

**REPORT TO:** AUDIT AND RISK MANAGEMENT SUB-COMMITTEE 22/01/07

**REPORT ON:** INTERNAL AUDIT ANNUAL PLAN 2007/08 AND UPDATE ON INTERNAL AUDIT ANNUAL PLAN 2006/07

**REPORT BY:** CHIEF INTERNAL AUDITOR

**REPORT NO:** 72-2007

**1. PURPOSE OF REPORT**

To submit to Members of the Audit and Risk Management Sub-Committee the Internal Audit Annual Plan for the 2007/08 financial year as detailed at Appendix A and provide an update on the Internal Audit Annual Plan 2006/07.

**2. RECOMMENDATIONS**

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

**3. FINANCIAL IMPLICATIONS**

None

**4. SUSTAINABILITY POLICY IMPLICATIONS**

None

**5. EQUAL OPPORTUNITIES IMPLICATIONS**

None

**6. MAIN TEXT**

- 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 2007/08 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 2007/08 financial year, the estimated audit days available will be 1,260 days. These have been allocated across a range of audit activities and services in line with the Internal Audit Strategic Plan 2005-2009. In addition, in order to reflect the changing emphasis within the internal audit profession to a more risk based audit approach, discussions have been held with various stakeholders. The review areas 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 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. 320-2006 stated that any material amendments to the 2006/07 Internal Audit Annual Plan would be reported back to Members. It is anticipated at this juncture that for the 2006/07 financial year the internal audit plan will broadly be achieved and there will not be any significant shortfall in the budgeted audit days available.

## **7. CONSULTATIONS**

The Chief Executive and Head of Finance have been consulted on the content of this report.

## **8. BACKGROUND PAPERS**

None

**MARJORY STEWART**  
**HEAD OF FINANCE**

**12 January 2007**

<b>INTERNAL AUDIT ANNUAL PLAN 2007/08</b>		
<b>Corporate Reviews</b>		<b>Days</b>
Authorised Signatories		30
Banking Services		30
Corporate Governance		30
Council Strategies, Policies and Initiatives		30
Debtors and Debt Management		30
Disaster Recovery and Business Continuity		30
External Funding and Specific Grants		50
Fleet Management		30
Following the Public Pound		30
General Ledger Systems		30
Joint Future		30
Management of Sickness Absence		30
Modernising Public Services		30
Payroll and Employee Expenses		50
Performance Management and Monitoring		25
Stocks, Stores and Stock Checks		15
<b>Departmental Reviews</b>		
Dundee Contract Services	Establish, Operational & Service Reviews	25
Economic Development	Establish, Operational & Service Reviews	25
Education	Establish, Operational & Service Reviews	50
Finance	Council Tax	30
Finance	Housing Benefit & Council Tax Benefit	30
Finance	Pension Fund Administration	30
Housing	Establish, Operational & Service Reviews	25
Leisure & Communities	Establish, Operational & Service Reviews	50
Planning & Transportation	Establish, Operational & Service Reviews	25
Social Work	Establish, Operational & Service Reviews	60
Support Services	Establish, Operational & Service Reviews	25
Waste Management	Establish, Operational & Service Reviews	25
<b>External Bodies</b>		
Dundee Leisure Limited	Establishment, Operational and Service Reviews	30
Tay Road Bridge Joint Board	Establishment, Operational and Service Reviews	35
Tayside Valuation Joint Board	Establishment, Operational and Service Reviews	35
<b>Miscellaneous</b>		
Finalisation of 2006/07 Audit Assignments		110
Advice on Systems Control and Risk		70
Follow-up Reviews and Progress Reviews		50
Specific Investigations		30
<b>Total</b>		<b>1260</b>