

PROGRESS REPORT ON INTERNAL AUDIT PLAN 2005 - 2006

1. SUMMARY

An interim progress report has been prepared covering the audit work performed by Internal Audit up to the 11th of November 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 11th of November 2005, of 18 core financial systems audits set out in the audit plan, 11 have been completed with reports issued. Of the remaining 7 audits, 3 have been started leaving 4 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 11th of November 2005, 4 audits have been completed with reports issued. Of the remaining 9 audits, 3 have been started of which one is close to completion. The remaining 6 audits have 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 11th of November 2005, a total of 62 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 11th of November, a total of 41 days have been expended on Special Investigation work.

4. SUMMARY OF AUDIT ACTIVITIES FOR 2005 - 2006

4.1 Having successfully used the services of a contract auditor for Council Performance Indicator audit work in July 2005, Internal Audit has engaged 2 contract auditors for the period October to the end of December 2005. This additional resource allied to our own staff input will allow Internal Audit to maintain progress with the Annual Audit Plan. (See Appendix 1).

4.2 During October 2005, Internal Audit received notice that the section had achieved a Silver Award in the inaugural year of the Council's Excellence Awards. The category for which Internal Audit entered was, "Securing A Workforce for the Future". Internal Audit is included with 2 other competitors for the Gold Award; the winner will be announced at an Awards Dinner in Oban

on the evening of 12th December 2005.

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 |

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