

AC31. ANNUAL AUDIT REPORT 2014/15

The committee considered a report by the Director of Corporate and Housing Services presenting Audit Scotland's Annual Audit report to members of the Council and the Controller of Audit together with a letter of representation to Audit Scotland on the accounts.

The unaudited accounts had been considered by committee on 22 June 2015 (ref AC22). These had now been audited and the Auditor's certificate was free from qualification. The report set out:-

- the Council's financial position – including the 2014/15 overspend, the reduction in uncommitted reserves and the challenges facing the Council;
- governance and transparency – including the findings of Audit Scotland's Best Value Review of Falkirk Council, the systems of internal control, the National Fraud Initiative (and in particular the Blue Badge Scheme) and progress made in the implementation of adult health and social care and welfare reform;
- Best Value – including areas for improvement; and
- action plan - this set out the Council's response to the 6 recommendations set out in the Auditors' report.

Fiona Mitchell Knight gave an overview of Audit Scotland's report.

Members welcomed the report. Discussion focussed on the Accounts Commission's findings in regard to Audit Scotland's Best Value Review of the Council. The report would be considered by Council on 7 October 2015. The Convener advised that references within the Annual Audit Report would not be discussed at today's meeting. She considered that the Council's response to the Best Value review would however be a matter for the Committee.

In regard to the Annual Audit report, members sought clarity on the significant findings of the Audit - in particular the accounting for the Carbon Reduction Commitment (CRC) and the calculation of Council Tax bad debt provision.

Members also sought information on the position of the Capital Programme and losses on void properties.

Members highlighted the economic climate within which local authorities operate and in particular the impact of the Council's budget gap and on its ability to deliver services and on staffing levels.

Decision

The committee noted the Annual Report on the 2014/15 Audit.