

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 24th of February 2006. 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 24th of February 2006, of 18 core financial audits set out in the audit plan, 17 have been completed with reports issued. The remaining audit is progressing.

3.3 A total of 13 non-financial audit areas were identified for this years audit plan. As at the 24th of February 2006, 7 audits have been completed with reports issued. The remaining 6 audits have been started and are progressing.

3.4 Within the Annual Audit Plan a total of 80 days have been set aside for Other Areas – Follow Up Work. As at the 24th of February 2006, a total of 88 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 24th of February 2006, a total of 44 days have been expended on Special Investigation work.

4. SUMMARY OF AUDIT ACTIVITIES FOR 2005 – 2006

4.1 Steady progress continues with the annual audit plan with the timely completion of audits. There are still audits to be started and completed but it is anticipated that Internal Audit will be able to complete this year's audit plan.

4.2 As previously reported to the Audit Committee, Internal Audit was invited as Silver Award winners to attend the Council's Excellence Awards inaugural evening in Oban on the 12th of December 2005. The evening was well managed and Internal Audit was awarded Gold for the category, "Securing A Workforce for the Future". The team were very pleased to accept the award.

5. CONCLUSION

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

6. IMPLICATIONS

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| 6.1 | Policy: | Update on audit plan for 2005 – 06. |
| 6.2 | Financial: | The audit plan is based on existing budgeted provision. |
| 6.3 | Personnel: | None |
| 6.4 | Legal: | None |
| 6.5 | Equal Opportunities: | None |

For further information please contact Ian Nisbet, Internal Audit Manager (01546 604216)

Ian Nisbet
Internal Audit Manager, 24th February 2006.
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