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**PROGRESS REPORT ON INTERNAL AUDIT PLAN 2011 - 2012**

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**1. SUMMARY**

An interim progress report has been prepared covering the audit work performed by Internal Audit as at 11 November 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 In reporting progress to planned, audits are deemed to be complete with the issue of a Draft Report. The current progress position is given in the table below:

<b>Audit Plan Sections 2011 - 2012</b>	<b>Not Started</b>	<b>Ongoing</b>	<b>Complete</b>	<b>Total</b>
Financial Control Audits	3	5	7	15
Business Systems Audits	0	5	2	7
Corporate Performance Audits	0	0	13	13
Corporate & Service Plans	1	4	3	8
<b>Total</b>	<b>4</b>	<b>14</b>	<b>25</b>	<b>43</b>

3.3 As at 11 November 2011, of 15 core financial systems audits set out in the audit plan presented on 4 March 2011, 7 audits have been completed, 5 are ongoing and 3 remain to be commenced.

3.4 Regarding the Business Systems audits it can be reported as at 11 November 2011, of the 7 business systems audits set out in the annual plan, 2 have been completed and 5 are presently ongoing.

3.5 With regard to Corporate Performance Audits, all are now complete.

3.6 A total of 200 direct audit days were planned for Corporate/Service plan audits. To date 8 audits have been identified and are set out in Appendix 1. Of these 3 have been completed, 4 are ongoing and one audit area is yet to be assigned. That audit area relates to the Corporate Plan where 100 direct audit days were originally assigned in the plan. An operational

decision was taken to move 25 audit days out to cover a Development and Infrastructure Department request for an audit review of supporting systems for Dangerous Buildings. Despite this deduction it will still provide 75 direct audit days for the Corporate Plan which presently appears adequate.

- 3.7 A total of 100 direct audit days were set aside in the annual audit plan for Special Investigations / Contingency work. As at 11 November 2011, no days have been expended. A total of 95 days were set aside in the audit plan for Other Areas, 74 days have been expended of which 23 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 569 direct audit days have been expended on planned audits as at 11 November 2011.
- 4.2 Work is presently ongoing on the risk assessment audit planning database for development of the 2012 – 2013 audit plan. As detailed above current progress with the Internal Audit plan is on schedule and in line with the approved annual plan outlined 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**

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| 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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11 November 2011