



# East of Scotland European Consortium

2015/16 Annual audit  
report to Members and  
the Controller of Audit

Date September 2016

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Pearl Tate is the engagement lead for the audit of East of Scotland European Consortium (the consortium) for the period to 2015/16.

This report has been prepared for the use of the consortium and no responsibility to any member or officer in their individual capacity or any third party is accepted.

This report will be published on our website after it has been considered by the consortium. The information in this report may be used for the Accounts Commission's annual overview report on local authority audits published on its website and presented to the Local Government and Regeneration Committee of the Scottish Parliament.

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# Key messages

 <p>Audit of financial statements</p>	<ul style="list-style-type: none"><li>• Unqualified auditor's report on the 2015/16 financial statements.</li><li>• The financial statements of the consortium have been prepared on the going concern basis. We are not aware of any events or conditions that may cast significant doubt on the consortium's ability to continue as a going concern.</li><li>• We review and report on other information published within the financial statements, including the management commentary and the annual governance statement. We have nothing to report in respect of these statements.</li></ul>
 <p>Financial management and sustainability</p>	<ul style="list-style-type: none"><li>• The consortium had useable reserves of £82,268 (125.6% of expenditure) at 31 March 2016. The reserve strategy plans to reduce this reserve to £23,000 by 2017/18. The use of reserves in the longer term, however, is not financially sustainable.</li><li>• A reduction in its membership from March 2017 will place a strain on the consortium's capacity to deliver services at the current levels.</li><li>• The financial management arrangements are satisfactory for an organisation the size of the consortium.</li></ul>
 <p>Governance and transparency</p>	<ul style="list-style-type: none"><li>• A working group has been established to further consider the legal structure of the organisation under the associate membership proposals.</li><li>• In the past three years the consortium's Policy Board meetings have not been as regular as that envisaged within its constitution.</li><li>• The Policy Board did not consider the consortium's financial position during 2015/16.</li><li>• The consortium has appropriate anti-fraud arrangements.</li><li>• The consortium could improve the transparency of its governance arrangements through updating its website appropriately.</li></ul>



## Best Value

- The consortium's vehicles for demonstrating best value are its strategy and work plan.
- To assess progress against the consortium's strategy it is vital that key measurable milestones are built into work plans to ensure delivery is on target.



## Outlook

- Member councils are continuing to face particularly challenging financial decisions and the consortium needs to ensure that it can demonstrate value for money to its members.
- The consortium seeks to represent and promote the interests of its members with regard to European policy development and implementation. The implications for the consortium of the UK's decision to leave the European Union are to be considered at Policy Board meetings.

# Introduction

1. This report is a summary of our findings arising from the 2015/16 audit of East of Scotland European Consortium (the consortium). The report is divided into sections which reflect our public sector audit model.
2. The consortium is responsible for:
  - preparing financial statements which give a true and fair view
  - implementing appropriate internal control systems
  - putting in place proper arrangements for the conduct of its affairs
  - ensuring that the financial position is soundly based.
3. Our responsibility, as the external auditor of the consortium, is to undertake our audit in accordance with International Standards on Auditing, the principles contained in the Code of Audit Practice issued by Audit Scotland in May 2011 and the ethical standards issued by the Auditing Practices Board.
4. An audit of financial statements is not designed to identify all matters that may be relevant to those charged with governance. It is the auditor's responsibility to form and express an opinion on the financial statements; this does not relieve management of their responsibility for the preparation of financial statements which give a true and fair view.
5. Local reports have been issued by Audit Scotland during the course of the year and these are summarised at **appendices II**.
6. **Appendix III** is an action plan setting out our recommendations to address the high level risks we have identified during the course of the audit. Officers have considered the issues and agreed to take the specific steps in the column headed "Management action/response". We recognise that not all risks can be eliminated or even minimised. What is important is that the consortium understands its risks and has arrangements in place to manage these risks. The consortium should ensure that they are satisfied with the proposed action and have a mechanism in place to assess progress and monitor outcomes.
7. We have included in this report only those matters that have come to our attention as a result of our normal audit procedures; consequently, our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.
8. The cooperation and assistance afforded to the audit team during the course of the audit is gratefully acknowledged.
9. This is the final year of the current five year audit appointment. From 2016/17 the auditor of the consortium will be KPMG. In accordance with agreed protocols and International Standards on Auditing we will be liaising with the incoming auditors as part of this transition.

10. A new Code of Audit Practice was published in May 2016 and will apply to all audits from financial year 2016/17. This will focus the audit on four key areas:

- financial sustainability
- financial management
- governance and transparency; and
- value for money

# Audit of the 2015/16 financial statements

## Submission of financial statements for audit

11. We received the unaudited financial statements on 29 June 2015, in accordance with the agreed timetable and these were considered by the Policy Board in July 2016. The working papers were of a good standard and staff provided helpful support to the audit team which assisted the delivery of the audit to deadline.
12. The Local Authority Accounts (Scotland) Regulations 2014 requires the consortium to give public notice of the right of interested persons to inspect and object to its accounts and is required to publish this notice on its website during the period of objection. The regulations also require the body to publish on its website a copy of the annual accounts submitted to the auditor, clearly identified as an unaudited version. The consortium's website does not highlight the public notice or the unaudited annual accounts although the unaudited annual accounts were available on the Angus Council website.

### Action plan no. 1

## Overview of the scope of the audit of the financial statements

13. Information on the integrity and objectivity of the appointed auditor and audit staff, and the nature and scope of the audit, were outlined in our Annual Audit Plan issued to the consortium in January 2016.
14. As part of the requirement to provide full and fair disclosure of matters relating to our independence, we can confirm that we have not undertaken non-audit related services. The 2015/16 agreed fee for the audit was set out in the Annual Audit Plan and, as we did not carry out any work additional to our planned audit activity, the fee remains unchanged.
15. The concept of audit risk is of central importance to our audit approach. During the planning stage of our audit we identified a number of key audit risks which involved the highest level of judgement and impact on the financial statements and consequently had the greatest effect on the audit strategy, resources and effort. We set out in our Annual Audit Plan the audit work we proposed to undertake to secure appropriate levels of assurance. **Appendix I** sets out the significant audit risks identified during the course of the audit and how we addressed each risk in arriving at our opinion on the financial statements.
16. Our audit involved obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

## Materiality

17. Materiality can be defined as the maximum amount by which auditors believe the financial statements could be misstated and still not be expected to affect the decisions of users of financial statements. A misstatement or omission, which would not normally be regarded as material by amount, may be important for other reasons (for example, an item contrary to law).
18. We consider materiality and its relationship with audit risk when planning the nature, timing and extent of our audit and conducting our audit programme. Specifically with regard to the financial statements, we assess the materiality of uncorrected misstatements, both individually and collectively.
19. We summarised our approach to materiality in our Annual Audit Plan. Based on our knowledge and understanding of the consortium we set our planning materiality for 2015/16 at £688 (1% of gross expenditure). Performance materiality was calculated at £516, to reduce to an acceptable level the probability of uncorrected and undetected audit differences exceeding our planning materiality level.
20. On receipt of the financial statements and following completion of audit testing we reviewed our materiality levels and concluded that our original calculation remained appropriate.

## Evaluation of misstatements

21. A number of presentational adjustments were identified within the financial statements during the course of our audit. These were discussed with relevant officers who agreed to amend the unaudited financial statements. The effect of these adjustments is to increase cash & cash equivalents and short term creditors in the balance sheet by £212. These adjustments have no impact on the comprehensive income and expenditure statement.

## Significant findings from the audit

22. International Standard on Auditing 260 requires us to communicate to you significant findings from the audit, including:
  - the auditor's views about significant qualitative aspects of the entity's accounting practices, including accounting policies, accounting estimates and financial statement disclosures
  - significant difficulties encountered during the audit
  - significant matters arising from the audit that were discussed, or subject to correspondence with management
  - written representations requested by the auditor
  - other matters which in the auditor's professional judgment, are significant to the oversight of the financial reporting process.
23. During the course of the audit we did not identify any significant issues that, in our view, require to be communicated to you.

## Outlook

24. The Local Authority Accounts (Scotland) Regulations 2014 requires the consortium to: publish the signed audited annual accounts on the consortium's website by 31 October; and publish the annual audit report on the consortium's website by 31 December. The consortium's website was not appropriately updated for the 2014/15 audited annual accounts timeously. The consortium should ensure it complies with this regulation going forward.

### **Action plan no. 1**

# Financial management and sustainability

## Financial management

25. In this section we comment on the consortium's financial outcomes and assess the consortium's financial management arrangements.
26. The consortium sets an annual budget to meet its service and other commitments for the forthcoming financial year. Regular monitoring of expenditure and income against agreed budgets is central to effective financial management.

## Financial outcomes

27. The main financial objective for the consortium is to ensure that the financial outturn for the year is within the budget. The Consortium's 2015/16 budgeted expenditure approved by the Policy Board in February 2014 was £67,500 with anticipated income of £55,900. At March 2015 the Consortium held significant reserves of £92,190 and anticipated using £14,242 of these during the year.
28. The consortium expenditure in 2015/16 was £65,485 on the provision of services, with income of £55,563 giving a deficit of £9,922 for the year.

## Financial management arrangements

29. As auditors, we need to consider whether the consortium have established adequate financial management arrangements. We do this by considering a number of factors, including whether:
  - the proper officer has sufficient status within the body to be able to deliver good financial management
  - financial regulations are comprehensive, current and promoted within the consortium
  - reports monitoring performance against budgets are accurate and provided regularly to budget holders
  - monitoring reports do not just contain financial data but are linked to information about performance
  - members provide a good level of challenge and question budget holders on significant variances.
30. The Treasurer as the section 95 officer is responsible for ensuring proper accounting records are kept. The consortium has a responsibility to ensure that an effective system of internal financial control is maintained. The consortium place reliance on Angus Council's financial regulations. Members should also monitor the consortium's financial position against budget regularly during the year. There is no evidence that the financial position has been considered by the consortium for 2015/16.

**Action plan no. 2**

31. Overall the consortium's financial management arrangements were inadequate as those charged with governance have not assessed the financial position of the consortium.

## Financial sustainability

32. Financial sustainability means that the consortium has the capacity to meet the current and future needs of its communities.
33. The consortium holds usable reserves of £82,268 at 31 March 2016 which represents 125.6% of expenditure during the year. A reserve strategy agreed in November 2014 set a provisional budget which planned to reduce the reserve to around £23,000 by 2017/18.
34. As highlighted at paragraph 28 the most recent consideration of the budget set by the Policy Board was in February 2014 and noted 2016/17 budgeted expenditure of £78,202 with anticipated income of £54,550. This would reduce the reserve balance held at 31 March 2017 to £58,616.

### Action plan no. 2

35. The consortium's member councils face significant financial challenges in the current economic climate and have to make difficult decisions regarding their funding of services and external organisations. Both Stirling Council and Aberdeenshire Council have given notice of their intention to leave the consortium in March 2017. The consortium will need to ensure it can demonstrate value for money to its members for their continuing subscriptions.

### Action plan no. 3

36. Overall we conclude that the financial position is sustainable currently, although the use of reserves in the long term is not financially viable. A reduction in its membership will also place a strain on the consortium's capacity to deliver services at the current levels. The consortium is currently considering associate member proposals (*refer paragraph 40*) with the intention of expanding its membership.

## Outlook

37. The UK has recently voted to leave the European Union (EU). The consortium's main purpose is to represent and promote the interests of member authorities with regard to European Policy Development and Implementation. Leaving the EU will have a significant impact on the consortium's purpose and work plans. The Policy Board discussed the various implications for local government and the consortium in July 2016. The Policy Board noted that it is too early to make any firm decisions in this regard given that the full implications of leaving the EU will not be known until the UK government triggers Article 50 and subsequently enters into exit negotiations. Officers are to provide a weekly bulletin to member councils with updates on the latest developments.

# Governance and transparency

38. Members and management of the consortium are responsible for establishing arrangements to ensure that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and for monitoring the adequacy and effectiveness of these arrangements.

## Corporate governance

39. The consortium is a non-statutory committee representing the interests of its eight member local authorities at a European level. The key decision-making body is the Policy Board comprising one elected representative from each council and is underpinned by an officer group. The Policy Board is responsible for ensuring that business is conducted in accordance with the law and proper standards, and that resources are safeguarded and properly accounted for.
40. The consortium considered the different options for its legal structure including the status quo, company limited by guarantee or associate membership. At the officer group meeting in September 2015 the benefits of associate membership were discussed and it was agreed to present this as a recommendation to the Policy Board. In February 2016 the Policy Board agreed the associate membership proposal with arrangements to be discussed and

agreed by the officer group with updates reported to the Policy Board.

41. The consortium is serviced by a secretariat which rotates amongst the member councils. The secretariat was to be based in Angus Council for the period April 2012 to March 2015. The consortium confirmed in March 2015 the extension of Angus Council's tenure as host authority to March 2017. In July 2016 it was agreed that this would be further extended until the timing of leaving the EU becomes clearer.
42. The consortium operates within the principles of Angus Council's code of corporate governance and the consortium's constitution. An updated constitution was approved by the consortium in February 2016. The constitution highlights that the Policy Board will normally meet four times a year. In the past three years this meeting schedule has not been maintained with only three meetings held during 2015/16.

### Action plan no. 4

43. Overall the governance arrangements could be improved to ensure that those charged with governance meet regularly and are provided with adequate information to allow them to assess the consortium's financial position (*refer paragraphs 32 to 36*).

## Internal control

44. While auditors concentrate on significant systems and key controls in support of the opinion on the financial statements, their wider

responsibilities require them to consider the financial systems and controls of audited bodies as a whole. However, the extent of this work should also be informed by their assessment of risk and the activities of internal audit. In 2015/16 there was no internal audit coverage of the consortium's transactions.

45. The consortium has a responsibility to ensure that an effective system of internal financial control is maintained. The consortium's financial transactions are processed through Angus Council's system.
46. The Treasurer's review of the effectiveness of the system of internal financial control is informed by reviews undertaken by internal audit as part of the Angus Council's overall corporate governance annual review as reported in the annual governance statement within the financial statements.
47. We have been able to take assurance from the work of the external auditor of Angus Council on the financial systems. In addition we also sample tested the transactions and balances in the consortium's financial statements. Overall, on the basis of the audit testing undertaken, there were no issues of concern in relation to the operation of the consortium's financial control systems.

## Arrangements for maintaining standards of conduct and the prevention and detection of corruption/fraud

48. Audited bodies are responsible for ensuring that their affairs are managed in accordance with proper standards of conduct and have

proper arrangements in place for implementing and monitoring compliance with standards and codes of conduct, standing orders and financial instructions. Auditors consider whether bodies have adequate arrangements in place. In our opinion the overall arrangements in place (i.e. adopting Angus Council's procedures as host authority) are satisfactory, although it should be noted that no system can eliminate the risk of fraud and corruption entirely

## Transparency

49. As highlighted in previous year it is not clear how the consortium ensures its services and performance is transparent. It is unclear whether meetings are open to the public as the agendas/minutes are not publicly available and meeting dates are not easily found. The consortium's website does not contain relevant information for a number of areas including:
  - agendas and minutes of the consortium meetings
  - relevant financial and performance reports
  - public notice for inspection of the unaudited annual accounts
50. The consortium could improve the transparency of its operation through ensuring that its website is updated appropriately. The consortium in July 2016 agreed it would seek to address transparency concerns by publishing more information on its website regarding activity, including meeting summaries.

**Action plan nos. 1 and 3**

# Best Value

51. Best value is a key factor to consider when planning policies, programmes and projects and when taking any spending decisions. The consortium should have systems and processes to ensure that it can demonstrate that it is delivering best value by assessing and reporting on the economy, efficiency, effectiveness and equality in service provision.
52. The Local Government (Scotland) Act 1973 places a duty on the auditors of local government bodies to be satisfied that proper arrangements have been made for securing best value and complying with responsibilities relating to community planning.
53. The focus of the consortium for demonstrating best value and for delivery of its objectives is its strategy which was revised and agreed in February 2016 and seeks to:
  - promote and represent the common interests of local government in the area recognised by the European Union and Scottish Government as Eastern and North Eastern Scotland
  - investigate and pursue all opportunities which will advance the development of consortium's objectives and that of its members, which includes taking forward the concept of associate membership by inviting academic institutions to join the consortium, and possibly other sectors
  - consolidate the position of Eastern and North Eastern Scotland local authorities as major partners within the European Union policy and implementation process
  - ensure the consortium's 2016 framework reflects the Scottish Government's economic strategy of investment, innovation, inclusive growth and internationalisation, and the Europe 2020 strategy of smart, sustainable and inclusive growth
54. To address the strategy the consortium agreed its 2016 work plan in November 2015. The four key objectives identified in the work plan were to:
  - establish knowledge and information on funding
  - lobby and petition on behalf of the East of Scotland to influence policy change
  - ensure policy engagement
  - effectively communicate the work of the consortium and the role of the European Union
55. Performance monitoring is conducted through the Policy Board whereby progress on individual projects and programmes are reported to members. The narrative keeps members up-to-date on emerging issues and promotes challenge and scrutiny.

56. As in previous years the work plan does not include key milestones or performance measures as difficulties have been experienced in obtaining relevant indicators which inform the progress against the strategy. The setting of appropriate targets and milestones is required to be agreed with stakeholders to ensure the board can demonstrate value for money. The Policy Board in September 2015 acknowledged that the nature of the consortium's activity can be difficult to quantify and so further discussion and agreement was still required in this area.

**Action plan no. 3**

# Appendix I - Significant audit risks

The table sets out the audit risks we identified during the audit and how we addressed each risk in arriving at our opinion on the financial statements.

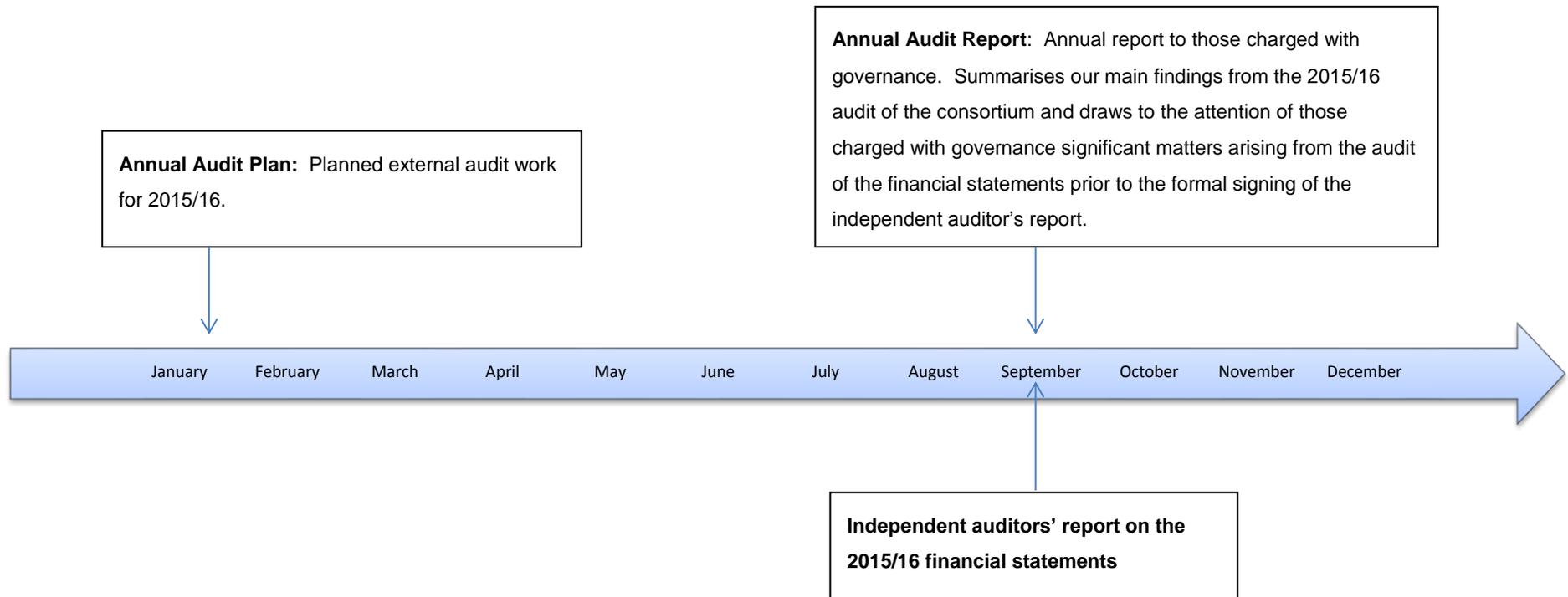
Audit Risk	Assurance procedure	Results and conclusions
<b>Risk of material misstatement</b>		
<p><b>Management override of controls</b></p> <p>As stated in ISA 240, management has the ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p><i>Risk: The accounts are material misstated.</i></p>	<p>Detailed testing of journal entries</p> <p>Review of accounting estimates for bias</p> <p>Evaluating significant transactions that are outside the normal course of business</p>	<p>From our audit testing no issues were identified and nor were there any significant transactions outwith the normal course of business.</p> <p>Assurances obtained.</p>

Audit Risk	Assurance procedure	Results and conclusions
<p><b>The Local Authority Accounts (Scotland) Regulations 2014</b></p> <p>These regulations introduced requirements for the consortium including:</p> <ul style="list-style-type: none"> <li>• that unaudited accounts are required to be considered by the consortium’s Policy Board by 31 August</li> <li>• audited accounts require to be approved by the consortium Policy Board prior to 30 September</li> <li>• publishing the signed audited annual accounts on the consortium’s website by 31 October</li> <li>• publishing the annual audit report on the consortium’s website by 31 December.</li> </ul> <p>Currently the Policy Board meeting dates do not tie in with the timescales required under the 2014 Regulations. In 2014/15 the consortium’s Policy Board agreed to delegate its responsibilities for consideration of the consortium’s 2014/15 unaudited accounts to Angus Council's Scrutiny &amp; Audit Committee.</p> <p>The Policy Board met three times in 2014/15 and twice in 2013/14. The consortium’s constitution suggests that the Policy Board will normally meet at least 4 times per annum.</p> <p>The consortium’s website is not being updated timeously with the required information.</p> <p><i>Risk: The consortium is not meeting the 2014 Regulation requirements.</i></p>	<p>Communication with management regarding timetable of accounts process.</p> <p>Confirm that the audited accounts and the annual audit report are included on the consortium’s website by the required dates.</p>	<p>Unaudited accounts considered by the Policy Board in July 2016.</p> <p>The Policy Board considered the audited accounts for approval in September 2016.</p> <p>Ongoing issue for the consortium (<i>refer appendix III - action plan no. 1</i>).</p>

Audit Risk	Assurance procedure	Results and conclusions
<b>Risks identified from the auditor's wider responsibility under the Code of Audit Practice</b>		
<p><b>Financial sustainability</b></p> <p>The consortium continues to face financial challenges including reducing income as a result of the departure of Stirling Council in March 2016. The consortium's member councils also face significant financial challenges in the current economic climate and have to make difficult decisions regarding their funding of services and external organisations.</p> <p>As at March 2015 the consortium held significant reserves of £92,190 and anticipated using £14,242 of these during 2015/16. In the long term the use of reserves to fund revenue would not be sustainable. A reserve strategy agreed in November 2014 set a provisional budget for three years with plans to reduce this reserve to around £23,000 by 2017/18.</p> <p><i>Risk: The consortium will have insufficient resources to enable it to deliver its priorities.</i></p>	<p>Monitor the consortium's financial position and performance arrangements.</p>	<p>Ongoing issues for the consortium (<i>refer appendix III - action plan no. 2 and 3</i>).</p>
<p><b>Performance management</b></p> <p>Performance measures are not built into work plans therefore the consortium is unable to measure its effectiveness in delivering against its key priorities.</p> <p><i>Risk: The consortium will not be able to demonstrate value for money in the delivery of its priorities.</i></p>	<p>Monitor the consortium's performance arrangements.</p>	<p>Ongoing issue for the consortium (<i>refer appendix III - action plan no. 3</i>).</p>

Audit Risk	Assurance procedure	Results and conclusions
<p><b>Transparency</b></p> <p>It is unclear whether meetings are open to the public as the agendas/minutes are not publicly available and meeting dates are not easily found. The consortium’s website does not contain relevant information for a number of areas including:</p> <ul style="list-style-type: none"> <li>• agendas and minutes of the consortium meetings</li> <li>• relevant financial and performance reports</li> <li>• annual audit reports</li> </ul> <p>Risk: <i>It is not clear how the consortium ensures its service and performance is transparent to the public.</i></p>	<p>Confirm whether appropriate information is publicly available.</p>	<p>Ongoing issue for the consortium (<i>refer appendix III - action plan no. 1 and 3</i>).</p>

# Appendix II - Summary of local audit reports



# Appendix III - Action plan

No. Page/para	Issue/risk/Recommendation	Management action/response	Responsible officer	Target date
1. 8/ 12 10/ 24 14/ 50	<p>The Local Authority Accounts (Scotland) Regulations 2014 require the consortium to publish on its website:</p> <ul style="list-style-type: none"> <li>• a copy of the annual accounts submitted to the auditor, clearly identified as an unaudited version</li> <li>• a public notice of the right of interested persons to inspect and object to its accounts</li> <li>• the audited annual accounts by 31 October</li> <li>• the annual audit report by 31 December.</li> </ul> <p>The consortium's website did not contain the public notice over the duration of the objection period or the unaudited annual accounts. In 2014/15 the website was not updated timeously for the audited annual accounts.</p> <p><b>Risk</b></p> <p><i>The consortium does not comply with the 2014 Regulations.</i></p> <p><b>Recommendation</b></p> <p>The consortium should ensure its website is updated timeously with the required information.</p>	<p>The public notice was placed in the local press as part of the Angus Council notice in line with the 2014/15 approach. The public notice will be placed on the website in future years. The unaudited accounts will also be placed on the website in future, and the website will be updated timeously for the audited annual accounts.</p>	<p>EU Officer, Policy &amp; Partnership / Senior Accountant (Angus Council)</p>	<p>Target dates are those set down in the 2014 Accounting Regulations for the different stages of the process</p>

No. Page/para	Issue/risk/Recommendation	Management action/response	Responsible officer	Target date
2. 11/ 30 12/ 34	<p>The Policy Board has not considered its financial position against budget during 2015/16. The Policy Board has not reassessed its budget for 2016/17 since February 2014.</p> <p><b>Risk</b></p> <p><i>Those charged with governance have insufficient information to ensure the consortium stewardship of fund is appropriate.</i></p> <p><b>Recommendation</b></p> <p>The consortium should regularly consider the financial position of the consortium.</p>	<p>The annual budget is reviewed by the Consortium prior to the start of each financial year. The budget monitoring position will be reviewed around the mid-point of the year &amp; reported to the Consortium at the meeting in November/December. A simple finance reporting timetable will be drawn up setting out key dates for budget, mid-year monitoring and end of year Accounts reporting.</p>	<p>EU Officer, Policy &amp; Partnership / Senior Accountant (Angus Council)</p>	<p>Reporting timetable to be established by 31 October 2016 and followed thereafter each year</p>

No. Page/para	Issue/risk/Recommendation	Management action/response	Responsible officer	Target date
3. 12/ 35 14/ 50 16/ 56	<p>The consortium's member councils face significant financial challenges in the current economic climate and have to make difficult decisions regarding their funding of services and external organisations. Both Stirling Council and Aberdeenshire Council have given notice of their intention to leave the consortium in March 2017. The consortium will need to ensure it can demonstrate value for money to its members for their continuing subscriptions. However, the work plan currently does not include key milestones or performance measures.</p> <p><b>Risk:</b></p> <p><i>The consortium is unable to demonstrate either value for money to its members for their continuing subscriptions or whether the strategy will be delivered.</i></p> <p><b>Recommendation:</b></p> <p>In order to assess progress against the consortium's strategy and evidence value for money key measurable milestones should be included in the work plans to ensure delivery is on target.</p>	<p>In July 2016 the consortium agreed it would seek to address transparency concerns by publishing more information on its website regarding the consortium's activity, including meeting summaries.</p>	<p>EU Officer, Policy &amp; Partnership</p>	<p>Ongoing</p>

No. Page/para	Issue/risk/Recommendation	Management action/response	Responsible officer	Target date
4. 13/ 42	<p>In the previous three years the Policy Board has met less frequently than the normal 4 times a year indicated in the constitution.</p> <p><b>Risk</b></p> <p><i>Those charged with governance are unable to take timeous decisions.</i></p> <p><b>Recommendation</b></p> <p>Policy Board should schedule meetings in line with prescribed frequency outlined in the constitution.</p>	<p>This has been acknowledged previously and in 2016 the Board will meet 4 times – February, July, September &amp; November/December.</p>	<p>EU Officer, Policy &amp; Partnership</p>	<p>2016</p>