

INTERNAL AUDIT REPORTS TO AUDIT COMMITTEE 2008 - 2009

1. SUMMARY

The Code of Practice for Internal Audit in Local Government (the Code) issued by CIPFA in 2000 sets out good practice in delivering internal audit services. The Code was revised in 2006 and Grant Thornton UK LLP, in May 2007 carried out a Code compliance review resulting in a report. One resultant recommendation required that internal audit reports be reported to the Audit Committee. Attached are report summaries and action plans from recent audits. See Appendix 1.

2. RECOMMENDATIONS

2.1 The contents of this report are noted and are to be followed up by Internal Audit.

3. DETAILS

3.1 Set out below and in the attached Appendix is the Executive Summaries and Action Plans where applicable from finalised audit work. The Action Plans detail only those recommendations where Internal Audit in agreement with management have classified the finding either Fundamental or Material. Therefore Minor findings and recommendations have been removed. The contents of this report will therefore complement the External & Internal Audit Follow Up report provided to the Audit Committee on a quarterly basis.

3.2 As at the 3rd of June 2008, of 15 core financial systems audits set out in the adjusted audit plan as at the 14th of December 2007, 13 have been completed. In total, 7 core financial audit reports have been presented to the Audit Committee as at the 27th of March 2008. A further 6 final reports are attached for this reporting period:

- Budgetary Control
- Car Allowances (2 reports)
- Unified Benefits
- General Ledger Operations
- Purchasing ICT/eProcurement
- Debtor Accounts

Of the Major Capital Audit 4 final reports have been issued:

- Contract Audit – Bruichladdich Pier
Gigha Primary School
- Tendering Procedures – Port Askaig Pier
- Treasury Management

The following audits are at draft stage and the reports will be presented to the Audit Committee after a final meeting is held with management. The audits are:

- Major Capital Audit – Overview report

The audit of Cash Income & Banking is on hold as a result of the secondment of the Internal Audit Manager and will be completed on his return.

- 3.3 As at the 3rd of June 2008, of 14 non-financial audits set out in the adjusted audit plan as at the 14th of December 2007, 12 audit areas have been completed. A total of 9 final reports have been presented to the Audit Committee as at the 27th of March 2008. A further 2 reports are provided for this reporting period, they are:
- Business Continuity Planning
 - Partnership Project Funding – Public Transport & Infrastructure Project Development

A report on Disclosure Scotland has still to be submitted to SMT and thereafter will be submitted to the Audit Committee in September 2008.

The following audits are at draft stage and the reports will be presented to the Audit Committee after a final meeting is held with management. The audits are:

- Community Services – Social Work

One audit, Policy & Strategy – Best Value has been deferred until 2008/2009.

- 3.4 Internal Audit has carried out a number of Special Investigations and the following reports are attached.
- Review of use of mobile phones
 - Review of use of pool cars
 - Review of planning application
 - Follow up of SMT decisions

4. CONCLUSIONS

Executive summaries and action plans from final reports will be submitted to the Audit Committee.

5. IMPLICATIONS

5.1	Policy:	None
5.2	Financial:	None
5.3	Personnel:	None
5.4	Legal:	None
5.5	Equal Opportunities:	None

For further information please contact Alex Colligan, Internal Audit Manager (01546 604271).

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