

PROGRESS REPORT ON INTERNAL AUDIT PLAN 2009 - 2010

1. SUMMARY

An interim progress report has been prepared covering the audit work performed by Internal Audit up to 29 January 2010. 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 2009 - 2010.

3. BACKGROUND

3.1 The progress report contained in Appendix 1 lists the audits scheduled for the financial year 2009 –2010, and are ordered by section and level of completion.

3.2 For the purpose of the progress report, Audits are deemed to be complete following fieldwork and issue of the Draft Report. Of the 20 completed audits, 17 reports have been finalised, 2 drafts have been issued and are listed below with one draft presently being finalised.

- Corporate Services – Payroll, draft issued 9 February 2010; and
- Operational Services – Payroll processes for Catering, Cleaning and Janitorial, draft issued 22 October 2009.

3.3 As at 29 January 2010, of 18 core financial systems audits set out in the audit plan presented on 6 March 2009, 12 have been completed. Of the remaining 6 audits 5 have been started.

3.4 As at 29 January 2010, of 15 non-financial audit areas set out in the audit plan presented on 6 March 2009, 8 have been completed. Of the remaining 7 audits 5 have been started.

3.5 A total of 100 direct audit days were set aside in the annual audit plan for Special Investigations / Contingency work. As at 29 January 2010, 100 days have been expended. The National Fraud Initiative (NFI) 2008/09 exercise has required days to be expended in planning, monitoring and reporting activities. A separate report has been provided to the Audit Committee detailing progress with the NFI 2008/09 exercise. A total of 97 days were set aside in the audit plan for Other Areas, to date 63 days have been expended.

4. SUMMARY OF AUDIT ACTIVITIES FOR 2009 - 2010

- 4.1 It can be reported that Internal Audit continues to make progress with the Annual Audit Plan. Appendix 1 shows that a total of 713 direct audit days have been expended on planned audits as at 29 January 2010. At the same period in January 2009 a total of 616 direct audit days had been expended.
- 4.2 As noted above current progress with the Internal Audit plan remains relatively on schedule against the approved annual plan. Additional resources will be provided to complete the audit plan if required.

5. CONCLUSION

Progress is being made on audits planned for 2009 – 2010.

6. IMPLICATIONS

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| 6.1 | Policy: | Update on audit plan for 2009 – 10. |
| 6.2 | Financial: | The audit plan is based on budgeted provision. |
| 6.3 | Personnel: | None |
| 6.4 | Legal: | None |
| 6.5 | Equal Opportunities: | None |

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