

REPORT OF KPMG ACTIVITY

1. SUMMARY

This report details the activity of KPMG further to the internal audit partnering agreement since the Audit Committee held on 20th September 2007.

2. RECOMMENDATIONS

2.1 That this committee notes the activities undertaken.

3. DETAILS

3.1 KPMG LLP has been providing Argyll and Bute Council with internal audit assistance, support and advice since February 2002 with the current contract running since March 2005. The purpose of this has been to complement the team where there are skills or experience gaps and to develop the way the team functions to increase compliance with the professional standards applicable to internal audit in Scottish local authorities.

3.2 In the period since the previous Audit Committee held in September Steve Keightley, the manager responsible for providing the service to Argyll and Bute Council, has provided the team with the following support:

- Advice and information about how other local authorities have dealt with the issues, good practice and the focus of internal audit when reviewing arrangements surrounding capital expenditure planning and monitoring and the implementation of large capital projects; and
- Advice and information relating to the role of internal audit surrounding the performance improvement and Best Value agenda across the Council.

3.3 In this period KPMG have assisted the Council's internal audit function with the fieldwork on a review of the Council's implementation of a procurement system. This review is at draft report stage and a final report will be issued before the next Audit Committee.

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)

Steve Keightley
Manager

5 December 2007.

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