

EXTERNAL & INTERNAL AUDIT REPORT FOLLOW UP 2004 – 2005.

1. SUMMARY

The Internal Audit Annual Plan requires that follow up reviews be conducted for all audits completed during the prior year. Internal Audit also document the progress made by departmental management in implementing the recommendations made by Audit Scotland and Internal Audit. Internal Audit is concerned that the current process of collecting evidence and subsequent reporting is inefficient for departments, internal audit and the Audit Committee. A new reporting system has therefore been devised and this is set out below.

2. RECOMMENDATIONS

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

3. DETAILS

3.1 A proposal was sent to all Departmental Directors on 27 May 2004 to request that they assign a member of staff to act as co-ordinator for audit report responses from management within their departments. At the same time they were given an outline of what actions would be required and a timetable for when Internal Audit would review departmental responses prior to Audit Committee meetings. Each Director accepted the proposal and appointed members of their staff to the role of co-ordinator.

3.2 Discussions were held with Audit Scotland regarding our desire to increase the effectiveness of our reporting on both external and internal audit report recommendation implementation to the Audit Committee. They offered advice as to how they would like to see implementation of their recommendations reported in the future and combining this with our own ideas a new system and reporting format was developed. (See Appendices 1 to 4.)

3.3 Appendix 1 is a statistical summary of the 2003/04 Internal Audit reports issued by 31 May 2004 and details the number of recommendations contained in each report, number of recommendations to be implemented by the follow up date, the number implemented and those past their implementation date. The implementation date used for reporting to this Audit Committee is, 31 July 2004. A reference column has been added to provide a link to Appendix 2 where reasons are given by local management as to why recommendations have not been implemented by the agreed date. The same layout has been used for the reporting of Audit Scotland report recommendations.

3.4 Appendix 2 details under each report's title the recommendation that is still to be implemented, the department and Head of Service responsible and an explanation for the delay, the level of risk, original and a revised implementation date. The same layout has been used for the reporting of Audit Scotland report

recommendations.

- 3.5 All new external audit reports issued by Audit Scotland to the Council will be reported initially separately to the Audit Committee with their executive summary and action plan. Thereafter they will be included in the summary list in Appendices 3 & 4 of this report. Regarding external reports for PMP 2002/03 and HMI, these report recommendations are nearing full implementation and are the subject of separate reports to the Audit Committee.
- 3.6 The new system is more objective and focused, it reduces the number of pages that members need to review, increases the worth of the information reported, gives an overview in a statistical format of the progress of recommendation implementation, with comment provided by local management where implementation has been delayed.

REQUESTED SERVICE REPORTS

- 3.7 A report entitled Management of Community Equipment and Adaptations was issued by Audit Scotland in July 2003. At the last Audit Committee members requested that a report be presented on adaptations to the next meeting. A report has been prepared by the Head of Integrated Care. (See Appendix 5).
- 3.8 With regard to the above report, the Audit Committee requested confirmation of advertising details for the Planning Officer for Community Care post. A comment is attached from the responsible officer confirming the re-advertisement of the above post. (See Appendix 6).
- 3.9 Audit Scotland issued a report in April 2004 entitled Commissioning Community Care Services for Older People. At the last Audit Committee members requested that the responsible officer review the implementation date agreed with Audit Scotland regarding the Council analysis of unmet need. The responsible officer has considered the point made by members and has set a new implementation date of April 2005. Comment from the officer is given in Appendix 6.
- 3.10 Audit Scotland issued a report in March 2004 entitled Regularity & Governance 1 – Property Asset Management 2003 - 2004. As requested by the Audit Committee the Head of Infrastructure & Transport has arranged for a report to update members of the current position of Asset Management Strategy. (See Appendix 7).

4. CONCLUSIONS

The new system of reporting will be more objective in reporting terms for the Audit Committee. Implementation of recommendations will continue to be monitored by Internal Audit.

5. IMPLICATIONS

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| 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)

Ian Nisbet

Internal Audit Manager 30 July 2004.

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