

# WEST DUNBARTONSHIRE COUNCIL

## Report by Chief Executive

Audit & Performance Review Committee : 13 May 2009

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**Subject: Internal Audit Plan 2009/10**

### **1. Purpose**

- 1.1 To advise the Committee of the planned programme of work for the Internal Audit Section for the year 2009/10.

### **2. Background**

- 2.1 The plan was compiled using largely the same methodology as 2008/09 i.e. a combination approach. The major Corporate systems have been risk assessed using the methodology recommended by CIPFA and from this exercise the 11 highest risk areas have been included in the plan. In addition, performance and computer audit risk areas have been included in the plan after individually consulting with members of the CMT and reviewing the Strategic Risk Register.

### **3. Main Issues**

- 3.1 It is clear that the perception of risk is moving away from traditional financial risk and towards operational risks; risks that affect the Council's ability to deliver its objectives. The Audit Section has been aware of this shift in emphasis for some time and has been making changes to accommodate this; such as the establishment of a dedicated Performance Audit Section and the appointment of a specialist Computer Auditor
- 3.2 As the Council becomes more risk mature i.e. risk management is fully embedded, the audit planning process will move away from the combined approach and will rely entirely on the Council's risk registers to identify areas for audit. In a risk mature organisation there should be a natural flow of issues from the Corporate Plan through Service Plans, Risk Registers to the Audit Plan.
- 3.3 As this trend develops the requirement for Performance Audit will increase and as such there is likely to be a development need within the Internal Audit Section.
- 3.4 Examination of the assignments listed on the schedules of Risk Based and Performance Audits may give the impression that Education and Cultural Services and Social Work are receiving insufficient audit coverage, it should be noted that in addition to Risk Based Audit & Performance Audit, there are some 140 days allocated to Regularity Audit which are almost exclusively spent in these Service areas.

**4. Personnel Issues**

4.1 There are no personnel issues.

**5. Financial Implications**

5.1 There are no financial implications.

**6. Risk Analysis**

6.1 The key areas of work performed by Internal Audit are carried out according to a risk based approach that determines the nature, extent and timing of the required audit assignments. Further information relating to risk is provided in Sections 2 and 3 of this report and in the Internal Audit Plan included as an Appendix to this report.

**7. Conclusion**

7.1 The Plan has been constructed taking cognisance of the risks associated with the major systems and in consultation with Senior Managers to ensure that risks associated with delivering objectives has been considered.

**8. Recommendations**

8.1 The Committee is requested to note this report.

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**David McMillan**  
**Chief Executive**  
**Date: 17 April 2009**

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**Appendix:** Internal Audit Plan 2009/10

**Background Papers:** None

**Wards Affected:** All wards