

**RECENT EXTERNAL AUDIT ISSUED REPORTS 2003 – 2004.**

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**1. SUMMARY**

This report contains the executive summaries and action plans for 3 new reports issued by Audit Scotland since the last Audit Committee. Internal Audit has performed a review of the progress being made by management in implementing these outstanding recommendations. The results are detailed below. These reports will be incorporated into the new reporting system for the next Audit Committee.

**2. RECOMMENDATIONS**

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

**3. DETAILS**

- 3.1 Audit Scotland in June 2004 issued a report entitled Regularity & Governance 2 regarding their review of the Council's regularity and governance arrangements including cash income and banking, trading accounts and budgetary control. As at 30 July 2004, there are 7 recommendations remaining to be implemented. Four of these relate to cash income and banking with implementation dates of June 2004. Management have reported work as ongoing and that they will be completed by August 2004. Of the remaining 3 recommendations one had an implementation date of August 2004 and has been reassigned by management to October 2004. Work for the other 2 is ongoing. The Executive Summary and Action Plan are appended in Appendix 1 for your review.
- 3.2 Audit Scotland issued a report in June 2004 entitled Networking Overview. The report covers their review of Information and Communications Technology (ICT), which underpins the provision of vital management information to all sectors at a corporate and departmental level. The review generated 5 recommendations and as at 30 July 2004 there are now 4 remaining to be implemented. Comments have been obtained from local management with regard to these. The Executive Summary and Action Plan are appended in Appendix 2 for your review.
- 3.3 Audit Scotland issued a report in July entitled Best Value Transitional Audit. The review was carried out because the Local Government in Scotland Act 2003 established Best Value and community planning as statutory duties for councils. As a result, the Accounts Commission introduced new arrangements for the audit of Best Value. A cyclical approach has been adopted. Normally, the audit of Best Value would only be carried out once in a three year period at each council, in contrast to the annual approach of the performance, management and planning (PMP) audits.

With the cyclical approach, it could be up to three years before some council's are exposed to a full audit of Best Value. In the intervening years, between full reviews, the external auditor will carry out short follow-up reviews. As this

Council was not included in the 2003/04 programme of Best Value audits, high-level transitional work has been carried out and a report issued. There are no recommendations generated by this report but guidance is offered regarding areas for improvement to ensure that frameworks in place are effective. The Strategic Management Team (SMT) has requested that an action plan be prepared in response to the report. Internal Audit will report on implementation progress of the agreed actions. The Executive Summary and Action Plan are appended in Appendix 3 for your review.

#### **4. CONCLUSIONS**

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

#### **5. IMPLICATIONS**

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

For further information please contact Ian Nisbet, Internal Audit Manager (01546 604216)

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