



*Dunbartonshire and Argyll & Bute
Valuation Joint Board*

Council Offices
16 Church Street
Dumbarton
G82 1QL

26 June 2019

Dear Sir/Madam

DUNBARTONSHIRE AND ARGYLL & BUTE VALUATION JOINT BOARD

SUPPLEMENTARY ITEM

With reference to the agenda for the meeting of the Valuation Joint Board being held in the **Pillar Hall, Victoria Halls, Sinclair Street, Helensburgh G84 8TU at 11 a.m. on Friday, 28 June 2019**, which was issued on 14 June 2019, please be advised that Councillor Trail, Chair, has agreed that the undernoted report be considered as an additional item of business.

Yours faithfully,

PETER HESSETT

Clerk to the Valuation Joint Board

Note referred to:-/

14 ASSURANCE STATEMENT FOR THE YEAR ENDED 31 149 – 153
MARCH 2019 FROM THE AUDIT MANAGER

Submit report by the Treasurer advising of the contents of the annual Assurance Statement given in support of the Annual Governance Statement and outlining how audit assurances are obtained.

Distribution:-

Councillor Graham Archibald Hardie, Argyll & Bute Council
Councillor Donald MacMillan, Argyll & Bute Council
Councillor Iain Paterson, Argyll & Bute Council
Councillor Alastair Redman, Argyll & Bute Council
Councillor Richard Trail, Argyll & Bute Council
Councillor Jim Gibbons, East Dunbartonshire Council
Councillor John Jamieson, East Dunbartonshire Council
Councillor Denis Johnston, East Dunbartonshire Council
Councillor Stewart MacDonald, East Dunbartonshire Council
Councillor Vaughan Moody, East Dunbartonshire Council
Councillor Sandra Thornton, East Dunbartonshire Council
Baillie Denis Agnew, West Dunbartonshire Council
Councillor Jim Brown, West Dunbartonshire Council
Councillor Jonathan McColl, West Dunbartonshire Council
Councillor Marie McNair, West Dunbartonshire Council
Councillor John Millar, West Dunbartonshire Council

All Substitute Councillors for information

Date of issue: 26 June 2019

DUNBARTONSHIRE and ARGYLL & BUTE VALUATION JOINT BOARD**Report by Treasurer****Valuation Joint Board - 28 June 2019**

Subject: Assurance Statement for the year ended 31 March 2019 from the Audit Manager

1. Purpose

- 1.1** The purpose of this report is to to advise Members of the Board of the contents of the annual Assurance Statement given to Members of the Board in support of the Annual Governance Statement. This report outlines how audit assurances are obtained.

2. Background

- 2.1** The Public Sector Internal Audit Standards (PSIAS) became effective on 1st April 2013 (revised in 2017) and require that:

“The chief audit executive [WDC: Audit Manager] must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.

The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control.

The annual report must incorporate:

- *The opinion;*
- *A summary of the work that supports the opinion; and*
- *A statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme”.*

- 2.2** The Assurance Statement is included at Appendix A.

3. Main Issues

- 3.1** The Audit Manager is pleased to report good progress across the Council and the VJB on audit recommendations and is of the opinion that reasonable assurance can be placed upon the adequacy and effectiveness of West Dunbartonshire Council’s internal control system, operated by the Council on behalf of Dunbartonshire and Argyll & Bute Valuation Joint Board, in the year to 31 March 2019.
- 3.2** The annual Assurance Statement for the year ended 31 March 2019 at Appendix A includes the Audit Manager’s independent and objective opinion

as to the adequacy and effectiveness of West Dunbartonshire Council's internal control system, operated by the Council on behalf of Dunbartonshire and Argyll & Bute Valuation Joint Board.

4. Conclusions and Recommendations

4.1 Members are requested to:

- (i) note the contents of the annual Assurance Statement for the year ended 31 March 2019 provided at Appendix A.

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Stephen West
Treasurer
Date: 24 June 2019

Person(s) to Contact: Colin McDougall, Audit Manager
West Dunbartonshire Council
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E-mail: colin.mcdougall@west-dunbarton.gov.uk

Appendix: Assurance Statement for the year ended 31 March 2019 from the Audit Manager

Assurance Statement for the year ended 31 March 2019
from the Audit Manager

**To the Members of the Dunbartonshire and Argyll & Bute
Valuation Joint Board**

As Audit Manager of West Dunbartonshire Council, I am pleased to present my annual statement on the adequacy and effectiveness of the internal control system operated by the Council on behalf of Dunbartonshire and Argyll & Bute Valuation Joint Board for the year ended 31 March 2019.

**Respective responsibilities of management and internal auditors in
relation to internal control**

It is the responsibility of the Council's senior management to establish an appropriate and sound system of internal control and to monitor the continuing effectiveness of that system on behalf of the Dunbartonshire & Argyll & Bute Valuation Joint Board. It is the responsibility of the Audit Manager to provide an annual overall assessment of the robustness of the internal control system.

Sound internal controls

The main objectives of the Council's internal control systems are:

- To ensure adherence to management policies and directives in order to achieve the organisation's objectives;
- To ensure economic, efficient, effective and safe use of resources and assets;
- To ensure the relevance, reliability and integrity of information, so ensuring as far as possible the completeness and accuracy of records; and
- To ensure compliance with statutory requirements.

Any system of control can only ever provide reasonable and not absolute assurance that control weaknesses or irregularities do not exist or that there is no risk of material errors, losses, fraud, or breaches of laws or regulations. Accordingly, the Council is continually seeking to improve the effectiveness of its systems of internal control.

The work of internal audit

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic,

disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The Council's Internal Audit Section operates in accordance with the *Public Sector Internal Audit Standards* (The Standards) which have been agreed to be adopted from the 1st April 2013 by the relevant public sector Internal Audit Standard setters. The Standards apply the Institute of Internal Auditors International Standards to the UK Public Sector.

PSIAS requires that a Quality Assurance and Improvement Programme (QAIP) is developed in order to provide assurance that internal audit activity

- Is conducted in accordance with an Internal Audit Charter;
- Operates in an efficient and effective manner; and
- Is perceived to be adding value and improving operations.

An internal self-assessment of internal audit practices has been carried out by the Audit every year since PSIAS became effective on 1st April 2013, with improvements identified and implemented as appropriate. PSIAS also requires, as outlined in Standard 1300 "QAIP", that:

"External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. External assessments can be in the form of a full external assessment or a self-assessment with independent external validation".

To meet this requirement, a reciprocal arrangement to complete a programme of inspections has been developed by the Scottish Local Authorities Chief Internal Auditors Group (SLACIAG). This process identified South Lanarkshire Council as the Authority to undertake the independent review of WDC's Internal Audit function's level of compliance with PSIAS and the external review was carried out during 2015/16. The next external review is due to be carried out within one to two years.

The Internal Audit Section undertakes an annual programme of work based on a risk assessment process which is revised on an ongoing basis to reflect evolving risks and changes within the Council. All Internal Audit reports identifying system weaknesses and / or non-compliance with expected controls are brought to the attention of management and the Audit Committee together with appropriate recommendations and agreed action plans. Specific reports relating to Dunbartonshire and Argyll & Bute Valuation Joint Board are submitted to meetings of the Valuation Joint Board. It is management's responsibility to ensure that proper consideration is given to Internal Audit reports and that appropriate action is taken on audit recommendations. The internal auditor is required to ensure that appropriate arrangements are made to determine whether action has been taken on internal audit recommendations or that management has understood and assumed the risk of not taking action. A programme of follow-up on assignment findings and recommendations provides assurance on the complete and timeous implementation of both internal Audit and External Audit recommendations.

Basis of Opinion

My evaluation of the control environment is informed by a number of sources:

- The audit work undertaken by internal audit during the year to 31 March 2019;
- The assessment of risk completed during reviews of the annual audit plan;
- The assurance statement signed by the Assessor and Electoral Registration Officer on the operation of the internal financial controls within the Valuation Joint Board during the year to 31 March 2019;
- Reports issued by the Valuation Joint Board's External Auditors, Audit Scotland and other review agencies; and
- My knowledge of the Council's and the Valuation Joint Board's governance, risk management and performance monitoring arrangements.

Opinion

It is my opinion, based on the above, that reasonable assurance can be placed upon the adequacy and effectiveness of West Dunbartonshire Council's internal control system, operated by the Council on behalf of Dunbartonshire and Argyll & Bute Valuation Joint Board, in the year to 31 March 2019.

Signature:



Title: Audit Manager

Date: 29 May 2019