

**PROGRESS REPORT ON INTERNAL AUDIT PLAN 2005 - 2006**

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**1. SUMMARY**

An interim progress report has been prepared covering the audit work performed by Internal Audit up to the 22<sup>nd</sup> of July 2005. The objective of the report is to advise members of the progress of the Annual Audit Plan. (See Appendix 1).

**2. RECOMMENDATION**

2.1 The Audit Committee is asked to approve the progress made with the Annual Audit Plan for 2005 - 2006.

**3. BACKGROUND**

3.1 The progress report contained in Appendix 1, lists the audits scheduled for the financial year 2005 –2006 and are ordered by section and level of completion.

3.2 As at the 22<sup>nd</sup> of July 2005, of 18 core financial systems audits set out in the audit plan, 2 have been completed with reports issued. Of the remaining 16 audits, 3 have been started leaving 13 audits still to be commenced.

3.3 A total of 13 non-financial audit areas were identified for this years audit plan. As at the 22<sup>nd</sup> of July 2005, one audit has been completed with a report issued. Of the remaining 12 audits, one has been started with the remaining 11 audits yet to be commenced.

3.4 As set out in the Annual Audit Plan a total of 80 days have been set aside for Other Areas – Follow Up work. As at the 22<sup>nd</sup> of July 2005, a total of 26 days have been expended. A total of 80 days have been set aside in the audit plan for Special Investigations / Contingency audit work. As at the 22<sup>nd</sup> of July, a total of 41 days have been expended on Special Investigation work.

**4. SUMMARY OF AUDIT ACTIVITIES FOR 2005 - 2006**

4.1 It can be said that by the end of the 1st Quarter, reasonable progress has been made with the Annual Audit Plan. In this quarter audit resources were directed to year end audit work involving stock taking, Council grant certification and working jointly with Audit Scotland on the auditing of the Council's, Performance Indicators (PIs).

4.2 Towards the end of May 2005, Special Investigation work was requested by the Community Services Department. This work was unplanned and took priority over the audits set out in the Annual Audit Plan for June 2005. In order to maintain progression with the Annual Plan, the decision was taken to obtain the services of a contract auditor for a temporary period to assist with the audit of Council PIs. This work was largely completed by the contract auditor and as at

the 22<sup>nd</sup> of July, we are in the process of finalising outstanding issues prior to issuing a final report.

- 4.3 As a direct result of the special investigation work, the focus for the Cash & Income Banking audit planned for July 2005 will now be based solely within the Community Services Department.

### **CONCLUSION**

Progress is being made on audits planned for 2005 – 2006.

## **6. IMPLICATIONS**

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|-----|----------------------|---|
| 5.1 | Policy:              | Update on audit plan for 2005 – 06.                     |
| 5.2 | Financial:           | The audit plan is based on existing budgeted provision. |
| 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)

Ian Nisbet  
Internal Audit Manager 18 August 2005.  
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