

**AUDIT SERVICES MONITORING REPORT: FIRST QUARTER 2006/07**

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**1.0 AUDIT WORK IN THE FIRST QUARTER 2006/07**

**1.1 Final reports issued**

- Budget Process 2005/06
- National Non Domestic Rates (NNDR) 2005/06
- Corporate Governance 2005/06
- Best Value Management System & Performance Indicators 2006/07

**1.2 Issues arising**

The key recommendations are given in Appendix A.

The main issues related to:

**NNDR**

- improving the audit trail in the new software system by making more use of the Notes screen facility
- ensuring management spot checks are carried out, given that reliance is placed mainly on one officer to maintain the accounts on this particular system.

**Best Value Management System & Performance Indicators**

- Again we found that departments need to give greater priority to the collection of Performance Indicators if statutory deadlines are to be met. Performance Indicators were not submitted in time for full quality checks to be undertaken.

**1.3 Follow-up audits**

- Beacon / TIC 2005/06
- Beacon Museum Collection 2004/05
- Members Allowances 2004/05
- Public Conveniences (repairs) – for OSC PR
- Creditors Value for Money 2005/06
- Loans & Investments 2005/06
- Markets 2005/06

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A running progress report is kept of all Priority 1 and 2 recommendations outstanding, since the first formal follow-ups were carried out in January 1997. Details of these are given at Appendix B.

**1.4 Issues arising from outstanding recommendations**

- The implementation of recommendations is still being slowed down by competing priorities and the failure to recruit some posts. However, progress on implementation of some long-standing recommendations has been made.

**2.0 EXTERNAL AUDIT**

2.1 There have been no external audit reports issued in the first quarter.

**3.0 INTERNAL AUDIT PERFORMANCE AGAINST AUDIT PLAN 2005/06**

3.1 We achieved 82% of planned audit work as at 30 June 2006, compared to the target of 90%. A summary of the audit performance measures for the first quarter is attached at Appendix C. Some delays were caused by the availability of the relevant officers in the department being audited e.g. because of the need to meet an earlier deadline this year for the closure of the Final Accounts.

**4.0 STAFFING ISSUES**

4.1 The part time Audit Technical Officer resigned, with effect from mid-May. We have recruited a replacement but this will impact on performance, as time will be needed to train the new recruit.

**5.0 OTHER AUDIT WORK**

5.1 The audit section also undertook work in the first quarter on:-

- Liquour Licensing
- Travel & Subsistence payments
- NNDR Grant Claim
- Capital Accounting
- IT Network controls
- Bereavement Services

Final reports for these audits will be issued in the second quarter.

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**6.0 CONCLUSION AND RECOMMENDATION**

- 6.1 Audit work is progressing in line with the plan but there is some slippage. This is due to a combination of factors: having to recruit another part time Audit Technical Officer, delays in being able to start some audits and in finalising audit reports because of the availability of the officers concerned.
- 6.2 It is recommended that Members note this report.

**List of Appendices:**      [Appendix A – Key Findings Quarter 1 2006/07](#)  
                                  [Appendix B – Outstanding Key Recommendations](#)  
                                  [Appendix C – Performance Indicators for 1<sup>st</sup> Quarter](#)

**Background papers:**      Audit Plan file 2006/07: Audit systems files

**Officers Consulted:**      Corporate Team

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