

PROGRESS REPORT ON INTERNAL AUDIT PLAN 2006 - 2007

1. SUMMARY

An interim progress report has been prepared covering the audit work performed by Internal Audit up to the 3rd of November 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 2006 - 2007.

3. BACKGROUND

3.1 The progress report contained in Appendix 1 lists the audits scheduled for the financial year 2006 –2007, and are ordered by section and level of completion.

3.2 As at the 3rd of November 2006, of 17 core financial systems audits set out in the audit plan, 7 have been completed. Of the remaining 10 audits, 4 have been started. As a result the total number of audits still to be commenced is 6. With regard to the e-Procurement/ Creditor audit, combining both audits resulted in 50 audit days being allocated to this audit area. Presently 25 days have been expended with a draft report issued. The remaining audit days will be allocated to testing a new e-Procurement system.

3.3 Of 16 non-financial audits identified for this years audit plan, as at the 3rd of November 2006, 6 audits have been completed. Of the remaining 10 audits, 5 have been started and 5 remain to be started. With regard to 2 audits Strategic and Property Asset Management recently started, these have been combined and this effect is reflected in Appendix 1. Both audits were originally allocated 15 audit days each, combined the total is now 30.

3.4 As set out in the Annual Audit Plan a total of 80 days were set aside for Other Areas – Follow Up Work etc. As at the 3rd of November 2006, a total of 28 days has been expended on this task.

3.5 A total of 80 days were set aside within the audit plan for Special Investigations / Contingency audit work. As at the 3rd of November, a total of 27 days have been expended.

4 SUMMARY OF AUDIT ACTIVITIES FOR 2006 - 2007

- 4.1 It can be reported that Internal Audit continues to make reasonable progress with the Annual Audit Plan. Joint working has recently commenced with Audit Scotland on the Unified Benefits System annual audit and joint computer audit work has been ongoing with KPMG. As the section approaches the end of the calendar year it is clear that there are 6 core and 5 non financial audits to be started. However, several of these audits have already been assigned and are due to commence.
- 4.2 Presently the Annual Audit Plan remains on course for completion by March 2007. Progress will continue to be monitored.

5. CONCLUSION

- 5.1 Satisfactory progress is being made on audits planned for 2006 – 2007.

6. IMPLICATIONS

- | | | |
|-----|----------------------|--|
| 6.1 | Policy: | Update on audit plan for 2006 – 07. |
| 6.2 | Financial: | The audit plan is based on 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 22nd November 2006.
22Novfinalport22Nov