

**MINUTES of MEETING of AUDIT COMMITTEE held in the COUNCIL CHAMBER, KILMORY,  
LOCHGILPHEAD  
on FRIDAY, 20 FEBRUARY 2004**

**Present:** Councillor Gary Mulvaney (Chair)

Councillor Donald MacMillan                      Vincent Bradbury  
Councillor John McAlpine                      Graham Michie

**Attending:** Nigel Stewart, Director of Corporate Services  
Bruce West, Head of Strategic Finance  
Ian Nisbett, Internal Audit Manager  
Grant Mccrae, KPMG  
Brian Haworth, Audit Scotland  
David McConnell, Audit Scotland

**Apologies:** Councillor Elaine Robertson                      Councillor John Tacchi

**1. MINUTES**

The Committee approved the Minutes of the Audit Committee of 28 November 2003 as a correct record.

**2. EXTERNAL AUDIT REPORTS 2001-2**

Internal Audit had prepared a list of all external audit management letters produced by Audit Scotland for 2001/2 and outlined the progress made by management in the implementation of the report recommendations.

**Decision**

To note the contents of the report and request that this be followed up by Internal Audit.

(Reference: Report by Internal Audit manager dated 22 January 2004, submitted).

**3. EXTERNAL AUDIT REPORT 2002-3**

Internal Audit had prepared an up to date list of all external audit management reports produced by Audit Scotland in 2002/3. Details regarding the results following a review of the progress being made by management in implementing the outstanding recommendations were outlined.

**Decision**

To note the contents of this report and request that this be followed up by Internal Audit.

(Reference: Report by Internal Audit Manager dated 22 January 2004,

submitted).

#### **4. PMP EXTERNAL AUDIT REPORTS 2002-3**

Audit Scotland have a statutory responsibility to satisfy themselves that the Council has in place appropriate management arrangements to secure value for money from the resources available to it. The method used by them in 2002-3 was through Performance Management and Planning (PMP) Reviews and an update on progress made by management in implementing remaining issues was provided.

##### **Decision**

To note the contents of the report and request that this be followed up by Internal Audit.

(Reference: Report by Internal Audit Manager dated 23 January 2004, submitted).

#### **5. HMI REPORT 2002-3**

Audit Scotland had issued a report covering "Moving to Mainstream – The Inclusion of Pupils with Special Education Needs in Mainstream Schools". Details were reported of a review regarding the progress made by Community Services management in the implementation of key report recommendations.

##### **Decision**

To note the contents of the report and instructed that appropriate officials be invited to the next Audit Committee to provide an update on the Action Plan and how the recommendations were being implemented.

(Reference: Report by Internal Audit Manager dated 22 January 2004, submitted).

#### **6. PROGRESS REPORT ON INTERNAL AUDIT PLAN 2003-4**

An interim progress report was considered which covered the Audit work performed by Internal Audit up to the end of December 2003.

##### **Decision**

To approve the progress made with the annual audit plan for 2003-4 and noted that a final update would be reported to the next Audit Committee.

(Reference: Report by Internal Audit Manager dated 21 January 2004, submitted).

#### **7. AUDIT SCOTLAND REVIEW OF INTERNAL AUDIT (FOLLOW-UP)**

Audit Scotland had commenced a review concentrating on assessing compliance with the CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Internal Audit in Local Government. It was reported that this review concluded at the end of January and that a National

report was expected around June 2004.

### **Decision**

To note the actions taken in respect of the follow up review of Internal Audit.

(Reference: Report by Internal Audit Manager dated 23 January 2004, submitted).

## **8. AUDIT PLANNING MEMORANDUM 2003-4**

A report presenting the External Audit Plan for 2003-4 by Audit Scotland was considered by the Committee.

### **Decision**

To note the contents of the submitted report.

(Reference: Report by Chief Auditor, Audit Scotland dated 28 January 2004, submitted).

## **9. ANNUAL AUDIT PLAN 2004-5**

The Committee considered the Annual Audit Plan for 2004-5, which formed part of the 3 year Strategic Audit Plan/Audit Needs Assessment presented and approved by the Audit Committee on 24 May 2002.

### **Decision**

Approved the Annual Audit Plan for 2004-5 and noted that there were sufficient resources to complete the plan.

(Reference: Report by Internal Audit manager dated 20 February 2004, submitted and amended report, tabled).

## **10. DISASTER RECOVERY PLAN**

It was reported that the Disaster Recovery tender was issued via the Authorities Buying Consortium (ABC) on Thursday 8 January 2004 with a return date for tenders of Thursday 29 January 2004.

A timetable for evaluation of the tender responses was outlined and it was reported that the Disaster Recovery Project Team were expected to bring forward final recommendations to the Strategic Management Team by 1 March 2004.

### **Decision**

Noted the contents of the submitted report and that an updated report be submitted to a future Audit Committee on the finalised recovery plan.

(Reference: Report by Head of ICT and Financial Services dated 29 January 2004, submitted).

## **11. ANNUAL ACCOUNTS 2003-4**

The Committee were advised of the plans in place for financial year end 31 March 2004 and of the preparation of the Council's annual accounts for 2003-4.

### **Decision**

Noted that plans were in place to prepare the Council's annual accounts, consistent with the Accounting Code of Practice, and to submit them to Council prior to 30 June 2004 in line with the Scottish Executive's requirements.

(Reference: Report by Head of Strategic Finance dated 20 February 2004, submitted).

## **12. VALEDICTORY ADDRESS**

The Chairman expressed his thanks on behalf of the Audit Committee and the Council to the two independent non-councillor members Vincent Bradbury and Graham Michie whose terms of office had now come to an end. He added that both members had sat on the Audit Committee since its inception and had helped to set the tone for the meetings. He thanked them for carrying out a valuable public service role.