

AUDIT SCOTLAND REVIEW OF INTERNAL AUDIT (FOLLOW-UP)

1. SUMMARY

1.1 Audit Scotland has now started their review of our internal audit provision and it will stretch to the end of January 2004. The review concentrates on assessing internal audit compliance with the CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Internal Audit in Local Government.

2. RECOMMENDATIONS

2.1 That this committee notes the actions taken in respect of the follow-up review of internal audit

3. DETAILS

3.1 The intention of the Audit Scotland follow-up review is to evaluate any improvement that has been done by Argyll and Bute Council since the last review 3 years ago.

3.2 Internal Audit and the manager from KPMG agreed an action list prior to the commencement of the Audit Scotland review: -

- KPMG were to review Argyll and Bute audit team compliance with the new review statements and any other actions that might need to be taken as a result of the CIPFA Code of Practice having recently being updated.
- Where the conclusion was that the Council complied with best practice the relevant evidence was to be identified thus demonstrating that it was the case;
- Where it was felt that there was either no compliance or that evidence of compliance was lacking action would be taken to become demonstrably compliant;
- KPMG was to undertake a review of compliance with the Code of Practice using a member of staff who had no input into the process so far so that an independent opinion could be obtained about the extent to which there was compliance;
- Argyll and Bute were to implement any actions resulting from the independent review.

3.3 KPMG carried out their independent review towards the end of December 2003 after initial preparation had been carried out for Audit Scotland. The independent review indicated a couple issues, which were addressed. The review concluded that internal audit were substantially compliant with the CIPFA Code of Practice.

4. CONCLUSIONS

The review by Audit Scotland is part way through and will be complete by the end of January with a national report expected to be produced around June 2004.

Internal Audit will report back to the audit committee on progress.

5. IMPLICATIONS

5.1	Policy:	None
4.2	Financial:	None
4.3	Personnel:	None
4.4	Legal:	None
4.5	Equal Opportunities:	None

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