

VJB16. Annual Report to Those Charged With Governance and the Controller of Audit for Financial Year Ended 2018/19

The board considered a report by the Treasurer presenting the Annual Audit Report to those charged with governance and the Controller of Audit for the financial year 2017/18 which had been prepared by the Board's auditors, Audit Scotland.

The Auditor's report was provided together with:-

- A letter from the Auditor together with the proposed independent auditors report
- A letter of representation to the Auditor from the Board confirming the representation that had been made in connection with the audit of the Board's annual accounts, which on approval of the Board would be signed by the Treasurer.

The audit work on the Board's annual accounts was substantially complete and the auditor had issued an unqualified audit opinion.

Tom Young gave an overview of the work of the auditors together with a summary of the Annual Audit Report findings. An action plan to address 2 issues (In regard to Financial Sustainability, and Governance, Policies and Procedures) had been agreed with management. The Action Plan included two issues which had been brought forward from 2017/18 Action Plan.

Following a question Mr Young expanded on the financial sustainability risk which had been identified in the report. He noted that the Board had identified the budget gap and had been taking steps to close it. The Board was working with the constituent authorities in regard to funding. Mr Wildman added that while the Board was a requisitioning body it worked closely with the 3 constituent Authorities in regard to funding and cited examples of the pressures faced by the Board. He also stated that work was ongoing to drive out efficiencies (for example the document scanning project). The Board worked with each authority, for example with Falkirk Council in regard to streamlining the transfer of planning and building warrant information. The lease on Hillside House was due to end in 2023 and work had begun to identify options. The scanning of documents, all domestic files had now been scanned, would yield savings and improve flexibility in regard to working arrangements which in turn would facilitate any move to smaller premises. He also added that where possible interactions with the public would increasingly be based online. Any requisition to the 3 constituent authorities is based on a proportional basis.

Decision

The Board:-

- (1) noted the content of the Independent Auditor's Report;**

- (2) approved the content of the Letter of Representation (ISA 580);**
- (3) noted the significant audit findings within Exhibit 2 of the Internal Audit Report, and**
- (4) noted the recommendations for improvement and the follow up on prior year recommendations within Appendix 1 of the Annual Audit Report.**