

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 the 30th June 2005.

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 and 2004/05 Internal Audit reports issued prior to June 2005. 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 30th June 2005. 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 follow up 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 March to June 2005. The second document lists action points outstanding from the previous Audit Committee. These are points that should have been implemented by the 31st of March 2005 for the last Audit Committee. The same layout has been used for the reporting of Audit Scotland report recommendations in Appendices 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.

REQUESTED SERVICE REPORTS

- 3.7 The Audit Committee on the 3rd of June 2005 requested that a report be brought to the next Audit Committee detailing the monitoring arrangements, which have been

put in place to ensure the operators of the Jura and Lismore ferries are adhering to the terms of their contracts. A paper has been prepared by the Head of Roads & Amenity Services in response to the Audit Committee request. See Agenda Item 10.

- 3.8 The Audit Committee also requested a report from the Chief Asset Manager on the process being followed for the production of the Asset Register. A copy of a report recently prepared by the Chief Asset Manager for the Strategic Management Team (SMT) on the 11th of July 2005 is appended. The report covers the elements that are currently being progressed to implement the Asset Management Strategy. See Agenda Item 11.

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

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