

**PROGRESS REPORT on EXTERNAL AUDIT REPORTS TO COUNCIL FROM
1999/00 TO PRESENT**

1. SUMMARY

A progress review regarding the implementation of recommendations raised in both the PricewaterhouseCoopers (PwC) finalised Interim Management Letter 2000/2001 and Second Interim Management Letter 2000/2001 has been performed by Internal Audit and two exception reports produced. (See Appendix 1).

2. RECOMMENDATIONS

2.1 The contents of this report are to be noted and followed up by Internal Audit.

3. DETAILS

3.1 Appendix 1 details the reports that have been received by the Council from PwC since the Final Report to Members 1999/2000. The list uses the following headings, report name, whether management comments have been collected or not.

3.2 In the previous report to committee in November 2001 it was reported that there were 10 remaining action points still to be implemented from the original 22 detailed in the Interim Management Letter 2000/2001. A review by Internal Audit as at the 30th April 2002 indicates that 4 action points remain ongoing.

3.3 In November 2001 it was also reported to the committee Second Interim Management Letter 2000/2001 of July 2001 that only 14 action points remained to be implemented from the original 41 action points identified by PwC. Sound progress was reported of the Information Technology Department in the implementation of external audit recommendations. The position as of the 30th April 2002 is that 9 points remain ongoing.

3.4 It was reported to committee in November 2001 that no audit follow-up had been performed on the Draft Audit Management Letter 2000/2001, this position has altered. As of the 30th April 2002, Internal Audit established that 9 of 15 recommendations have been implemented and 6 remain ongoing.

3.5 With regard to the above management letters, Internal Audit has accepted management assurances that implementation has taken place. No testing has been carried out to confirm their assurances. No testing has yet been performed on the Systems Audit Management Letter 2000 – 2001 for the Housing & Council Tax Benefit System as it is in the last stage of being finalised and returned to PwC.

4. CONCLUSIONS

Implementation of recommendations will continue to be monitored by Internal Audit as part of next year's plan. Those action points still to be implemented will be circulated to the appropriate Director for follow-up action.

5. IMPLICATIONS

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| 5.1 | Policy: | None |
| 5.2 | Financial: | None |
| 5.3 | Personnel: | None |
| 5.4 | Legal: | None |
| 5.5 | Equal Opportunities: | None |

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