

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. A new reporting system was introduced and approved by the Audit Committee in August 2004. Set out below is the results from a review performed by Internal Audit for recommendations due to be implemented by October 2004.

2. RECOMMENDATIONS

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

3. DETAILS

3.1 Appendix 1 is a statistical summary of the 2003/04 Internal Audit reports issued by the 9th of September 2004. It 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 the end of October 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.

3.2 Appendix 1 is split into 2 documents 1a & 1b. The first document refers to all reports with recommendations due August to October 2004. The second document lists action points outstanding from the previous Audit Committee. These are points that should have been implemented by the end of July 2004 for the last Audit Committee. The same layout has been used for the reporting of Audit Scotland report recommendations in Appendix 3 & 4.

3.2 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.

3.3 All new external audit reports issued by Audit Scotland to the Council are 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.

3.4 At the last Audit Committee it was requested that in future management should not use the comments, "none" and "none at present" with regard to revised implementation dates. This was made clear in correspondence to departmental strategic directors on the 29th of September 2004, and we are pleased to report that

this has been observed.

REQUESTED SERVICE REPORTS

- 3.7 A report entitled Networking Overview was issued by Audit Scotland in June 2004. At the last Audit Committee members requested that a report be presented by the Head of ICT and Financial Services regarding the measures being taken to address the network issues raised in the report. A report has been prepared by management and is attached in Appendix 5.
- 3.8 Separate reports have been prepared by the Head of Strategic Finance in respect of Budgetary Control and Sundry Debtors.

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)

Ian Nisbet

Internal Audit Manager 3 November 2004.

3Decfinalreport3Dec