

**ACTION PLAN – REGULARITY & GOVERNANCE 2001/2002**

| Page/P<br>ara<br>Ref | No | Recommendation  | Responsible<br>Officer  | Action   | Date         | Update as at<br>30/04/04   |
|----------------------|----|---|---|--|--------------|--|
|                      |    | <b>Internal Audit</b>   |   |  |              |  |
| 10/8                 | 4  | <p>Management should consider the appropriateness of the staffing structure of internal audit.</p> <p style="text-align: center;"><i>Priority: Medium</i></p>         | Previously the responsibility of S. McGregor now passed to the Head of Strategic Finance. | The Council recently reviewed the structure of Internal Audit and entered into a partnership for Internal Audit with KPMG for a 3-year period. It is not proposed to review the structure prior to the end of the partnership. | January 2005 | To be reviewed at the end of the current partnership agreement.  |
| 11/11                | 6  | <p>Management should consider the relative independence of internal audit and current reporting lines.</p> <p style="text-align: center;"><i>Priority: Medium</i></p> | Previously the responsibility of S. McGregor now passed to the Head of Strategic Finance. | <p>Internal Audit has access to the Director of Finance, the Chief Executive and the Chairman of the Audit Committee.</p> <p>However this will be reviewed at the termination of the Internal Audit partnership with KPMG</p>  | January 2005 | The Audit Committee approved the updated Mission Statement and Terms of Reference on 28 November 2003. |