

**PROGRESS REPORT on EXTERNAL AUDIT REPORTS 2001/2002**

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**1. SUMMARY**

Internal Audit has prepared a list for all external audit management letters produced by Audit Scotland for 2001/02. (See Appendix 1). A review regarding the progress made by management in the implementation of these reports recommendations has been performed the results of which are detailed below.

**2. RECOMMENDATIONS**

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

**3. DETAILS**

3.1 The Council received an external audit management report from Audit Scotland entitled Regularity & Governance 2001/2002. As previously reported to the Audit Committee one recommendation remains outstanding. (See Appendix 2). The IT Manager, Gerry Wilson informed Internal Audit that the problem over implementation was due to our Oracle software provider's poor support. He further commented that a consultant had now been tasked to resolve the problem and that progress was being made. However, Internal Audit has requested a report from the IT Manager detailing for the committee the progress made to date, see Appendix 2.

3.2 An external report was received from Audit Scotland entitled Management Report – Regularity & Governance 2001/2002. The audit focused on a number of key systems from which 19 recommendations were agreed. Internal Audit can report that as of the 30<sup>th</sup> June 2003, 14 have been implemented. Out of the 5 remaining, 2 have implementation dates of January 2005 with the other 3 relating to the Unified Benefits System, one has an implementation date of Feb 2003. Of the 2 remaining recommendations one is in the process of being implemented whilst implementation the other has been stopped by the Council's Data Protection Officer. The Officer considers that the recommendation is in breach of the Data Protection Act. (See Appendix 3).

3.3 The 2001/02 final report for Argyll & Bute Council on the audit of Final Accounts was presented to the Council in November 2002. As at the 30<sup>th</sup> June 2003 out of 9 recommendations, 5 have been implemented. Of the remaining 4 and one has an implementation date of January 2005 and management have given comments on progress for the remaining 3 recommendations. (See Appendix 4).

3.4 An audit memorandum for Audit of Accounts 2001/02 was presented to the Council in October 2002. The memorandum addressed matters of accounting principle not previously reported in the final report. Internal Audit can report that as at the 30<sup>th</sup> June 2003 all recommendations have been implemented.

3.5 Audit Scotland in December 2002 produced a report entitled Performance Audit of Trading Standards. The conclusion drawn was that the Trading Standards Service has performed above the Scottish average. As at the 30<sup>th</sup> June 2003 out of 11 recommendations 2 still remain outstanding, management comments are appended. (See Appendix 5).

#### **4. CONCLUSIONS**

Implementation of recommendations will continue to be monitored by Internal Audit as part of the annual audit plan. Those remaining to be implemented will continue to be reported to the Audit Committee.

#### **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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