

REPORT TO: AUDIT AND RISK MANAGEMENT SUB-COMMITTEE 10 JUNE 2002 Item 5  
REPORT ON: INTERNAL AUDIT ANNUAL PLAN 2002/03  
REPORT BY: CHIEF INTERNAL AUDITOR  
REPORT NO: 523-2002



## INTERNAL AUDIT ANNUAL PLAN

2002/03

### OVERVIEW

The Internal Audit Plan covers the period 1 April 2002 to 31 March 2003. The number of days available in the 2002/03 financial year is projected to be 1,820, the breakdown which is as follows:

- 1,352 (74%) productive days for audit work to review systems and areas, which fall within the remit of the Internal Audit Service Provision.
- 143 (8%) productive days for non-audit work, which will be used, primarily for the training and development of staff based within the Internal Audit Section and the planning and management of the Council's Internal Audit Service Provision.
- 325 (18%) non-productive days, which includes provision for annual leave, public holidays and sickness for staff based within the Internal Audit Section.

Within the resources available, the plan attempts to provide a satisfactory level of internal audit coverage across the Council. As part of the planning and scoping of audit reviews cognisance will be taken, where appropriate, of the work of External Audit, other external review agencies e.g. the Benefit Fraud Inspectorate and of corporate initiatives and reviews within the Council e.g. Best Value Reviews. For departments where there is minimal coverage or where projects are not specifically identified in the plan, audit reviews may be undertaken from the corporate allocation. This allocation will be assigned to reviews, for council-wide financial systems e.g. payroll, debtors and creditors and council-wide support systems for e.g. disaster recovery plans for computerised systems.

Whilst the plan is based on the best information available at the time of drafting, it may be subject to amendment depending on issues, which arise during the financial year. Material amendments to the planned work will be reported to the Audit and Risk Management Sub-Committee for approval.

**ANALYSIS OF THE BUDGETED DAYS AVAILABLE  
FOR THE 2002/2003 FINANCIAL YEAR**

<b><u>Productive Days (Audit Work)</u></b>	<b>Days</b>		<b>%</b>
<b>Corporate Reviews</b>	468	468	26
<b>Departmental Reviews</b>			
Dundee Contract Services	25		
Education	22		
Environmental and Consumer Protection	39		
Finance	149		
Housing	30		
Information Technology	25		
Leisure and Arts	38		
Neighbourhood Resources and Development	27		
Planning and Transportation	60		
Social Work	29		
Support Services	55		
		499	27
<b>Outside Bodies</b>	10	10	1
<b>Miscellaneous</b>			
Finalisation of 2001/2002 Audit Assignments	240		
Systems Advice, Contingency and Follow-up Review	85		
Specific Investigations	50		
		375	20
<b><u>Productive Days (Non-Audit Work)</u></b>			
Audit Management/Planning/Administration	45		
Audit Sub-Committee	11		
Team Meetings/Staff Appraisal and Development /Single Status	41		
Staff Training/Courses/Seminars	46		
		143	8
<b><u>Non-Productive Days</u></b>			
Annual Leave and Public Holidays	264		
Sickness and Miscellaneous Leave	61		
		325	18
<b>TOTAL DAYS AVAILABLE</b>		1820	100

<b>CORPORATE REVIEWS</b>	<b>NO. OF DAYS</b>	<b>SCOPE</b>
Performance Management	5	Advice on the definitions and systems to collate the Accounts Commission Performance Indicators.
Budgetary Control	19	Review of the monitoring and control of the Council's Revenue Budget. The specific area to be subject to review will be determined at the time the audit is due to be undertaken.
Payroll and Employee Expenses	75	Review of the preparation and payment of salaries, wages and expenses to Council employees. The specific areas to be subject to review will be determined on the basis of the information available at the time the audits are due to be undertaken.
Ordering, Receipting and Creditor Payments	50	Review of the systems for ordering, receipting and creditor payments made by the Council. The work will cover both the Finance Department's centralised operation and a sample of Council Departments.
Debtors and Debt Management	65	Review of the systems for debtors and debt management, which will include receipting and recording of income due to the Council, perusal of outstanding and the write off of bad debts. The work will cover both the Finance Department's centralised operation and a sample of Council Departments.
Cash Collection and Banking Arrangements	19	Review of procedures for receipting, recording, reconciling and banking of monies due to the Council. The specific area to be subject to review will be determined on the basis of the information available at the time the audit is due to be undertaken.
Petty Cash and Imprests	19	Review of the procedures for recording and reconciling advances for petty cash. The specific area to be subject to review will be determined on the basis of the information available at the time the audit is due to be undertaken
Stores and Stock Checks	19	Systems review of the acquisition, management and accounting for stock within a specific area. In addition, the allocation will cover attendance at interim and/or year-end stock checks as agreed with the External Auditor.

<b>CORPORATE REVIEWS (CONT'D)</b>	<b>NO. OF DAYS</b>	<b>SCOPE</b>
Following the Public Pound	29	Systems review of the procedures for the assessment, payment and monitoring of grants to outside bodies, both organisations and individuals, to further the objectives of the Council. The audit work will be undertaken on a sample basis and the specific areas to be subject to review will be determined on the basis of the information available at the time the audit is due to be undertaken.
Self Assessment	45	Development of the use of control self assessment by Client departments to assist in identifying control issues, solutions and opportunities within each business process or function. The review will focus on specific functions/areas.
Disaster Recovery	28	Review to assess the adequacy of the Council's business continuity and contingency plans.
Information Technology and Systems Development	18	Review of the methodology used for in-house development of computerised systems.
Email	18	Review to assess the procedures for controlling, monitoring and managing the use of the Council's email system. The review will focus on a specific area, which will be determined at the time the audit is due to be undertaken.
Car Lease Scheme	20	Review of the systems and procedures for the provision of leased cars to employees.
Authorisation Levels	19	Review of the management and monitoring of authorisation levels. The review will focus on a specific area/system, which will be determined at the time the audit is due to be undertaken.
Sickness and Absence Management	20	Review of the monitoring, control and management of the Council's Policy and Procedures. The review will focus on a specific area, which will be determined at the time the audit is due to be undertaken.

<b>DEPARTMENTAL REVIEWS</b>	<b>NO. OF DAYS</b>	<b>SCOPE</b>
Dundee Contract Services	25	Parks and Open Spaces
Education	22	School Transport
Environmental and Consumer Protection	16 23	Animal And Pest Control Street Cleaning
Finance	25 25 29 20 30 20	Pension Fund Administration Pension Fund Investment Housing Benefits Council Tax Non-Domestic Rates Bank Charges
Housing	30	Rent Setting, Collection and Arrears
Information Technology	25	Recharges
Leisure and Arts	18 20	Caird Hall Cemeteries and Burial Grounds
Neighbourhood Resources and Development	27	Social Inclusion Projects
Planning and Transportation	30 30	Public Transport Road Maintenance
Social Work	29	Community Care
Support Services	25 30	Contract and Project Management Select Tender List

<b>OUTSIDE BODIES</b>	<b>NO. OF DAYS</b>	<b>SCOPE</b>
Tayside Contracts Joint Committee	10	Internal Audit Needs Assessment

<b>MISCELLANEOUS</b>	<b>NO. OF DAYS</b>	<b>SCOPE</b>
Finalisation of 2001/2002 Audit Assignments	240	To finalise audit assignments which commenced in the previous financial year.
Systems Advice, Contingency and Follow-up Reviews	85	General provision for areas of audit involvement, which arise during the year and for follow-up reviews of the implementation of the action plans for audit previously reported upon.
Specific Investigations	50	To undertake and/or co-ordinate specific investigations which may include involvement in disciplinary hearings and police investigations as appropriate.

SMD/MM  
7-Jun-02  
AUDIT/S-PLAN