

REPORT TO: AUDIT AND RISK MANAGEMENT SUB-COMMITTEE 15/05/06

REPORT ON: INTERNAL AUDIT ANNUAL PLAN 2006/07 AND UPDATE ON INTERNAL AUDIT ANNUAL PLAN 2005/06

REPORT BY: CHIEF INTERNAL AUDITOR

REPORT NO: 320-2006

1. PURPOSE OF REPORT

To submit to Members of the Audit and Risk Management Sub-Committee the Internal Audit Annual Plan for the 2006/07 financial year as detailed at Appendix A and provide an update on the Internal Audit Annual Plan 2005/06.

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 2006/07 financial year, the estimated audit days available will be 1,160 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 Dundee Leisure Limited, the Tay Road Bridge Joint Board and the Tayside Valuation Joint Board. Such services will be recharged as appropriate.

- 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, including the estimated resources, 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. Any material amendments to the planned work will be reported back to the Audit and Risk Management Sub-Committee.
- 6.6 Report No. 333-2005 stated that any material amendments to the 2005/06 Internal Audit Annual Plan would be reported back to Members. For the 2005/06 financial year the audit days available were broadly in line with budget. However during the latter part of the financial year discussions were held with the Council's External Auditor, Audit Scotland and it was agreed that the Internal Audit Service would undertake work in relation to the Accounts Commission Statutory Performance Indicators, the Prudential Code and Fixed Assets and Capital Expenditure. Audit Scotland will seek to place reliance on internal audit's work in these areas. Given these reviews had not been included in the 2005/06 Internal Audit Annual Plan certain projects contained therein have been deferred and will be considered for inclusion in future plans.

DAVID K DORWARD
DEPUTE CHIEF EXECUTIVE (FINANCE)

05 May 2006

BACKGROUND PAPERS

None

INTERNAL AUDIT ANNUAL PLAN 2006/07		
Analysis of Audit Days Available		Days
Corporate Reviews		
Corporate Governance		25
Council Strategies, Policies and Initiatives		25
Data Protection and Freedom of Information		35
Debtors and Debt Management		70
Disaster Recovery and Business Continuity		35
External Funding and Specific Grants		55
General Ledger Systems		35
Joint Future		30
Ordering, Receipting and Creditor Payments		25
Payroll and Employee Expenses		35
Performance Management and Monitoring		70
Stocks, Stores and Stock Checks		35
Departmental Reviews		
Economic Development	Establishment, Operational and Service Reviews	30
Education	Education Grants and Allowances	30
Education	Establishment, Operational and Service Reviews	40
Finance	Council Tax	35
Finance	Non-Domestic Rates	35
Housing	Rent Setting, Collection and Arrears	35
Leisure and Communities	Establishment, Operational and Service Reviews	30
Personnel	Establishment, Operational and Service Reviews	20
Planning and Transportation	Establishment, Operational and Service Reviews	30
Social Work	Establishment, Operational and Service Reviews	30
Waste Management	Establishment, Operational and Service Reviews	20
External Bodies		
Dundee Leisure Limited	Establishment, Operational and Service Reviews	20
Tay Road Bridge Joint Board	Establishment, Operational and Service Reviews	30
Tayside Valuation Joint Board	Establishment, Operational and Service Reviews	20
Miscellaneous		
Finalisation of 2005/06 Audit Assignments		135
Advice on Systems Control and Risk		70
Follow-up Reviews and Progress Reviews		45
Specific Investigations		30
Total		1160