

REPORT TO: AUDIT AND RISK MANAGEMENT SUB-COMMITTEE 24/01/05

REPORT ON: INTERNAL AUDIT ANNUAL PLAN 2005/06 AND UPDATE ON INTERNAL AUDIT ANNUAL PLAN 2004/05

REPORT BY: CHIEF INTERNAL AUDITOR

REPORT NO: 62-2005

1. PURPOSE OF REPORT

To submit to Members of the Audit and Risk Management Sub-Committee the Internal Audit Annual Plan for the 2005/06 financial year as detailed at Appendix A and provide an update on the Internal Audit Annual Plan 2004/05.

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 Annual Plan provides an outline of the proposed audit work to be undertaken 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 For the 2005/06 financial year, the estimated audit days available will be 1,400 days. These have been allocated across a range of audit activities and services in line with the Internal Audit Strategic Plan 2005-2009. The reviews to be undertaken in the coming financial year are detailed in Appendix A. 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 the plan includes a provision for fulfilling requests from Departments for advice or assistance on controls or risk matters. 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.

- 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 The plan has been prepared on the best information currently available but it may be subject to change depending on the issues arising during the financial year. In addition, it has been assumed that the resources available for the 2005/06 financial year will be in line with the recommendations contained in Report No. 739-2004 (Finance General – Review of Staffing Structure) which sought to address the difficulties in attracting qualified staff. Any material amendments to the planned work will be reported back to the Audit and Risk Management Sub-Committee.
- 6.6 Report No. 644-2004 stated that any material amendments to the 2004/05 Internal Audit Annual Plan would be reported back to Members. It is now considered that the level of activity planned for the current financial year will not be achieved. The actual number of days now available is projected to be approximately 15% less than the estimate contained in the 2004/05 Plan owing to positions remaining unfilled whilst the Departmental Restructure is ongoing and a higher than expected level of sickness absence. It should be noted that this means that some projects planned for 2004/05 will not now be progressed until the 2005/06 financial year.

DAVID K DORWARD
DEPUTE CHIEF EXECUTIVE (FINANCE)

13 January 2005

BACKGROUND PAPERS

None

INTERNAL AUDIT ANNUAL PLAN 2005/06			
Analysis of Audit Days Available			Days
Corporate Reviews			
Business Credit Cards and On-line Payments			30
Cash Collection and Receipting			20
Corporate Governance			30
Data Protection and Freedom of Information			30
Debtors and Debt Management			30
Disaster Recovery and Business Continuity			30
External Funding and Specific Grants			40
Fraud Guidelines			20
Joint Futures			40
Ordering, Receipting and Creditor Payments			40
Payroll and Employee Expenses			50
Public Private Partnership			40
Recruitment and Selection			30
Stocks, Stores and Stock Checks			10
Telecommunications			30
Departmental Reviews			
Communities	Establishment, Operational and Service Reviews		20
Dundee Contracts Services	Repairs and Maintenance Services		30
Economic Development	Establishment, Operational and Service Reviews		30
Education	Education Grants and Allowances		20
Education	Establishment, Operational and Service Reviews		60
Finance	Council Tax		50
Finance	Housing and Council Tax Benefits		50
Finance	Non-Domestic Rates		30
Finance	Pension Fund Investment and Administration		40
Housing	Allocation, Letting and Voids Procedures		30
Housing	Establishment, Operational and Service Reviews		30
Leisure and Arts	Establishment, Operational and Service Reviews		30
Social Work	Contracting and Payments		40
Social Work	Establishment, Operational and Service Reviews		40
Support Services	Contract and Project Management		30
Waste Management	Establishment, Operational and Service Reviews		30
Joint Boards			
Tay Road Bridge	Internal Audit Needs Assessment		40
Tayside Valuation	Internal Audit Needs Assessment		30
Miscellaneous			
Finalisation of 2004/05 Audit Assignments			100
Advice on Systems Control and Risk			70
Follow-up Reviews			80
Specific Investigations			50
Total			1400