

EXTERNAL & INTERNAL AUDIT REPORT FOLLOW UP 2005 – 2006.

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 31st December 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, 2004/05 and 2005/06 Internal Audit reports issued prior to December 2005. It details the 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 31st December 2006. 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 November to December 2005. The second document lists action points outstanding from the previous Audit Committee. These are points that should have been implemented by the 30th of October 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. There are no external audit reports for this Audit Committee.

AUDIT COMMITTEE REQUESTS

- 3.4 Internal Audit can report that The Head of Planning & Performance has provided evidence that action point 2 in the 2004/05 Car Allowances report has been addressed. This was an action point which the Audit Committee wished addressed without further delay.
- 3.5 A report on the Scrutiny Review of Legal Services originally scheduled to be presented to the SPC in January 2006, is currently being reviewed by the Director of Corporate Services. The report will be presented to the SPC on the 22nd of March 2006.

4. CONCLUSIONS

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 |

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