

PROGRESS REPORT on EXTERNAL AUDIT REPORTS 2000/2001

1. SUMMARY

Internal Audit normally prepares a list of all external audit management letters where recommendations still remain outstanding. As at 31 October 2003 we are of the opinion that all recommendations have been implemented for external audit reports for 2000/2001. (See Appendix 1).

2. RECOMMENDATIONS

2.1 The contents of this report are to be noted and followed up by Internal Audit.

3. DETAILS

- 3.1 Internal Audit reported to the Audit Committee in August 2003 that only 1 recommendation relating to Disaster Recovery had still to be implemented by the IT Section from the Second Interim Management Letter 2000/2001. The IT Section were required to implement the following, "In order to increase system resilience it is recommended that a contingency and scenario planning exercise be undertaken. This should enable a full risk assessment to be made and a detailed disaster recovery plan to be developed. This plan should then be tested and updated on an ongoing basis".
- 3.2 The recommendation concentrated on a contingency and scenario planning exercise being undertaken with the last sentence commenting on a plan for the future.
- 3.3 As reported previously to the Audit Committee the IT Manager, Gerry Wilson presented 2 reports to the Strategic Management Team (SMT), 8 July 2003. These reports covered the planning exercise undertaken by the IT section for Disaster Recovery. The SMT subsequently agreed the reports and the disaster recovery plans for the servers and server rooms. These plans are now available on the public folder under Disaster Recovery.
- 3.4 Following reorganisation of Council departments the IT Section was amalgamated with an element of the previous Finance department to form ICT and Financial Services. In discussions with the new Head of Service it was the agreed opinion that the outstanding recommendation has now been implemented. The Head of Service stated, "The tender for disaster recovery services is being prepared and includes the requirement for at least two days testing per annum at the supplier's disaster recovery facility under a full scale disaster scenario. This will ensure that the plans are tested and updated on an ongoing basis".
- 3.5 As reported to the last Audit Committee in August 2003 only 1 recommendation remained to be implemented from the Audit Management Letter 2000/2001 regarding Partial Exemption. Internal audit can report that the consultants employed by the Council have completed the partial exemption calculations for

2001-2002 and 2002-2003 and have confirmed that both are below the 5% limit. Arrangements will now be put in place to re-tender all VAT advisory services.

4. CONCLUSION

Implementation of these actions will be monitored as part of our ongoing Internal Audit plan. It is not anticipated that there will be any further need to report on external audit reports for 2000 – 2001.

5. IMPLICATIONS

5.1	Policy:	None
5.2	Financial:	None
5.3	Personnel:	None
5.4	Legal:	None
5.5	Equal Opportunities:	None

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