

AC32. External Audit Framework

The committee considered the External Audit Framework 2016-2021, which had been developed by the Council's new External Auditors, Ernst and Young.

The framework set out the External Auditor's approach to:-

- the public sector audit framework;
- the audit strategy and approach;
- the financial statements;
- the wider scope audit dimensions; and
- other audit responsibilities

The committee asked questions in regard to the framework. In particular in regard to the External Auditor's definition of pace of improvement. The External Auditor stated that this meant achieving value for money, that is improved outcomes within the financial landscape of reduced and reducing funding. He concurred that outcomes can be difficult to measure, however, consequential impacts and intended impacts could be measured. He stated that it was important for the public sector to understand the importance of measuring outcomes relative to resources.

Members discussed the need for Councils to operate efficiently and effectively and for effective governance to be in place.

The Director of Corporate and Housing Services confirmed that the Council's priorities were set out in the Corporate Plan. This was coming to the end of its lifespan and would be reviewed post May 2017. In response to a question in regard to the Business Transformation Board, the Director of Corporate and Housing Services stated that it was not a decision making body and that the reporting arrangements had been agreed by the Council.

In regard to a question in regard to the pace of change within the Council, the External Auditor stated that he did not have the data and as such, could not make an assessment. He was aware of coverage in the national press following publication of the Accounts Commission's findings in regard to the follow up Best Value review of Falkirk Council.

The convener noted that unlike Audit Scotland, Ernst and Young did not appear to have a permanent presence within Council, and sought clarification on how the External Auditor intended to take forward its work. The External Auditor stated that work was underway and that he had held meetings with key officers with a view to developing a work plan.

Decision

The committee noted the report.