

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Executive

Audit and Performance Review Committee: 14 March 2007

Subject: Internal Audit Progress Report to 31 December 2006

1. Purpose

- 1.1** To advise Committee of the work undertaken by the Internal Audit Section against the Audit Plan 2006/07.

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 2006 is attached at Appendix A. Explanations for all significant variances are contained within the notes below.

3. Main Issues

- 3.1** During the early part of 2006/2007 some 105 days were lost to staff turnover. This included both the Section Head (Operational Audit) and a qualified Internal Auditor. These vacancies obviously had an impact on service delivery; most notably within Risk Based Audit. It is hoped that any slippage can be caught up by the end of year and to this end we have entered into a partnership agreement with a private firm on a pilot basis.
- 3.2** The amount of time spent on Irregularity work has been higher than planned this year. This was largely due to a major investigation which has resulted, to date, in the recovery of a significant amount of Council property together with a cash repayment. This investigation is ongoing and has been reported to the police where it is hoped that further sums will be recovered through the courts.
- 3.3** Contingency time increased significantly in quarter 3, this was mainly was due to the involvement of Internal Audit staff in the payment to pensioners to assist the Clydebank Old People's Welfare Committee. It is hoped that an alternative arrangement can be found in future years.
- 3.4** The Performance Audit time in the plan is based on 1.8 staff undertaking this work. The actual time spent on Performance Audit up to December is less than planned as, for the most part, the Performance Auditor has been working alone in developing this area of work. The resources required for Performance Audit will be reviewed in the Audit Plan 2007/2008.

3.5 Actual time when compared to Planned time is over by 65 days, this is made up of time spent in Internal Audit by a trainee accountant who was assigned to the section but whose time was not included in the Audit Plan.

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 There is a risk that 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 Although slippage has occurred in the Audit Plan 2006/2007, corrective action has been taken and it is hoped that the plan will be back on track by the end of the financial year.

8. Recommendations

8.1 The Committee is invited to note this report.

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David McMillan
Chief Executive
Date: 1 March 2007

Person to Contact: Lorraine Coyne, Manager of Audit,
Council Offices, Garshake Road, Dumbarton, G82 3PU
Telephone (01389) 737428

Appendix: Quarterly Progress Report: 31 December 2006

Background Papers: Audit and Performance Review Committee
20 December 2006

Wards Affected: All wards