

PROGRESS REPORT ON INTERNAL AUDIT PLAN 2011 - 2012

1. SUMMARY

An interim progress report has been prepared covering the audit work performed by Internal Audit as at 19 August 2011. 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 2011 - 2012.

3. BACKGROUND

3.1 The progress report contained in Appendix 1, lists the audit topics scheduled for the financial year 2011 –2012, 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 a Draft Report. Of the 40 audit topics set out in the 2011 – 2012 Annual Audit Plan as at 19 August 2011, 8 audits have been completed with final or draft reports issued.

3.3 As at 19 August 2011, of 15 core financial systems audits set out in the audit plan presented on 4 March 2011, 4 audits have been completed, 7 have been started and 4 remain to be commenced.

3.4 As at 19 August 2011, of 7 business systems audits set out in the annual plan, 2 have been completed with draft reports issued, one has been started and 4 remain to be commenced.

3.5 With regard to Corporate Performance Audits, 13 were outlined in the annual audit plan. Two audits have been completed, the Corporate Governance Statement presented to the June committee meeting and the review of the Council Statutory Performance Indicators (SPIs). The remaining 11 audits have all been started and are progressing well.

3.6 A total of 100 direct audit days were set aside in the annual audit plan for Special Investigations / Contingency work. As at 19 August 2011, no days have been expended. A total of 95 days were set aside in the audit plan for Other Areas, 46 days have been expended of which 25 were for National Fraud Initiative (NFI) work.

4. SUMMARY OF AUDIT ACTIVITIES FOR 2011 - 2012

4.1 It can be reported that Internal Audit is making progress with the Annual

Audit Plan. Appendix 1 shows that a total of 315 direct audit days have been expended on planned audits as at 19 August 2011.

- 4.2 Internal audit as part of a reciprocal agreement with Inverclyde Council have completed an audit of 12 Charity Accounts and have signed these off with notes to accounts for 2 regarding late notice of closure to the Office of the Scottish Charity Regulator (OSCR). Expended direct audit days are recorded as advisory work.
- 4.3 There has been improved focus for internal audit as a result of the new risk assessment audit planning process. As detailed above current progress with the Internal Audit plan is on schedule and in line with the approved annual plan detailed March and June to the Audit Committee.

5. CONCLUSION

Internal audit is progressing with the audits planned for 2011 – 2012. The Audit Committee will continue to receive quarterly progress reports.

6. IMPLICATIONS

- 6.1 Policy: Update on audit plan for 2011 – 2012.
- 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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