

Action Plan

No.	Recommendation	Responsible Officer	Action	Implementation Date	As at 22nd October 2004
	Internal audit set clear and properly focused objectives				
1.	Internal Audit TOR should be reflected in the council's standing orders and financial regulations.	Head of Democratic Services and Governance	The Internal Audit TOR will be included in the revised Scheme of Administration etc.	December 2004	A draft of the Council's new standing orders and financial regulations has been issued for consultation. Our comments on this include the text required to incorporate the TOR. The TOR will be kept under review and updated as required. Completion 31 March 2005 reflects Council approval of scheme.
2.	The anti fraud and corruption strategy and fraud response plan should be updated to clearly reflect the roles and responsibilities of internal audit and management, and should include a protocol for informing the police.	Head of Democratic Services and Governance	The anti fraud and corruption policy will be updated as part of (1) above.	December 2004	A draft anti fraud & corruption policy has been issued for consultation. We have responded to this with the text required to reflect the responsibilities of internal audit and management. Completion 31 March 2005 reflects Council approval of scheme.
	Planning and controlling internal audit work				

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3.	The authority's risk management process should be formalised. This should be tested by internal audit and incorporated into their risk assessment process.	Head of Democratic Services and Governance	A Risk Strategy is being developed and a draft will be available by the end of July 2004. A report setting out the proposed future action on Risk Management & Governance Strategy will be submitted to the SMT in August 2004.	August 2004	Complete
4.	The strategic audit plan should be more specific regarding the nature of audit work to be carried out, or the Departments that will be audited, over the period of the plan.	Internal Audit Manager	The Annual Audit Plan for 2004/ 2005 contains more detail, and has been issued to all Departmental Directors.	Implemented	Complete.
5.	Management should be informed of any high risk factor areas that have been eliminated from the plan due to manpower or skills shortages within internal audit.	Internal Audit Manager	To be addressed in the 3 year Audit Plan for 2005/ 2008.	Sept 2004	There were no high risk factor areas eliminated from the audit plan due to manpower or skills shortages in 2002 - 2005. The needs assessment for 2002 - 2005 identified areas of high risk. Internal Audit resources including KPMG addressed these as a matter of priority. Should any be identified in the future they will be reported to management.

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6.	The budget for special investigations should be reviewed for appropriateness.	Internal Audit Manager	A review is carried out on a monthly basis with the Audit Committee informed of all changes.	Implemented.	Complete.
7.	A procedure requiring Directors to inform/remind internal audit of any impending inspectorate visits should be established.	Internal Audit Manager	A memo has been sent to Departmental Directors asking them to inform Internal Audit of any impending inspectorate visits.	July 2004	Complete.
8.	Audit test lead schedules should clearly describe the test carried out, the findings/ conclusions reached, and the recommendations.	Internal Audit Manager	Test schedules are being introduced across all audits 2004/ 2005.	Implemented	Complete.
9.	The audit manual should incorporate the procedures for completing compliance and substantive audit testing, and should provide guidance on sample sizes.	Internal Audit Manager	The training manual covers compliance and substantive testing. This will be integrated with the Internal Audit Manual.	Sept 2004	Complete.
10.	The audit manual should be updated and/or appropriate training should be provided to internal audit staff to advise them of good practice for audit working papers (regarding completion of audit tests, file referencing, signing off etc).	Internal Audit Manager	KPMG, in co-operation with Internal Audit, will provide training.	Sept 2004	Complete.

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	Resourcing the internal audit work programme				
11.	Given the large geographic area of the Council, an increased number of portable laptops should be provided to internal audit staff.	Internal Audit Manager	Internal Audit has received new laptops and at present these are sufficient to fulfil our present operational requirements.	Implemented	Complete.
12.	Continuous Professional Development records should quantify the number of hours gained during the year. It should be ensured that these meet with the relevant professional body's requirements.	Internal Audit Manager	An appropriate amendment has been made.	Implemented	Complete.
	Holding internal audit to account for its performance				
13.	The Audit Committee should be provided with information regarding the percentage of recommendations that have been implemented within an appropriate timescale.	Internal Audit Manager	A new process for reporting is presently being defined.	Nov 2004	Complete.
14.	The performance data provided to the Audit Committee regarding the percentage of reports issued within 10 days of work being completed, and the percentage of audit assignments in the audit plan completed within budget should be provided for each audit assignment as well as the overall average.	Internal Audit Manager	A new process for reporting is presently being defined.	Nov 2004	Complete.

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15.	Internal audit's preliminary arrangements towards gaining EFQM accreditation should be pursued to completion.	Internal Audit Manager	Internal Audit and KPMG to develop continuous improvement process in co-operation with Audit Scotland.	Dec/ Jan 2004/ 2005	As part of the new Council performance management framework Internal Audit will develop a balanced set of indicators that show performance in terms of cost, service process, customer / client and continuous improvement.