

APPENDIX 1

Commentary

Due to publication requirements this report is compiled in early June and the Audit Manager will update members verbally on further progress as at the date of the meeting.

The service is now operating at the reduced establishment level approved as part of the Major Service Review process. The Audit Plan for the year has been drawn up taking into account this reduced level of resources.

5 of the 26 items on the original plan are currently in progress. This is approximately 19% and compares with 14% for the same period in 2013/14.

Action Points Outstanding

Reconciliations

Previous updates reported that reconciliations of the Council Tax and NNDR systems to the General Ledger were inadequate. It was recommended that robust reconciliation procedures should be put in place and the Borough Treasurer has continued to pursue this action point. A solution has now been implemented and will be reviewed as part of 2014/15 audits of revenues and benefits.

Benefits processing

An increase in the volume of errors in benefit processing was brought to the attention of this Committee in previous internal audit updates. BTLS's Director of Revenues and Benefits attended the last meeting to report on proposals to improve performance in this area. This year's internal audit work on benefits which will assess progress in this area has now commenced.

Delays to work on Revenues and Benefits

It has previously been reported here that there had been significant difficulties in obtaining adequate responses to enquiries in key areas of internal audit work in revenues and benefits. I can now report that the generally co-operative and open approach currently adopted by the contractor has improved the quality and speed of responses dramatically and if sustained will enhance the level of assurance which can be given to this Committee in relation to revenues and benefits in future.

Future reports

From the commencement of this financial year there will be changes to the format of these quarterly reports to this Committee. In addition to the regular review of progress against the plan the results of the work completed will be regularly reported on. These summaries will outline the work carried out, key issues arising from it (together with management's responses where appropriate) and an assessment of the level of assurance provided. This will record the assurance provided to this committee through the year and building towards an Annual Report which will then take a more summary form.

Other matters arising

There are no other matters arising from internal audit work in the year to date requiring comment at this time.

Internal Audit First Quarter Activity Update

Title	Position
Benefits	Work in progress
Contract Audit	Work in progress
Performance Monitoring System	Work in progress
Community Safety (CCTV)	Work in progress
National Fraud Initiative	Work in progress

Summary	
Work complete	0
Work in progress	5
Work not yet commenced	21
Total	26

Conclusion

Given the reduction in internal audit's establishment this year the Internal Audit Manager will monitor progress closely and report the position to this Committee in the remainder of this year's updates. Progress against the 2014/15 plan to date has been maintained at satisfactory levels and it is anticipated that internal audit coverage will be maintained at levels which will enable an adequate assessment of the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.