

**MINUTES of MEETING of AUDIT COMMITTEE held in the COUNCIL CHAMBER, KILMORY,
LOCHGILPHEAD
on MONDAY, 14 JUNE 2004**

Present: Councillor Gary Mulvaney(Chair)

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| Councillor Donald MacMillan | Ian Ross |
| Councillor Elaine Robertson | Christopher Valentine |
| Councillor John Tacchi | |

Attending: Charles Reppke, Head of Democratic Services & Governance
Bruce West, Head of Strategic Finance
Ian Nisbet, Internal Audit Manager
Steve Keightley, KPMG
Ian Bell, Audit Scotland

Apologies: Councillor John McAlpine

1. MINUTES

- (a) The Committee approved the minutes of the Audit Committee of 20 February 2004 as a correct record.

Arising from Item 10 (**Disaster Recovery Plan**) the Committee requested an update for the next meeting as a matter of urgency and also requested that the Head of ICT and Financial Services write to Members of the Committee within the next week advising of the date for completion of the plan.

- (b) The Committee approved the minutes of the Audit Committee of 31 March 2004 as a correct record.
- (c) The Committee approved the minutes of the Audit Committee of 29 April 2004 as a correct record.

2. EXTERNAL AUDIT REPORTS 2001-2

Internal Audit had prepared a list of all external audit management letters produced by Audit Scotland for 2001-2 and outlined the progress made by management in the implementation of the report recommendations.

Decision

1. To note the contents of the report and request that this be followed up by Internal Audit.
2. To request that a further column be added to future reports including the original implementation date.

(Ref: Report by Internal Audit Manager dated 4 May 2004, submitted).

3. EXTERNAL AUDIT REPORTS 2002-3

Internal Audit had prepared an up to date list of all external management reports produced by Audit Scotland in 2002-3. Details of the results of a review of progress being made by management in implementing the outstanding recommendations were outlined.

Decision

1. To note the contents of this report and request that this be followed up by Internal Audit.
2. To request confirmation of advertising details for the Planning Officer for Community Care post.
3. To request a report on adaptations for the next meeting of the Committee.
4. That in view of the forthcoming consultation on Clinical Strategy for NHS Argyll and Clyde, the action at Number 1 (page 39) may be rendered pointless and the consensus of the Committee is that no action should be taken to progress this matter at present.

(Ref: Report by Internal Audit Manager dated 4 May 2004, submitted).

4. EXTERNAL AUDIT PMP REPORTS 2002-3

Audit Scotland have a statutory responsibility to satisfy themselves that the Council has in place appropriate management arrangements to secure value for money from the resources available to it. The method used by them in 2002-3 was Performance Management and Planning (PMP) Reviews and an update on progress made by management in implementing remaining issues was provided.

Decision

1. To note the contents of the report and request that this be followed up by Internal Audit.
2. That the Head of Community Care provide a presentation on the outstanding points listed in the PMP Review to the next meeting of the Committee.

(Ref: Report by Internal Audit Manager dated 4 May 2004, submitted).

5. EXTERNAL AUDIT REPORT HMI 2002-3

A Review regarding the progress made by Community Services Management in the implementation of key recommendations from the Accounts Commission Report titled "Moving To Mainstream – The Inclusion of Pupils With Special Educational Needs In Mainstream Schools" had been performed by Internal Audit, the result of which were outlined.

Decision

To note the contents of the report and request that this be followed up by Internal Audit.

(Ref: Report by Internal Audit Manager dated 4 May 2004, submitted)

6. EXTERNAL AUDIT REPORTS 2003-4

Internal Audit had prepared an up to date list of all external audit management reports produced by Audit Scotland in 2003-4. Details regarding the results of a review of the progress made by management of the outstanding recommendations were outlined.

Decision

1. To note the contents of this report and request that this be followed up by Internal Audit.
2. That a report be brought to the next meeting of the Committee updating Members of the asset management strategy proposals.

(Ref: Report by Internal Audit Manager dated 4 May 2004, submitted).

7. IFCS STATEMENT 2003-4

The Council's Senior Management have a responsibility to establish an appropriate and sound system of internal control and to monitor the continuing effectiveness of this system. Internal Audit have provided an annual overall assessment of the robustness of the Internal Financial Control System for financial year 2003-4 for the Chief Executive and this was submitted for consideration.

Decision

To note the contents of the report.

(Ref: Report by Internal Audit Manager dated 4 May 2004, submitted).

8. INTERNAL AUDIT ANNUAL REPORT 2003-4

The Internal Audit Annual Report for 2003-4, which outlined duties and audits carried out during this period, was submitted for approval.

Decision

To approve the Internal Audit Annual Report for 2003/4.

(Ref: Report by Internal Audit Manager dated 4 May 2004, submitted).

9. ANNUAL AUDIT PLAN 2004-5

The Committee considered a report outlining in detail the areas that will be audited in 2004-5 which comply with recommendations made by Audit Scotland to provide additional information to Auditees.

Decision

To approve the Annual Audit Plan for 2004-5

(Ref: Report by Internal Audit Manager dated 4 May 2004, submitted).

10. APPOINT VICE-CHAIRMAN OF THE AUDIT COMMITTEE

The Committee agreed to continue this matter to the next meeting to allow Members of the Committee the opportunity to express an interest in the position.