

**EXTERNAL AUDIT REPORTS 2002 – 03.**

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**1. SUMMARY**

Internal Audit has prepared a list of all external audit management letters where recommendations still remain outstanding. (See Appendix 1). Management progress regarding the implementation of these recommendations has been performed by Internal Audit the results of which are detailed below. (See Appendix 1)

**2. RECOMMENDATIONS**

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

**3. DETAILS**

3.1 The Council has received an external audit management report entitled Regularity & Governance 2002/2003. This report covers the nature and extent of the Council's involvement with external funding bodies. A review by Internal Audit of this reports recommendations as at the 30<sup>th</sup> June 2003 indicates that out of 4 agreed recommendations 1 has been implemented and 3 remain outstanding. The remaining recommendations have implementation dates of both September and October 2003. (See Appendix 2).

3.2 A Performance Audit Report – Early Retirement was received by the Council, which was a follow up to an Accounts Commission published report entitled “Bye Now, Pay Later?” This report looked at the management of early retirement in local authorities and joint boards in Scotland. Follow-up work was then undertaken across all 32 local authorities and a local report produced providing an analysis of the performance that Argyll & Bute had made in implementing the recommendations contained in the original report. Consequently, 2 recommendations were made in the local report and as at the 30<sup>th</sup> June 2003, both have been implemented by Personnel. Internal Audit will report back on any future action taken by the Council. Appendix 3 gives both executive summaries from the local and national reports.

3.3 A report was received by the Council from Audit Scotland covering Moving to Mainstream – The Inclusion of Pupils with Special Education Needs in Mainstream Schools. This issues raised in the report may have significant consequences for the Council. Internal Audit was advised by the Education, Head of Support Services that he would be looking into the implications of the report for the Council over the summer months. Internal Audit will report back to the audit committee on any future developments and a copy of the key points given in Appendix 4. The main points are as follows:

- New and refurbished buildings will need to meet the needs of pupils with SEN. This has implications for the Education NPDO project.
- SEN budgets are likely to increase by 15% - 40%
- The Council will need a strategy to respond to the requirements resulting

from legislation coming into effect in August.

**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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