

PROGRESS REPORT ON INTERNAL AUDIT PLAN 2010 - 2011

1. SUMMARY

An interim progress report has been prepared covering the audit work performed by Internal Audit as at 12 November 2010(Appendix 1). The objective of the report is to advise members of the progress of the Annual Audit Plan.

2. RECOMMENDATION

2.1 The Audit Committee is asked to approve the progress made with the Annual Audit Plan for 2010 - 2011.

3. BACKGROUND

3.1 The progress report lists the audits scheduled for the financial year 2010 -2011, and are ordered by section and level of completion.

3.2 Discussions with management have provided an opportunity to rebalance the 2010 - 11 audit plan in terms of audits and the direct audit day allocation, both within and between the core and non financial audit sections. Appendix 1 details the changes made under the original and revised estimated audit days 2010/11 columns. The audits provide coverage in specific activities which are important to senior management.

3.3 Of the 20 core financial systems audits set out in Appendix 1, 11 have been completed with a further 4 ongoing. The remaining 5 audits have been agreed and scheduled to take place in the period December 2010 and end March 2011.

3.4 With regard to the 22 Non-Financial audits cited in Appendix 1, 5 have been completed and 7 are ongoing. The remaining 10 audits have been agreed with management and are scheduled for the period December 2010 through to the end of March 2011.

3.5 Special investigation and contingency work has required 77 audit days to date. In total, 3 special investigations have been completed with reports issued also preparation work has been undertaken for the NFI 2010 - 11 exercise.

3.6 A total of 65 days have been expended for the other areas section of the annual audit plan. The monthly reporting to SMT of recommendation implementation progress has seen a rise in the number of days expended. The usage of direct audit days will be reviewed and may require to be increased by the time of the next report to the Audit Committee.

4. SUMMARY OF AUDIT ACTIVITIES FOR 2010 - 2011

- 4.1 It can be reported that Internal Audit continues to make progress with the audits set out in Appendix 1. A total of 597 direct audit days have been expended as at 12 November 2010. This compares favourably with the same period in 2009 when a total of 473 direct audit days had been expended.
- 4.2 As noted above current progress with the Internal Audit plan remains on schedule.

5. CONCLUSION

Progress is being made on audits planned for 2010 – 2011.

6. IMPLICATIONS

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| 6.1 | Policy: | Update on audit plan for 2010 – 2011. |
| 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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