

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Executive

Audit & Performance Review Committee : 11 March 2009

Subject: Internal Audit Progress Report to 31 December 2008

1. Purpose

- 1.1** To advise Members of the work undertaken by the Internal Audit Section against the Audit Plan 2008/09.

2. Background

- 2.1** In accordance with the Annual Audit Plan, Internal Audit report to Members on the work completed by the Section during the quarter. The progress report to 31 December 2008 is attached at Appendix A. Explanations of significant variances are contained within the notes below.

3. Main Issues

- 3.1** The section has suffered the loss of 298 operational days due to staff turnover. Although every effort was made to fill the two vacancies we were successful in appointing only one permanent member of staff who took up post in October. As a consequence, we have appointed a temporary auditor for six months to assist.
- 3.2** In the early part of the year no time was spent on Regularity/CRSA this has been addressed and a major CRSA exercise has begun in Education.
- 3.3** As reported to members in September 2008 there was some slippage in the plan against Performance Audit, now that the permanent vacancy in Risk Based Audit has been filled there has been some progress on Performance Audit in the second half of the year.
- 3.4** There is a variance of 48 days in Year End Procedures, as the actual time spent on this exercise was significantly less than anticipated. This additional time has assisted in keeping the Risk Based Audits on track in the first half of the year despite the vacancies in the section. The time allocation for year end procedures will be reduced in next year's plan as the processes have become more efficient in recent years and as a consequence take less time to complete.

- 3.5** There is a variance of 120 days in Leave, this is mainly due to a long term sickness absence. The Maximising Attendance Policy is being strictly adhered to but despite this, the absence figure will continue to rise in the next quarter. This absence is the reason only 32 days have been spent on Computer Audit against a planned 130 days. An arrangement is in place have some Computer Audit assignments undertaken by a firm of specialist auditors.
- 3.6** On 29 October 2008 the Corporate & Efficient Governance Committee approved recognition of The Institute of Internal Auditors as the equivalent of CCAB qualification in respect of Internal Audit posts. In addition, there was approval of additional funding to allow Audit Assistants to study for this qualification. It is hoped recognition of the IIA will assist with future recruitment and retention of staff.

4. Personnel Issues

- 4.1** There are no personnel issues.

5. Financial Implications

- 5.1** There are no financial issues.

6. Risk Analysis

- 6.1** There is a risk that significant deviation from the Internal Audit Plan would result in an inability to provide assurances over the Council's system of internal financial control to those charged with governance.

7. Conclusion

- 7.1** There are variances from the planned programme of work reported at this stage but this is not, as yet, having an adverse effect on the programme of risk based audits. There are significant staffing challenges, as outlined in Section 3, but every effort will be made throughout the year to prioritise the workload to ensure coverage of the most relevant audit areas.

8. Recommendations

- 8.1** Members are requested to note this report.

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Date: 18 February 2009

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Appendix:	Internal Audit Quarterly Report to 31 December 2008
Background Papers:	Audit & Performance Review Committee - 11 June 2008 - Audit Plan 2008/09
Wards Affected:	All wards