

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Executive

Audit & Performance Review Committee – 20 September 2006

Subject : Internal Audit Annual Report to 31 March 2006

1. Purpose

- 1.1** The purpose of this report is to advise Members of the contents of the Assurance Statement given to the Head of Finance in support of the Statement of Internal Financial Control. This report aims to outline how audit assurances are gained. The Assurance Statement is attached at Appendix A.

2. Background

- 2.1** The annual report on progress against the Audit Plan was reported at the Audit & Performance Review Committee on 21 June 2006. This report stated that there had been slippage against the Audit Plan in a number of key areas including Risk Based Audit and Computer Audit.

3. Main Issues

- 3.1** The work of Internal Audit, External Audit and any external inspection agencies who reported on the Council's work has been reviewed. Assurances were sought from Directors on the implementation of action plans and recommendations and for the first time Directors have been asked to provide assurance statements to the Manager of Audit including their opinion of the control environment operating within their own service areas.
- 3.2** Although there was slippage from the plan in the course of the year, steps were taken to rectify the situation and a temporary auditor was engaged to undertake a number of Systems Audits. In the period up to 30 June many of the delayed assignments were completed at least to the end of the fieldwork stage and at that point no major control issues were identified.
- 3.3** The Manager of Audit is pleased to report good progress across the Council on audit recommendations. However there are two areas highlighted in the assurance statement.
- i) There needs to be continuing progress on the documentation of control objectives for all main systems as recommended by Audit Scotland, and
 - ii) the risk management process requires to build on the good work already done to embed fully the processes into the culture of the Council. The progress made by the newly established Risk Management team is encouraging.

4. Personnel Issues

4.1 None.

5. Financial Implications

5.1 None.

6. Recommendations

6.1 Members are requested to note this report

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