

PROGRESS REPORT ON INTERNAL AUDIT PLAN 2008 - 2009

1. SUMMARY

An interim progress report has been prepared covering the audit work performed by Internal Audit up to the 22nd of August 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 2008 - 2009.

3. BACKGROUND

3.1 The progress report contained in Appendix 1 lists the audits scheduled for the financial year 2008 –2009, and are ordered by section and level of completion.

3.2 As at the 22nd of August 2008, of 19 core financial systems audits set out in the audit plan presented on the 27th of March 2008, 4 have been completed. Of the remaining 15 audits 2 have been started.

3.3 Of 15 non-financial audit areas set out in the audit plan of the 27th of March 2008, 1 audit area has been completed as at the 22nd of August 2008. Of the remaining 14 audits, 3 are currently ongoing.

3.4 One hundred direct audit days were set aside in the annual audit plan for Special Investigations / Contingency work. As at the 22nd of August 2008, no time has been expended on these areas.

3.5 Appendix 1 shows that only 175 audit days have been expended on the audits. The main reason for this is the secondment of an Internal Audit Manager and the resignation of one of the Trainee Accountants in June 2008. With the return of the Internal Audit Manager, the appointment of a new Trainee Accountant and the retention of 2 Contract Auditors it is anticipated the annual audit plan will be completed.

4. SUMMARY OF AUDIT ACTIVITIES FOR 2008 - 2009

4.1 It can be reported that Internal Audit continues to make progress with the Annual Audit Plan. Internal Audit effort has been focused on statutory audit activities with regard to the financial year end and statutory performance indicators (SPIs). Current progress with the Internal Audit plan is behind the performance recorded in 2007/08. However, any sustained shortfall will be met through the recruitment of an additional contract auditor.

4.2 One of the Trainee Accountants left the Council's employment in June 2008 and it is hoped to have a replacement in October 2008. Recruitment for the post will take place on the 17th of September 2008.

CONCLUSION

Progress is being made on audits planned for 2008 – 2009.

6. IMPLICATIONS

- | | | |
|-----|----------------------|--|
| 5.1 | Policy: | Update on audit plan for 2008 – 09. |
| 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 Alex Colligan, Internal Audit Manager (01546 604271)

Alex Colligan
Internal Audit Manager
28 August 2008