

UPDATE REPORT on INTERNAL AUDIT RESOURCES 2002/ 03

1. SUMMARY

At the conclusion of September 2002 a review has been carried out in order to ascertain the true position of Internal Audit in relation to resources and time available against the objectives set out in the annual audit plan for 2002 - 03. The DETAIL section below gives the findings of this review and outlines current projections. The position review will be the subject of ongoing review and reporting to the Audit Committee.

2. RECOMMENDATIONS

2.1 The contents of this report are to be noted.

3. DETAILS

- 3.1 As reported to the Audit Committee in July 2002 the recruitment process has proceeded well in that as at the 15th of July the section became fully staffed. Following completion of recruitment a process has been carried out where audits have been allocated to individual staff members. Each auditor has planned the audits allocated to him or her over the period to the 31st March 2003.
- 3.2 The annual plan as agreed in May 2002 was based on 970 days of full staff complement for the financial year. A re-evaluation of actual staff days available following completion of the recruitment process indicates that the days available for audits will be 805 days. This is a reduction of 165 days.
- 3.3 Using risk ranking, date last audited and in co-operation with Audit Scotland audits have been prioritised. This prioritisation has been used to allocate audits from the available 805 audit days. As a consequence audits totalling 165 days with lower priority cannot be accommodated within the existing audit resources.
- 3.4 The fact that the staff complement was not complete until the middle of July 2002 has identified some savings, which could be used for the buying in of additional services. At this time there is a projected saving of £15,220. Appendix 1 details the difference in audit days and lists the audits to be carried out within the available days.

4. CONCLUSIONS

Following the successful recruitment of staff and the allocation of audits a review of available audit resources against the audit plan was carried out. This has identified a shortfall in the number of audit workdays available. As a result and in conjunction with Audit Scotland an achievable audit plan for the remainder of the financial year has been agreed. The review has also identified a savings amount that would enable the employment of additional resources to concentrate on progressing the lower priority audits.

5. IMPLICATIONS

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

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