



Comhairle nan Eilean Siar
Internal Audit Follow Up Review
Street Lighting
Final Report – FU05-24/25

7 March 2025

COMHAIRLE NAN EILEAN SIAR
INTERNAL AUDIT FOLLOW UP REPORT
STREET LIGHTING

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SECTION 1: EXECUTIVE SUMMARY

Introduction

- 1.1 The Report has been prepared for the Comhairle's Audit and Scrutiny Committee. The original report advised of 3 recommendations made in the Street Lighting report which was issued on 2 October 2024. The follow up review was undertaken in accordance with the operational annual internal audit plan for 2024/25.

Internal Audit Objective

- 1.2 Following up internal audit reports and assessing the level of compliance with recommendations made is an important part of the internal audit function.
- 1.3 In accordance with the remit detailed in the operational annual internal audit plan for 2024/25, our internal audit work was designed to obtain assurance that the original recommendations have been implemented. We obtained this assurance through internal audit testing and undertaking discussions with key personnel.
- 1.4 The main recommendations in the original report were:
- Housekeeping issues.

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Detailed Findings

- 1.5 The current status of progress against the original recommendations can be summarised as follows:

Key to Status






Fully implemented;



Partly implemented, although further work is required to meet the objective of the recommendation; or



Insufficient progress to date

Recommendations	Action to Date	Status
Advised that a separate purchase order system should be used for the street lighting function in order for the numbering to be in sequence and more accountable for auditing purposes.	Fully implemented	
Job Sheets must be signed off by the Contractor and the Area Lighting Coordinator when there are additional works undertaken and for every job sheet completed.	Fully implemented	
All expenses incurred by the Contractor when off island must be provided to the Comhairle prior to any payment being made.	Fully implemented	

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Concluding Remarks

- 1.6 From our follow up testing, we note that out of the 3 follow up recommendations made in the original 3 appear to have been fully implemented. We thank the service for their promptness.
- 1.7 For Comhairle Nan Eilean Siar Internal Audit Section

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SECTION 2 - DETAILED FINDINGS AND RECOMMENDATIONS

Action Recommended	Action By	Progress to Date	Action Outstanding
2.1			
Advised that a separate purchase order system should be used for the street lighting function in order for the numbering to be in sequence and more accountable for auditing purposes.	Area Lighting Co-ordinator	Manual purchase order system is in place and filed in a sequential format for ease of audit trail purposes. All signed off and authorised accordingly. This is still an interim process due to the effects of the cyber-attack and an electronic process will be reinstated in due course.	None.

Action Recommended	Action By	Progress to Date	Action Outstanding
2.2			
Job Sheets must be signed off by the Contractor and the Area Lighting Coordinator when there are additional works undertaken and for every job sheet completed.	Area Lighting Co-ordinator	All job sheets are signed off and countersigned as appropriate.	None.

Action Recommended	Action By	Progress to Date	Action Outstanding
2.3			
All expenses incurred by the Contractor when off island must be provided to the Comhairle prior to any payment being made.	Area Lighting Co-ordinator	Where expenses are incurred these are added to the purchase order as billed and authorised accordingly prior to payments being made.	None.

RESPECTIVE RESPONSIBILITIES OF MANAGEMENT AND INTERNAL AUDIT

Responsibility in Relation to Internal Controls

It is the responsibility of the Comhairle's management to maintain adequate and effective financial systems and to arrange for a system of internal controls. Our responsibility as internal auditors is to evaluate the financial systems and associated internal controls. In practice, we cannot examine every financial implication and accounting procedure within an activity, and we cannot substitute for management's responsibility to maintain adequate systems of internal controls over financial systems. We therefore may not identify all weaknesses that exist in this regard.

Responsibilities in Relation to Fraud and Corruption

The prime responsibility for the prevention and detection of fraud and irregularities rests with management. They also have a duty to take reasonable steps to limit the opportunity for corrupt practices. It is our responsibility to review the adequacy of these arrangements, but our work does not remove the possibility that fraud, corruption or irregularity may have occurred and remained undetected.

We nevertheless endeavour to plan our internal audit work so that we have reasonable expectation of detecting material fraud, but our examination should not be relied upon to disclose all such material frauds that may exist.