

WEST DUNBARTONSHIRE COUNCIL

Report by Executive Director of Corporate Services

Audit and Performance Review Committee: 22 May 2013

Subject: Internal Audit Annual Report to 31 March 2013

1. Purpose

- 1.1** The purpose of this report is to advise Members of the work undertaken by Internal Audit in respect of the Annual Audit Plan 2012/13 and to advise Members of the contents of the Assurance Statement given to the Section 95 Officer (the Head of Finance and Resources) in support of the Statement of Internal Financial Control / Governance Statement. This report aims to outline how audit assurances are gained. The report of progress against the Plan is attached at Appendix A and the Assurance Statement is at Appendix B.

2. Recommendations

- 2.1** It is recommended that Members note the contents of this report.

3. Background

- 3.1** Quarterly progress reports were provided to the Audit and Performance Review Committee during the course of 2012/13. These reports had highlighted some slippage against the Audit Plan, mainly CRSA / Regularity. However there was only minor slippage in Risk Based Audit despite major investigations being undertaken and all assignments necessary to form an opinion on the system of internal control were undertaken.

4. Main Issues

- 4.1** 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 Executive Directors on the implementation of action plans and recommendations and Executive Directors have been asked to provide assurance statements to the Audit and Risk Manager, including their opinion of the control environment operating within their own service areas.
- 4.2** The Audit and Risk Manager is pleased to report good progress across the Council on audit recommendations and is of the opinion that reasonable assurance can be placed upon the adequacy and

effectiveness of West Dunbartonshire Council's internal control system in the year to 31 March 2013.

- 4.3 Turnover and secondment resulted in a loss of 172 operational days. During the year there was a vacancy for a 0.5 Computer Internal Auditor post which was not filled.
- 4.4 By the year end 85% of the Systems Audit Plan had been completed (Appendix C).
- 4.5 There was a reduction on the time required for irregularities and whistleblowing.
- 4.6 A restricted amount of Computer Audit was done in house – it is intended to spend more time on this area of work during 2013/14.
- 4.7 The adverse variance in Contract / Procurement was previously reported to the Committee on the 28th November 2012 and related to work carried out in 2012/13 to complete the 2011/12 Audit plan.

5. People Implications

- 5.1 There are no people implications.

6. Financial Implications

- 6.1 There are no financial implications.

7. Risk Analysis

- 7.1 There is a risk that failure to deliver 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.

8. Equalities Impact Assessment (EIA)

- 8.1 There are no issues.

9. Consultation

- 9.1 This report has been subject to a check by Legal, Democratic & Regulatory Services.

10. Strategic Assessment

- 10.1 This report relates to Assuring Our Success through strong financial governance and sustainable budget management.

.....
Angela Wilson
Executive Director of Corporate Services
Date: 29 April 2013

Person to Contact: Colin McDougall, Audit and Risk Manager
Telephone (01389) 737436
E-mail: colin.mcdougall@west-dunbarton.gov.uk

Appendix A: Internal Audit Progress Report: 31 March 2013

Appendix B: Assurance Statement to 31 March 2013 from the Audit and Risk Manager

Appendix C: Percentage of 2012/13 Audit Plan complete at 31st March 2013

Background Papers: None

Wards Affected: All wards