

REPORT TO: AUDIT AND RISK MANAGEMENT SUB-COMMITTEE 13/09/04

REPORT ON: INTERNAL AUDIT ANNUAL PLAN 2004/05

REPORT BY: CHIEF INTERNAL AUDITOR

REPORT NO: 644-2004

1. PURPOSE OF REPORT

To submit to Members of the Audit and Risk Management Sub-Committee the Internal Audit Annual Plan for the 2004/05 financial year as detailed at Appendix A.

2. RECOMMENDATIONS

The Sub-Committee Members are asked to note the information contained herein.

3. FINANCIAL IMPLICATIONS

None

4. LOCAL AGENDA 21 IMPLICATIONS

None

5. EQUAL OPPORTUNITIES

None

6 BACKGROUND

6.1 The Internal Audit Plan is prepared on an annual basis and provides an outline of the proposed audit work to be discharged by the Internal Audit Service during the financial year. One of the prime purposes of this plan is to advise and inform Members and Management of the planned areas of activity.

6.2 During the 2004/05 financial year, the budgeted audit days available totalled 1,185 days. These have been allocated across a range of audit activities and services, details of which are given in Appendix A. In undertaking the work included in the plan, the Internal Audit Service aims to add value to the areas examined and provide an effective service which offers sound practical advice to clients in a positive and constructive manner.

6.3 Within the resources available the plan attempts to provide a satisfactory level of internal audit coverage across the Council. In addition, given the nature of internal audit work there is a provision built into the plan to react to requests to provide advice or assistance. Internal audit work will also be undertaken for the Tay Road Bridge Joint Board and the Tayside Valuation Joint Board. Such services will be recharged to the appropriate Board. It should be noted that the Finance Department has contracted with two local accounting firms being Bird Simpson and Henderson Loggie to provide internal audit services to the Tay Road Bridge Board and the Tayside Valuation Joint Board respectively.

6.4 As part of the planning and scoping of the specific audit reviews to be undertaken, cognisance will be taken, as appropriate, of relevant background information. This may be derived from a number of sources including the work of the Council's External Auditor,

Audit Scotland, external review agencies such as the Benefit Fraud Inspectorate and Council policies and internal studies e.g. best value reviews.

- 6.5 Whilst the plan is based on the best information available at the time of drafting, it may be subject to amendment depending on the issues arising during the financial year. Material amendments to the planned work will be reported back to the Audit and Risk Management Sub-Committee. It should also be noted that whilst Report No. 495-2003, approved by the Personnel and Management Services Committee on the 18 August 2003, agreed changes to the organisational structure of the Council's Internal Audit Service, difficulties in attracting qualified staff has meant that these posts remain unfilled. To address the shortfall in resources alternative options are being considered in consultation with senior management.

DAVID K DORWARD
DEPUTE CHIEF EXECUTIVE (FINANCE)

06 September 2004

BACKGROUND PAPERS

None

INTERNAL AUDIT PLAN 2004/05		
Analysis of Audit Days Available		Days
Corporate Reviews		
Cash Collection and Receipting		20
Completion and Submission of Returns		90
Contract Management		40
Corporate Governance		30
Data Matching		40
Data Protection		30
Debtors and Debt Management		30
Joint Futures		40
Ordering, Receipting and Creditor Payments		30
Recruitment and Selection		30
Risk Management		30
Value Added Tax		40
Year End Stocks and Stores		20
Follow-up Reviews		40
Departmental Reviews		
Communities	Systems Analysis Reviews	35
Education	Devolved School Management	20
Education	Establishment Reviews	50
Education	Maintenance Allowances	20
Finance	Revenues	20
Finance	Housing and Council Tax Benefits	40
Finance	Bank Reconciliation	40
Housing	Private Sector Services	30
Social Work	Establishment Reviews	30
Support Services	Electoral Registration	30
Joint Boards		
Tay Road Bridge	Internal Audit Needs Assessment	5
Tayside Valuation	Internal Audit Needs Assessment	5
Finalisation of 2003/2004 Audit Assignments		
Corporate Reviews		175
Departmental Reviews		65
Miscellaneous		
Contingency and Systems Advice		60
Fraud and Irregularity Investigations and Advice		50
Total		1185