

EXTERNAL & INTERNAL AUDIT REPORT FOLLOW UP 2014 – 2015.

1. EXECUTIVE SUMMARY

- 1.1 Internal Audit document the progress made by departmental management in implementing the recommendations made by both External Audit and Internal Audit. This report and attached appendices are the results from a review performed by Internal Audit for recommendations due to be implemented by 31 July 2015.
- 1.2 The process requires departmental Executive Directors assigning a 3rd tier officer to act as the sole contact for the follow up of both external and internal recommendations. The contact role involves updating both the Executive Directors and Internal Audit on progress with agreed audit recommendation implementation.
- 1.3 Appendix 1 is a statistical summary of all agreed recommendations arising from National, External and Internal Audit reports by department. Detailed is the number of recommendations due as at 31 July 2015, the number implemented, the number of agreed future recommendations and their status, e.g. on course etc.
- 1.4 Appendix 2 provides a summary as at 31 July 2015, of all outstanding recommendations from National, External and Internal Audit reports by department and service. Detailed is the report name along with the weakness identified, agreed management action, revised date, any previous implementation dates reported to the Audit Committee management comment and Pyramid status.
- 1.5 Appendix 3 provides a summary of External and Internal Audit reports by department and service that are due after 31 July 2015 and not on track to achieve the agreed implementation dates. Detailed is the report name along with the weakness identified, agreed management action, revised date, any previous implementation dates reported to the Audit Committee, management comment and Pyramid status.
- 1.6 There is an instance of non-compliance with a previous Audit recommendation. The specific internal audit findings referred to an issue where “It was noted in Audit Scotland’s (External Auditors) report to those charged with Governance on the 2013/14 audit that a recommendation that members are advised of both the marketing valuation and the Asset Register value for assets when they are evaluating offer bids”
- 1.7 Customer Services management agreed to revise guidance to include reference to valuation data and include in any future reports. As part of evidencing management action in relation to this finding, Internal Audit

reviewed revised guidance and sourced satisfactory evidence of valuation data being provided thus closed the finding.

1.8 However at a recent Helensburgh and Lomond area committee meeting, members were presented with a report prepared by Development and Infrastructure Service in relation to a land swap at the Mariners Site Helensburgh which referred to “land of comparable value” but did not provide any further detail either in respect of any asset register valuation or market valuation. The report did not offer any reasons for this omission.

1.9 Management have been reminded of the requirement to provide valuation data when preparing reports which require a decision in respect of Land and Asset transactions. Internal Audit will undertake further follow up testing in respect of agreed action as part of the continuous monitoring activity.

2 RECOMMENDATIONS

2.1 The audit committee note the content of this report.

3 CONCLUSION

3.1 Of the recommendations due for completion by 31 July 2015, 26 have been completed. Internal Audit is satisfied with the status of the remaining 1 recommendation being delayed but rescheduled. Good progress is being made on the recommendations due after 31 July 2015 with 4 completed early and timely identification of 1 requiring to be rescheduled. Further programmed testing of post follow-up actions will be undertaken via the continuous monitoring programme.

4. IMPLICATIONS

4.1	Policy:	None
4.2	Financial:	None
4.3	Legal:	None
4.4	HR:	None
4.5	Equalities:	None
4.6	Risk:	Failure to implement agreed actions leads to financial, physical and reputational loss and adversely impacts organisational objectives.
4.7	Customer Service:	None

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