

PROGRESS REPORT ON INTERNAL AUDIT PLAN 2012 - 2013

1. SUMMARY

An interim progress report has been prepared covering the audit work performed by Internal Audit as at 31 May 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 approve the progress made with the Annual Audit Plan for 2012 - 2013.

3. BACKGROUND

3.1 The progress report contained in Appendix 1 lists the audits scheduled for the financial year 2012 –2013, and are ordered by section and level of completion.

3.2 The commencement of this year's audit plan was hindered by the secondment of audit staff to mid May 2012 on support work for another service. In order to bring the annual audit plan back on track, a contract auditor with prior experience of the council and local government has been engaged. They will pick up the remaining audits that should have been commenced between April and July 2012, and progress them to conclusion. The internal audit section will commence the audit programme from July through to March 2013.

3.3 For the purpose of the progress report, Audits are deemed to be complete following fieldwork and issue of the Draft Report. Of the 49 audits set out in the 2010 – 2011 Annual Audit Plan, one final report has been issued:

- Chief Executives Unit – Stock year end.

3.4 As at 31 May 2012, of 18 financial control audits set out in the audit plan presented on 15 March 2012, 2 audits have been commenced, of which one has been completed. Of the remaining 16 audits, audit preparation is underway.

3.5 As at 31 May 2012, of 14 business systems audits set out in the audit plan presented March 2012, preparation work has commenced.

3.6 As at 31 May 2012, a total of 180 days were set out in the plan for audit work on both corporate and service plans. No specific audits have been listed as these will be determined in discussion with Executive Directors

and Heads of Service.

- 3.7 A total of 50 direct audit days were set aside in the annual audit plan for Special Investigations / Contingency work. As at 31 May 2012, 35 of those days have been expended. Of 39 days set out in the annual plan for 2012 - 2013 for NFI work, no days have been expended as yet. Of 80 days set aside in the plan 7 days had been expended by 31 May 2012.

4. SUMMARY OF AUDIT ACTIVITIES FOR 2012 - 2013

- 4.1 Appendix 1 shows that a total of 66 direct audit days have been expended as at 31 May 2012.
- 4.2 As noted above current progress with the Internal Audit plan will return to schedule.

5. CONCLUSION

Progress has commenced on audits planned for 2012 – 2013.

6. IMPLICATIONS

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| 6.1 | Policy: | Update on audit plan for 2012 – 2013. |
| 6.2 | Financial: | The audit plan is based on budgeted provision. |
| 6.3 | Personnel: | None |
| 6.4 | Legal: | None |
| 6.5 | Equal Opportunities: | None |
| 6.6 | Risk | None |
| 6.7 | Customer Services | None |

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