

PROGRESS REPORT ON INTERNAL AUDIT PLAN 2007 - 2008

1. SUMMARY

An interim progress report has been prepared covering the audit work performed by Internal Audit up to the 1st of February 2008. 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 2007 - 2008.

3. BACKGROUND

3.1 The progress report contained in Appendix 1 lists the audits scheduled for the financial year 2007 –2008, and are ordered by section and level of completion.

3.2 As at the 1st of February 2008, of 15 core financial systems audits set out in the adjusted audit plan presented on the 14th of December 2007, 9 have been completed. Of the remaining 6 audits 4 have been started with 2 of those close to completion. The 2 remaining audits will commence in February 2008.

3.3 Of 14 non-financial audit areas set out in the adjusted audit plan of the 14th of December 2007, 10 audit areas have been completed as at the 1st of February 2008. Of the remaining 4 audits, 3 are currently ongoing with one audit Best Value still to be commenced. A decision has been taken to transfer audit days from Best Value to Special Investigations where the 80 estimated direct audit days has been exceeded. It should be noted that the Community Services NPDO audit recorded 65 direct audit days expended against an estimate of 30 days. The variance is due to one of the Trainee Accountants partnering the Auditor assigned to the audit.

3.4 Eighty direct audit days were set aside in the annual audit plan for Special Investigations / Contingency work. As at the 1st of February 2008, a total of 102 days have been expended. The decision has therefore been taken to transfer in 45 days from the Best Value direct audit day allocation. This should provide this section of the audit plan with the necessary additional audit days for the remainder of the financial year. As detailed in the Annual Audit Plan a total of 80 direct audit days are set aside for Other Areas. As at the 1st of February 2008, a total of 47 days have been expended.

4. SUMMARY OF AUDIT ACTIVITIES FOR 2007 - 2008

4.1 It can be reported that Internal Audit continues to make reasonable progress with the Annual Audit Plan. Current progress with the Internal Audit plan reflects similar performance in 2006/07. One of the Trainee Accountants has been assigned their own audit following their partnering on the Community Services NPDO audit. The other Trainee Accountant continues to assist with the Major

Capital Audit.

CONCLUSION

Progress is being made on audits planned for 2007 – 2008.

6. IMPLICATIONS

- | | | |
|-----|----------------------|--|
| 5.1 | Policy: | Update on audit plan for 2007 – 08. |
| 5.2 | Financial: | The audit plan is based on 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 11 February 2008.
11Febfinalport11Feb