

## Implementation of External Audit Recommendations

---

### Resource Management and Audit Scrutiny Panel

17 June 2004

#### 1 Purpose of report

To review the progress of the implementation by management of the action plans agreed with the external auditor.

#### 2 Summary

During the year to 31st March 2004, this Panel has received 18 separate external audit reports. Within each report, an action plan, agreed with management, detailed the recommendations made by the auditor. Satisfactory progress can be reported on the implementation of the majority of the external auditor's recommendations although some slippage has been noted which will continue to be followed up.

#### 3 Main report

- 3.1 The Resource Management and Audit Scrutiny Panel agreed to receive annually a report by the Chief Executive and Director of Finance on implementation of external audit recommendations.
- 3.2 From 1st April 2003 to 31st March 2004 the following reports were received. The current position on the implementation of the recommendations has been reviewed by internal audit and a summary of the results is attached at Appendix 1. It should be noted that where the report is a recent progress report by the external auditor, the follow up has not been included in the summary to avoid duplication.
- i) Resource Management and Audit Scrutiny Panel June 2003
- e Government Preparedness
  - Pension Fund Investments – Progress Update
  - Performance Indicators 2001/2

ii) Resource Management and Audit Scrutiny Panel September 2003

- Council Tax Valuation
- Council Tax Compatibility Testing
- Corporate Governance
- Pension and Contributions
- Axis Pension Management System
- 

iii) Resource Management and Audit Scrutiny Panel December 2003

- Follow-up management of early retirement
- ICT Partnership Management
- ICT Pathfinder Review of the Trent Payroll System
- Community Equipment and Adaptations
- Review of Information System Migration

iv) Resource Management and Audit Scrutiny Panel March 2004

- Performance Indicators 2002/3
- Education PPP
- Commissioning Care Services for Older People
- Progress update on Bureau Services Payroll
- Progress update -Improving Administration in Schools
- 

3.3 The full details and stage of implementation for each recommendation are available from the Chief Internal Auditor.

3.4 The summary of the recommendations shows:

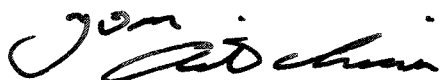
	<b>2004</b>	<b>2003</b>	<b>2002</b>
	<b>%</b>	<b>%</b>	<b>%</b>
Recommendations implemented	49	45	47
Not yet reached agreed implementation date	12	10	0
Slipped but currently being completed	9	30	30
New completion dates to be set	24	10	20
Not fully agreed with auditor	6	5	3

3.5 The Panel is requested to note that implementation of the majority of audit recommendations termed to be "critical" is complete, exceptions being the two where new dates have been set as a direct result of IT slippage. In other recommendations where new dates have been set, the majority also relate to IT slippage, a consequence of progress being linked to migration projects on which the timetable has slipped. This has been reported regularly to the Executive of the Council and to the Resource Management and Audit Scrutiny Panel.

3.6 Mrs. Fiona Kordiak of Audit Scotland will attend the panel for this agenda item

#### 4 Recommendation

It is recommended the Panel notes the action taken by management to progress the implementation of the External Auditors recommendations.



**T.N. AITCHISON,**  
Chief Executive.

*7/06/04.*



**D. McGOUGAN,**  
Director of Finance.

*8th June 2004.*

---

<b>Appendices</b>	Appendix 1: Summary of Current Position of External Audit Recommendations
<b>Contact/tel</b>	Ian Stirton: 0131 469 3194
<b>Wards affected</b>	None
<b>Background Papers</b>	Current progress on Action Plans held by the Chief Internal Auditor

Summary of Position of External Audit Recommendations Year ended 31 March 2004

Appendix 1

Report	No	Complete	Date not yet due	Slipped but in progress	New Date set	Not agreed	Comments
e Government Preparedness	4	4					Fully implemented.
Pension Fund Investments	4	4					Fully implemented.
Performance Indicators 2001/02	8	8					Fully implemented.
Council Tax Valuation	7		2		2	3	Procedures and policies recommendations not fully accepted.
Council Tax Compatibility Testing	2			2			Link between systems is not yet operational and completion date is difficult to estimate.
Corporate Governance	5			1	4		Slippage has occurred but implementation expected by November, generally. Risk register will take longer to embed.
Pension and Contributions	10	5	2	1	2		Mainly on schedule. Completion of payroll migration awaited to free ICT resource for full implementation.
Axis Pension Management System	10	6			2	2	Agreed recommendations mostly implemented. Progress on others continues.
ICT Partnership Management	5	2			3		The recommended documentation has been drafted but not yet finalised.
ICT Pathfinder Review of the Trent Payroll System	2		2				The recommendations are not overdue.
Community Equipment and Adaptations	12	2	5	1	4		Progress made but schedule not met due to substantive IT nature of some recommendations.
Performance Indicators	7	5			1	1	On schedule apart from a recommendation that requires a new IT solution.
Education PPP	8	4	1		3		Monitoring arrangements delayed but progress towards implementation continues.
Commissioning Care Services for Older People	9	6		1	2		Progress made but schedule not met due to substantive nature of some recommendations.
Review of Information System Migration	4	1		3			This is a direct result of migration date slippage
Totals	97	47 (49%)	12 (12%)	9 (9%)	23 (24%)	6 (6%)	
Previous Year	130	59 (45)	13 (10)	39 (30)	13 (10)	6 (5)	