
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 17 February 2012. 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 note 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:

Audit Plan Sections 2011 - 2012	To Start	Ongoing	Complete	Total
Financial Control Audits	1	5	9	15
Business Systems Audits	0	2	6	8
Corporate Performance Audits	0	0	13	13
Corporate & Service Plans	1	0	8	9
Total	2	7	36	45

3.3 As at 17 February 2012, of 15 core financial systems audits set out in the audit plan presented on 4 March 2011, 9 audits have been completed, 5 are ongoing and one remains to be commenced.

3.4 Regarding the Business Systems audits it can be reported as at 17 February 2012, of 7 business systems audits set out in the annual plan, one has been stopped. The audit stopped was e-Benefits as Customer and Support Services decided to no longer support the system. A replacement audit has been identified for Development and Infrastructure entitled Systems Rationalisation, 10 direct audit days have been assigned with the days transferred from the Corporate Plan allocation. Therefore, there are now 8 business systems audits shown in appendix 1, with 6 completed and 2 presently ongoing.

3.5 With regard to Corporate Performance Audits, all 13 are complete and were presented to the Strategic Management Team (SMT) on 5 March

2012 for approval.

- 3.6 A total of 200 direct audit days were planned for Corporate/Service plan audits. It was reported in December 2011 that 8 audits had been identified however the total is now 9. In discussion with management 2 audits proposed for this financial year have been deferred to 2012 – 2013. They are Data Protection (DP) and Procurement. The latter audit was an initial request from management to review the Procurement system. However, the system is being replaced by the Scottish Government eliminating the need for an audit at this time. The DP audit has been deferred until 2012 – 2013, due to election pressures and staff availability. Therefore a replacement audit was identified entitled Corporate Travel and Subsistence with 20 direct audit days allocated.
- 3.7 In December 2011, it was reported that 25 audit days had been taken from the Corporate Plan allocation to cover an audit review of Dangerous Buildings. A further 30 days have been transferred for the commencement of the 2 new audits reported above.
- 3.8 A total of 100 direct audit days were set aside in the annual audit plan for Special Investigations / Contingency work. As at 17 February 2012, no days have been expended. A total of 95 days were set aside in the audit plan for Other Areas, as at 17 February 2012, 107 days have been expended of which 37 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 740 direct audit days have been expended on planned audits as at 17 February 2012.
- 4.2 As detailed above despite the adjustments cited above, current progress with the Internal Audit plan is on schedule and in line with the approved annual audit 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 |

For further information please contact Ian Nisbet, Chief Internal Auditor (01546 604216) 17 February 2012.