prior to the start of the process</p>	<ul style="list-style-type: none"> • Continue to work with officers prior to the compilation of the working papers. • Carry out substantive testing of accounts payable and accounts receivable
8	<p>Period end reconciliation and review</p> <p>The 2017/18 year-end bank reconciliation for creditors (period 13) was not completed or reviewed by officers till mid July, after the draft accounts were approved by the council. In addition, the 2017/18 year end ledger reconciliation for creditors was also not reviewed.</p> <p>There is a risk that errors are not identified in a timely manner</p>	<p>Relevant officers will ensure reconciliations are completed on time</p>	<ul style="list-style-type: none"> • Review checking procedures put in place by officers • Substantive testing and controls testing of reconciliations
9	<p>Arrangements for grant claims</p>	<p>The process for the ongoing management of this grant have been</p>	<ul style="list-style-type: none"> • Review checking procedures implemented

	Audit Risk	Source of assurance	Planned audit work
	<p>During 2017/18 we identified a significant number of errors with the council's grant claims.</p> <p>The Education Maintenance Allowance claim was submitted for audit five weeks late and four versions of the claim were submitted to correct errors identified by audit.</p> <p>An error was identified by audit in the 2017/18 Housing Benefit Subsidy claim.</p> <p>There is a risk that the council loses funds as a result of errors in the claims. Also additional staff and audit time is spent in revising the claims.</p>	<p>revised and closer ongoing monitoring is in place, to allow correct reconciliations to be in place to allow the EMA claims to be made on time and correctly,</p> <p>New checking processes have been implemented to minimise risk of error in Housing Benefit process.</p>	<ul style="list-style-type: none"> Audit of the grant claim(s)

Wider dimension issues and risks

10	Financial sustainability	<p>Budgetary control reporting to CMT, service committees and Council) – this includes monitoring of agreed cost reductions.</p> <p>Long-Term Financial Strategy will be reviewed to highlight updated funding gaps as 2019/20 progresses. The Budget setting report to Council provides a clear linkage between revenue and capital budgets. It considers affordability by including short, medium and long-term projections and highlights the peak expected cost of borrowing based on the current 10 year plan.</p> <p>Officers will provide Members will options for cost reductions to allow them to make informed decisions going forward.</p>	<ul style="list-style-type: none"> Continue to monitor the financial position and provide and provide an update in the Annual Audit Report.
11	Follow up of Internal Audit actions	<p>Management and Members monitor and scrutinise progress on these agreed audit actions to seek to ensure that they are achieved within the agreed timescales through the provision of regular reports to CMT (monthly) and to Audit Committee (at each Committee).</p>	<ul style="list-style-type: none"> Continue to monitor the follow up of both internal and external audit actions by officers.

	Audit Risk	Source of assurance	Planned audit work
	<p>actioned at the time of writing this report.</p> <p>There is a risk that the council is not implementing improvement actions in line with the agreed timescales.</p>		
12	<p>EU withdrawal</p> <p>There are considerable uncertainties surrounding the implications of EU withdrawal and public bodies should assess the potential impact on their operations and identify specific issues and planned responses.</p> <p>There is a risk that the Council is not prepared for the impact of EU withdrawal on the delivery of services.</p>	<p>A strategic risk has been established in relation to EU withdrawal. The key risks to the Council and means of mitigation have been identified.</p>	<ul style="list-style-type: none"> Assess how the Council has prepared for EU withdrawal, including the specific reports produced by the Council. Consider how the Council responds to any emerging issues after March 2019.
13	<p>Capital management</p> <p>In 2018/19, gross capital expenditure (including HRA) is projected to be underspent against the original budget by £26.965 million (31%). There is a risk that the council's ability to deliver against its strategic plan is affected due to delays in investment and improvements to the asset base.</p> <p>In addition, general services capital receipts for 2018/19 are forecast to be lower than initially budgeted.</p>	<p>Annual refresh of capital plan being reported to 27 March 2019 Council has applied a more systematic approach to considering optimism bias than in previous years and the phasings identified within the plan should therefore be more realistic. Best Value Assurance Report recommendations are being reviewed and new approaches implemented. Ongoing monitoring of capital spend progress continues through normal budgetary control processes at CMT, Committees and Council.</p>	<ul style="list-style-type: none"> On-going monitoring of capital budget, plans and monitoring reports. Follow up of the 2017/18 Best Value Assurance Report recommendations and report an updated judgement in the Annual Audit Report.
14	<p>Procurement and tendering</p> <p>A recent internal audit report which covered tendering and contracting arrangements identified that procurement policies and procedures were regularly circumnavigated by the roads and greenspace department. A further internal audit report in relation to Fire Safety has identified similar failings.</p> <p>There is a risk that the council is not achieving value for money.</p>	<p>Performance indicators (PI) are reported to Council regularly which includes information on the PI in relation to "on contract" spend. This has shown a significant improvement in this PI over the last 5 years. The process of maximising spend as being "on contract" will continue – with processes in place, training provided and support available from the Corporate Procurement Team.</p>	<ul style="list-style-type: none"> Ongoing discussions with Internal Audit and Procurement. Review of the follow up work to be completed by Internal Audit in 2019. Completion of the external audit review of the council's response to allegations raised on the awarding of a series of contracts.

Source: Audit Scotland

Reporting arrangements

5. Audit reporting is the visible output of the annual audit. All annual audit plans and the outputs as detailed in Exhibit 2, and any other outputs on matters of public interest will be published on our website: www.audit-scotland.gov.uk.
6. Matters arising from our audit will be reported on a timely basis and will include agreed action plans. Draft management reports will be issued to the relevant officers to confirm factual accuracy.
7. We will provide an independent auditor's report to West Dunbartonshire Council and the Accounts Commission setting out our opinions on the 2018/19 annual accounts. We will provide the Strategic Lead – Resources and Accounts Commission with an annual report on the audit containing observations and recommendations on significant matters which have arisen during the audit.

Exhibit 2 2018/19 Audit outputs

Audit Output	Committee Date
Annual Audit Plan	20 March 2019
Management Report	12 June 2019
Review of the Internal Audit Report on hospitality, tendering and contracting arrangements	TBC
Annual Audit Report	25 September 2019
Independent Auditor's Report	25 September 2019

Source: Audit Scotland

The audit of trusts registered as Scottish charities

8. Members of West Dunbartonshire Council are sole trustees (that is, only members of the council are trustees) for six trusts, registered as Scottish charities, with total assets of some £315,296.
9. The preparation and audit of the financial statements of registered charities is regulated by the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.
10. The 2006 regulations require charities to prepare annual accounts, and require an accompanying auditor's report where any legislation requires an audit. The Local Government (Scotland) Act 1973 specifies the audit requirements for any trust fund where some or all members of a council are the sole trustees. Consequently, a full and separate audit and independent auditor's report is required for each registered charity where members of the council are sole trustees, irrespective of the size of the charity.
11. Based on our discussions with staff and initial planning work undertaken we have identified the audit risks detailed in Exhibit 3.

Exhibit 3

Audit Risk	Source of assurance	Planned audit work
<p>1 Governance and investment documentation</p> <p>As previously reported, the following risks remain for the trusts;</p> <ul style="list-style-type: none"> The Deed of Trust for the Dunbartonshire Educational Trust Scheme 1962 requires to be updated. The governing documentation for the McAuley Prize for Mathematics is not available and a new trust deed required. <p>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.</p>	<p>Officers continue to update and replace the Deeds of Trust for Dunbartonshire Educational Trust Scheme 1962 and the McAuley Prize for Mathematics.</p>	<p>Liaise with officers during process of updating and replacing Deeds of Trust.</p> <p>Review Deeds of Trust.</p> <p>Comment in ISA 260.</p>
<p>2 Dormant trusts</p> <p>Some of the trusts have been dormant for a number of years, with an assessment made in previous years that no tangible benefits were being derived from the trusts. The most recent activity was in 2016/17 when the War Memorial Dumbarton and the Halkett Memorial Dumbarton Trust funds were fully dispersed, following approval by trustees.</p> <p>No tangible benefit is being derived from the trust funds.</p>	<p>Finance officers continue to seek a solution to this issue through OSCR and Legal Services with the aim to provide a report to Council during 2019/20.</p>	<p>Continue to liaise with officers and monitor the activity of the trust funds.</p> <p>Comment in ISA 260.</p>

Audit fee

- The proposed audit fee for the 2018/19 audit of West Dunbartonshire Council, including the audit of the charitable trust funds, is £264,810 [2017/18 £257,760]. In determining the audit fee we have taken account of the risk exposure of West Dunbartonshire Council, the planned management assurances in place and the level of reliance we plan to take from the work of internal audit. Our audit approach assumes receipt of the unaudited annual accounts, with a complete working papers package by 30 June 2019.
- Where our audit cannot proceed as planned through, for example, late receipt of unaudited annual accounts or being unable to take planned reliance from the work of internal audit, a supplementary fee may be levied. An additional fee may also be required in relation to any work or other significant exercises outwith our planned audit activity.

Responsibilities

Audit Committee and Strategic Lead - Resources

14. Audited bodies have the primary responsibility for ensuring the proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety and regularity that enable them to successfully deliver their objectives.
15. The audit of the annual accounts does not relieve management or the Audit Committee as those charged with governance, of their responsibilities.

Appointed auditor

16. Our responsibilities as independent auditors are established by the 1973 Act for local government, and the Code of Audit Practice (including supplementary guidance) and guided by the Financial Reporting Council's Ethical Standard.
17. Auditors in the public sector give an independent opinion on the financial statements and other information within the annual accounts. We also review and report on the arrangements within the audited body to manage its performance, regularity and use of resources. In doing this, we aim to support improvement and accountability.

Audit scope and timing

Annual accounts

18. The annual accounts, which include the financial statements, will be the foundation and source for most of the audit work necessary to support our judgements and conclusions. We also consider the wider environment and challenges facing the public sector. Our audit approach includes:

- understanding the business of West Dunbartonshire Council and the associated risks which could impact on the financial statements
- assessing the key systems of internal control, and establishing how weaknesses in these systems could impact on the financial statements
- identifying major transaction streams, balances and areas of estimation and understanding how West Dunbartonshire Council will include these in the financial statements
- assessing the risks of material misstatement in the financial statements
- determining the nature, timing and extent of audit procedures necessary to provide us with sufficient audit evidence as to whether the financial statements are free of material misstatement.

19. We will give an opinion on whether the financial statements:

- give a true and fair view of the of the state of affairs of West Dunbartonshire Council and its group as at 31 March 2019 and of the income and expenditure of West Dunbartonshire Council and its group for the year then ended;
- have been properly prepared in accordance with the financial reporting framework.



characteristics



responsibilities



principal activities



risks



governance arrangements

Other information in the annual accounts

20. We also review and report on other information published within the annual accounts including the management commentary, annual governance statement and the remuneration report. We give an opinion on whether these have been compiled in accordance with the appropriate regulations and frameworks in our independent auditor's report.

21. We also read and consider any information in the annual accounts other than the financial statements and audited part of the remuneration report and report any uncorrected material misstatements.

Materiality

22. We apply the concept of materiality in planning and performing the audit. It is used in evaluating the effect of identified misstatements on the audit, and of any uncorrected misstatements, on the financial statements and in forming our opinions in the independent auditor's report.

23. We calculate materiality as described below. The calculated materiality values for West Dunbartonshire Council are set out in Exhibit 4.

Exhibit 4

Materiality values

Materiality	Amount
Planning materiality – This is the calculated figure we use in assessing the overall impact of audit adjustments on the financial statements. It has been set at 1% of gross expenditure for the year ended 31 March 2018 based on the latest audited accounts.	£4.455 million
Performance materiality – This acts as a trigger point. If the aggregate of errors identified during the financial statements audit exceeds performance materiality this would indicate that further audit procedures should be considered. Using our professional judgement, we have calculated performance materiality at 50% of planning materiality.	£2.228 million
Reporting threshold (i.e., clearly trivial) – We are required to report to those charged with governance on all unadjusted misstatements more than the 'reporting threshold' amount. This has been calculated at 1% of planning materiality, rounded up.	£50,000



Source: Audit Scotland

Timetable

24. To support the efficient use of resources it is critical that the annual accounts timetable is agreed with us to produce the unaudited accounts. We have included an agreed timetable at [Exhibit 5](#).

Exhibit 5

Timetable

 Key stage	 Date
Consideration of unaudited annual accounts by the audit committee	12 June 2019
Latest submission date of unaudited annual accounts complete working papers package	30 June 2019
Latest date for final clearance meeting with Strategic Lead - Resources	TBC
Issue of Letter of Representation and proposed independent auditor's report	26 September 2019
Agreement of audited unsigned annual accounts	26 September 2019
Issue of Annual Audit Report to those charged with governance	26 September 2019
Independent auditor's report signed	26 September 2019
Latest date for signing of WGA return	27 September 2019

Internal audit

25. Internal audit is provided by West Dunbartonshire Council. As part of our planning process we carry out an annual assessment of the internal audit function to ensure that it operates in accordance with Public Sector Internal Audit Standards (PSIAS). We will report any significant findings to management on a timely basis.

26. We reported in March 2018, members of the Audit Committee are not provided with full completed internal audit reports, instead they are provided with summaries and the action plans. It would enhance transparency for members and the public if full reports are presented.
27. In December 2018, the Chair of the Audit Committee and the Audit and Risk Manager completed a self-assessment and reporting on audit assignments exercise where they agreed to continue with the current approach. We note the Audit Committee's decision, but would reiterate that it is important that members are assured that they receive the appropriate level of detail on internal audit findings to support informed discussions on the findings as part of their scrutiny responsibilities.
28. Exhibit 1 also contains a risk where we have identified a number of instances where internal audit actions have not been implemented in line with the agreed timescales, delaying improvements to internal control and governance arrangements. We will report on these issues further in our 2018/19 Annual Audit Report.

Using the work of internal audit

29. Auditing standards require internal and external auditors to work closely together to make best use of available audit resources. We seek to rely on the work of internal audit wherever possible to avoid duplication. We plan to consider the findings of the work of internal audit as part of our planning process to minimise duplication of effort and to ensure the total resource is used efficiently or effectively.
30. From our initial review of internal audit plans we plan to place formal reliance on internal audit work in the following area:
 - Main Accounting System
31. In respect of our wider dimension audit responsibilities we also plan to consider other areas of internal audit work including:
 - Investigation: Roads and Greenspace – Allegation of Hospitality and Tendering & Contracting Arrangements
 - Balance Sheet Reconciliations (suspense accounts)

Audit dimensions

32. Our audit is based on four audit dimensions that frame the wider scope of public sector audit requirements as shown in [6](#).

Exhibit 6

Audit dimensions



Source: Code of Audit Practice

33. In the local government sector, the appointed auditor's annual conclusions on these four dimensions will help contribute to an overall assessment and assurance on best value.

Financial sustainability

34. As auditors, we consider the appropriateness of the use of the going concern basis of accounting as part of the annual audit. We will also comment on the body's financial sustainability in the longer term. We define this as medium term (two to five years) and longer term (longer than five years) sustainability. We will carry out work and conclude on:

- the effectiveness of financial planning in identifying and addressing risks to financial sustainability in the short, medium and long term
- the appropriateness and effectiveness of arrangements in place to address any identified funding gaps
- whether the council can demonstrate the affordability and effectiveness of funding and investment decisions it has made.

Financial management

35. Financial management is concerned with financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively. We will review, conclude and report on:

- whether the council has arrangements in place to ensure systems of internal control are operating effectively
- whether the council can demonstrate the effectiveness of budgetary control system in communicating accurate and timely financial performance
- how the council has assured itself that its financial capacity and skills are appropriate
- whether the council has established appropriate and effective arrangements for the prevention and detection of fraud and corruption.

Governance and transparency

36. Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision-making and transparent reporting of financial and performance information. We will review, conclude and report on:

- whether the council can demonstrate that the governance arrangements in place are appropriate and operating effectively (including services delivered by, or in partnership with, others such as ALEOs)
- whether there is effective scrutiny, challenge and transparency on the decision-making and finance and performance reports
- the quality and timeliness of financial and performance reporting.

Best Value / Value for Money

37. The Accounts Commission agreed the overall framework for a new approach to auditing Best Value in June 2016. The introduction of the approach coincided with the new five-year audit appointments. Auditors started using the framework for their audit work from October 2016.

38. A key feature of the new approach is that it integrates Best Value into the wider scope annual audit, which will influence audit planning and reporting. Best Value will be assessed comprehensively over the five-year audit appointment, both through the ongoing annual audit work, and through discrete packages of work to look at specific issues. Conclusions and judgements on Best Value will be reported through:

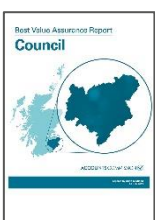
- The Annual Audit Report for each council that will provide a rounded picture of the council overall.
- An annual assurance and risks report that the Controller of Audit will provide to the Commission that will highlight issues from across all 32 councils' annual audit reports.
- A Best Value Assurance Report (BVAR) for each council that will be considered by the Accounts Commission at least once in a five-year period.

39. The BVAR for the West Dunbartonshire Council was published in June 2018. The focus of our audit work this year is to report on the council's response to the report and progress made with its Best Value improvement plan approved by the council in August 2018. We will also review the council's arrangements covering the best value characteristics of fairness and equality. The results of this work will be reported in the Annual Audit Report.

40. The seven councils for which a BVAR will be published during 2019 are shown below.

Exhibit 7

2018/19 Best Value Assurance Reports



North Lanarkshire Council

Stirling Council

South Lanarkshire Council

Midlothian Council

Highland Council

Scottish Borders Council

Perth and Kinross Council

Independence and objectivity

41. Auditors appointed by the Accounts Commission or Auditor General must comply with the Code of Audit Practice and relevant supporting guidance. When auditing the financial statements, auditors must also comply with professional standards issued by the Financial Reporting Council and those of the professional accountancy bodies. These standards impose stringent rules to ensure the independence and objectivity of auditors. Audit Scotland has robust arrangements in place to ensure compliance with these standards including an annual “fit and proper” declaration for all members of staff. The arrangements are overseen by the Director of Audit Services, who serves as Audit Scotland’s Ethics Partner.
42. The engagement lead (i.e. appointed auditor) for West Dunbartonshire Council is Fiona Mitchell-Knight, Audit Director. Auditing and ethical standards require the appointed auditor, Audit Scotland, to communicate any relationships that may affect the independence and objectivity of audit staff. We are not aware of any such relationships pertaining to the audit of West Dunbartonshire Council.

Quality control

43. International Standard on Quality Control (UK and Ireland) 1 (ISQC1) requires that a system of quality control is established, as part of financial audit procedures, to provide reasonable assurance that professional standards and regulatory and legal requirements are being complied with and that the independent auditor’s report or opinion is appropriate in the circumstances.
44. The foundation of our quality framework is our Audit Guide, which incorporates the application of professional auditing, quality and ethical standards and the Code of Audit Practice (and supporting guidance) issued by Audit Scotland and approved by the Auditor General for Scotland. To ensure that we achieve the required quality standards, Audit Scotland conducts peer reviews and internal quality reviews. Additionally, the Institute of Chartered Accountants of Scotland (ICAS) has been commissioned to carry out external quality reviews.
45. As part of our commitment to quality and continuous improvement, Audit Scotland will periodically seek your views on the quality of our service provision. We welcome feedback at any time and this may be directed to the engagement lead.

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