

**REPORT TO: AUDIT AND RISK MANAGEMENT SUB-COMMITTEE - 21 JANUARY 2008**

**REPORT ON: INTERNAL AUDIT ANNUAL PLAN 2008/09 AND UPDATE ON INTERNAL AUDIT ANNUAL PLAN 2007/08**

**REPORT BY: CHIEF INTERNAL AUDITOR**

**REPORT NO: 74-2008**

## **1.0 PURPOSE OF REPORT**

To submit to Members of the Audit and Risk Management Sub-Committee the Internal Audit Annual Plan for the 2008/09 financial year as detailed at Appendix A and provide an update on the Internal Audit Annual Plan 2007/08.

## **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 2008/09 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.** For the 2008/09 financial year, the estimated audit days available will be 1,265 days. These have been allocated across a range of audit activities and services in line with the Internal Audit Strategic Plan 2005-2009. The areas to be covered in the coming financial year are detailed in Appendix A. 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. In order to reflect the changing emphasis within the Internal Audit profession to a more risk based audit approach and reflect the changing priorities of the Council, stakeholder departments will be consulted about areas to be reviewed.
- 4.3.** 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.
- 4.4.** 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.
- 4.5.** 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.
- 4.6.** Report No. 72-2007 stated that any material amendments to the 2007/08 Internal Audit Annual Plan would be reported back to Members. It is anticipated at this juncture that for the 2007/08 financial year the 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: 14 January 2008

INTERNAL AUDIT ANNUAL PLAN 2008/09		
Corporate Reviews		Days
Accounting and Budgetary Control		30
Best Value		30
Cash Collection and Receipting		30
Debtors and Debt Management		30
Disaster Recovery and Business Continuity		30
External Funding and Specific Grants		45
Financial and Non-Financial Returns		30
Financial and Non-Financial Self Assessment		30
Home Loans		20
Insurance Services		30
Management of Hardware and Software		30
Payroll and Employee Expenses		60
Performance Management and Monitoring		30
Project Management and Change Control		30
Property Management		30
Security of Assets		30
Service Level Agreements		30
Stocks, Stores and Stock Checks		10
Departmental Reviews		
Dundee Contract Services	Repairs and Maintenance Services	25
Education	Devolved School Management	30
Education	Establish, Operational & Service Reviews	30
Finance	Housing Benefit & Council Tax Benefit	30
Finance	Non-Domestic Rates	30
Finance	Treasury Management	25
Housing	Establish, Operational & Service Reviews	30
Leisure & Communities	Establish, Operational & Service Reviews	50
Planning & Transportation	Public Transport	30
Social Work	Contracting and Payments	30
Social Work	Establish, Operational & Service Reviews	25
Support Services	Establish, Operational & Service Reviews	25
External Bodies		
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
Miscellaneous		
Finalisation of 2007/08 Audit Assignments		100
Advice on Systems Control and Risk		70
Follow-up Reviews and Progress Reviews		50
Specific Investigations		30
Total		1265