

THE HIGHLAND COUNCIL

Audit and Scrutiny Committee

Date: 11th June 2009

Internal Audit Progress Report

Period: 9th April 2009 to 29th May 2009

Report by Head of Internal Audit and Risk Management

Agenda Item	2
Report No	AS/08/09

Summary

This report provides details of work in progress and other information relevant to the operation of the Internal Audit Section.

1. Final Reports

- 1.1 Unfortunately, there have been no final reports issued in this period. This is due to the current vacancies within the Section and staff time committed elsewhere, see Section 2.2 for further details.

2. Work in Progress

- 2.1 Planned work that is in currently in progress and which will be the subject of a future report to this Committee is shown below:

SERVICE	SUBJECT
Chief Executive's	IT Networks *
Chief Executive's	Service Points – Income Systems *
Chief Executive's	Compliance with RIPSA *
Chief Executive's	Corporate Governance *
Chief Executive's	Energy Management (Follow Up)
Corporate	Inventory *
Corporate	Use of Consultants *
Corporate	Grant Income – (Follow Up) *
Education, Culture & Sport	Sports Facilities – Income Systems *
Finance	Debtors *
Finance	General Ledger *
Finance	ECDM *
Finance	Revenue Budgetary Control *
Finance	Payroll – New Starts *
Finance	Procurement – Use of Pecos and Purchase Cards *
Social Work	CareFirst system *
Social Work	Catering (value for money) *
Social Work	Resource Transfer *
Social Work	Visual Impairment Services Highland *
TEC Services	VFM Review of Grounds Maintenance Arrangements

Note: * : brought forward from 2008/09 tactical plan

2.2 During the period covered by this report the Section has also been involved in a variety of other work which is summarised below:

(i) Caithness Heat and Power (CHaP)

At this time, the Head of Internal Audit and Risk Management is working predominately on a review of the CHaP governance arrangements, as previously referred to at the Highland Council meeting on 12th February.

(ii) Irregularity/ Fraud Investigations

The four irregularity/ fraud investigations carried over from last year are now being concluded. Once the relevant Police investigations and/ or internal disciplinary hearings have been completed, the appropriate system weaknesses reports will be provided to Committee.

In addition, a new request to investigate possible financial mismanagement and/ or misappropriation of funds and equipment has been received, and a new investigation is being undertaken.

(iii) Computer Audit

In addition to planned Internal Audit work for the Highland Council, the Computer Audit Team have been significantly involved in providing advice to the ICT Re-procurement Project Board and acting as a member of the Quality Team.

(iv) Other

The Internal Audit Section also provides a service to the three Joint Boards and time has been spent completing audits for the Assessors, Highland and Islands Fire Service and Northern Constabulary. In addition, the following work has been undertaken:

- Eden Court Theatre – a review of the systems of internal control.
- Advice to the Planning and Development Service on the financial systems required to support the administration of the Leader Programme. This will be subject to a detailed audit later on in the year.
- Schools Financial Management Project – the Principal Auditor is part of the project team which now meets on a monthly basis. The purpose of the project is to review and improve the procedures for the management of School's finances, following financial irregularities in a Primary School. The results from the project will be reported back to Committee in due course.

3. Staffing Issues

3.1 Applications have been received for the three vacant Auditor posts and interviews will take place in the week commencing 15th June.

Recommendation

Members are invited to consider the Internal Audit progress report and note the action being taken to recruit suitable Auditors.

Signature:

Designation: Head of Internal Audit and Risk Management

Date: 27th May 2009

Ref:

Background Papers

Author: Donna Sutherland, Principal Auditor

Author's Telephone No.: 702304