

EXTERNAL AUDIT REPORTS 2002 – 03.

1. SUMMARY

Internal Audit has prepared an up to date list of all external audit management reports produced by Audit Scotland in 2002/03 for which recommendations remain to be implemented. (See Appendix 1). Internal Audit, has performed a review of the progress being made by management in implementing these outstanding recommendations, the results are detailed below.

2. RECOMMENDATIONS

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

3. DETAILS

3.1 Audit Scotland issued a report entitled Regularity & Governance (1) 2002/2003. This report covers the nature and extent of the Council's involvement with external funding bodies under the heading Following the Public Pound. As at the end of December 2003 there were 2 recommendations still to be implemented. However, it can now be reported both were implemented on 31 January 2004. (See Appendix 2).

3.2 As reported to the last audit committee the Management Report, Regularity & Governance (2) 2002/03 had 13 recommendations still to be implemented. As at the end of December 2003 this has reduced to 8 recommendations remaining to be implemented. Of these, 3 had implementation dates before the end of 2003, two of the recommendations relate to the updating of Council Standing Orders which now have rescheduled completion dates of March 2004. The third remaining 2003 recommendation is still being progressed. The 5 remaining recommendations for which management comments have been obtained have implementation dates stretching into 2004. Their progress along with the other 3 recommendations will continue to be monitored and reported. (See Appendix 3).

3.3 A report entitled Management of Community Equipment and Adaptations was issued by Audit Scotland. At the end of December 2003 Internal Audit can report that there are now 20 recommendations still to be completed. A total of 6 recommendations were scheduled for completion by the end of January 2004. However, posts and tasks within the Community Services Department are still to settle and this has impacted on implementation timetables for the 6 recommendations. The remaining 14 recommendations have implementation dates beyond February 2004. However management comment suggests a similar problem over posts and tasks is present, thus pointing to possible implementation delays. Internal audit will ask Community Services management to review the action plan and where necessary review implementation dates to see whether these need to be moved to more realistic dates to reflect the above situation. (See Appendix 4).

- 3.4 At the last audit committee the Audit Scotland report on the 2002/2003 Audit was presented with 8 recommendations. As at the end of December 2003 Internal Audit can report that there are now only 5 recommendations to be implemented with dates stretching out to March 2005. (See Appendix 5). As requested a report on the progress of the DLO against action plan is appended. (See Appendix 7).
- 3.5 Audit Scotland issued in January 2004 a report entitled Management Report, Regularity & Governance (3). The audit was done in order to obtain assurances on the existence and effectiveness of a number of controls essential to the operation of systems within the Council. The action plan listed 12 recommendations. However at the 26th January 2004 it can be reported that good progress has been made with the implementation of 6. The remaining 6 have dates stretching from the end of February to March 2004. A copy of the Executive Summary and Action Plan with management update is given in Appendix 6.

4. CONCLUSIONS

Implementation of recommendations will continue to be monitored by Internal Audit.

5. IMPLICATIONS

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| 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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