

REPORT TO: AUDIT AND RISK MANAGEMENT SUB-COMMITTEE - 29 APRIL 2009

REPORT ON: INTERNAL AUDIT ANNUAL PLAN 2009/10 AND UPDATE ON INTERNAL AUDIT ANNUAL PLAN 2008/09

REPORT BY: CHIEF INTERNAL AUDITOR

REPORT NO: 73-2009

1.0 PURPOSE OF REPORT

To submit to Members of the Audit and Risk Management Sub-Committee the Internal Audit Annual Plan for the 2009/10 financial year as detailed at Appendix A and provide an update on the Internal Audit Annual Plan 2008/09.

2.0 RECOMMENDATIONS

Members of the Sub-Committee are asked to note the information contained within this report.

3.0 FINANCIAL IMPLICATIONS

None

4.0 MAIN TEXT

- 4.1.** The Internal Audit Annual Plan provides an outline of the proposed audit work to be undertaken by the Council's Internal Audit Service during the 2009/10 financial year. One of the prime purposes of this plan is to advise and inform Members and Management of the planned areas of activity.
- 4.2.** The Internal Audit Service aims to provide a value-add service to Departments through reviewing key systems, assessing effectiveness of the internal controls operating and making constructive recommendations which should improve working practices and assist the Council in meeting its objectives and deliver a quality service to the citizens of Dundee.
- 4.3.** For the 2009/10 financial year, the estimated audit days available will be 1,170 days which have been allocated across a wide range of audit activities and services. In previous years the annual plan was compiled in line with an Internal Audit Strategic Plan which covered a four year period. However, the CIPFA Code of Practice for Internal Auditors no longer recommends a strategic plan, thereby reflecting the need for Internal Audit Services to review areas of new risks and emerging issues. In order to reflect the changing emphasis within the Internal Audit profession to a more risk based audit approach and the changing priorities of the Council, stakeholder departments will be consulted about areas to be reviewed, where appropriate. The areas to be covered in the coming financial year are detailed in Appendix A.
- 4.4.** 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.
- 4.5.** 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.
- 4.6.** 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.

4.7. Report No. 74-2008 stated that any material amendments to the 2008/09 Internal Audit Annual Plan would be reported back to Members and Report No. 478-2008, which was submitted to the Audit and Risk Management Sub-Committee on 22 September 2008 detailed revisions necessary at that time. It is anticipated at this juncture that for the 2008/09 financial year the revised internal audit plan will broadly be achieved and there will not be any significant shortfall in the budgeted audit days available.

5.0 POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues.

6.0 CONSULTATIONS

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

7.0 BACKGROUND PAPERS

None

Sallie Dailly, Chief Internal Auditor

DATE: 16 April 2009

INTERNAL AUDIT ANNUAL PLAN 2009/10	
Corporate Reviews	Days
Business Credit Cards	30
Community Planning and Partnership	30
Corporate Governance	30
Council Strategies, Policies and Initiatives	30
Debtors and Debt Management	60
Disaster Recovery and Business Continuity	30
External Funding and Specific Grants	15
Following the Public Pound	30
General Ledger	30
Information and System Security	30
Management of Hardware and Software	30
Ordering, Receipting and Creditor Payments	30
Payroll and Employee Expenses	60
Performance Management and Monitoring	30
Procurement	30
Public Private Partnership	30
Stocks, Stores and Stock Checks	5
Telecommunications	30
Departmental Service Reviews	
Dundee Contract Services	30
Education	50
Finance Revenues	25
Housing	50
Leisure & Communities	25
Planning & Transportation	25
Social Work	50
Support Services	25
Miscellaneous Reviews	
Follow-up Reviews and Progress Reviews	45
Finalisation of 2008/09 Audit Assignments	125
Advice on Systems Control and Risk	50
Specific Investigations	30
External Bodies – Provision of Internal Audit Services	
Tay Road Bridge Joint Board	40
Tayside Valuation Joint Board	40
Total	1170