

**AUDIT SCOTLAND REVIEW OF INTERNAL AUDIT (FOLLOW-UP)**

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**1. SUMMARY**

1.1 Audit Scotland has now completed and issued in July 2004 a national and local report on their review findings. The review concentrated 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 The contents of this report are noted and are to be followed up by Internal Audit.

**3. DETAILS**

3.1 As a result of the recent national assessment follow up by Audit Scotland of the 2001 national report 'A Job Worth Doing', Argyll & Bute Council has moved to band one status from band 4.

3.2 The Audit Scotland follow up review was based on the Council's compliance with 15 statements of good practice and resulted in us being placed in the top performing band in 10 of them and in the second top performing band for the remaining 5. This performance enabled the Council to achieve band one status.

3.3 Attached in Appendix 1 are extracts from the local report issued by Audit Scotland in July 2004 and covers the strengths and areas for improvement identified by the review. The reports action plan is also included with agreed implementation dates for all 15 recommendations. As at 30 July 2004 there are 7 recommendations, which have been addressed leaving 8 to be progressed of which 2 are assigned to the Corporate Services Department.

**4. CONCLUSIONS**

The review by Audit Scotland has recognised the effort that has been expended over the last 3 years by the Council and the benefits coming from the partnership with KPMG in achieving band one status. However there are still areas for improvement and these will be progressed through the local report action plan to ensure that the Council becomes fully compliant with the Code.

**5. IMPLICATIONS**

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| 5.1 | Policy:    | None |
| 4.2 | Financial: | None |
| 4.3 | Personnel: | None |

4.4 Legal: None

4.5 Equal Opportunities: None

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

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Internal Audit Manager 30 July 2004.

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