

**North East Derbyshire District Council**

**Audit and Corporate Governance Scrutiny Committee**

**18 April 2019**

<p><b><u>Internal Audit Consortium Summary of Progress on the Annual Internal Audit Plan</u></b> <b><u>2018/2019</u></b></p>
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**Report of the Internal Audit Consortium Manager**

This report is public

**Purpose of the Report**

- To present, for members' information, progress made by the Audit Consortium in respect of the 2018/19 Internal Audit Plan. The report includes a summary of Internal Audit Reports issued since the last meeting of the committee.

**1 Report Details**

- 1.1 The 2018/19 Consortium Audit Plan for North East Derbyshire was agreed at the Audit and Corporate Governance Scrutiny Committee on the 12th April 2018. The Consortium Legal Agreement in paragraph 9.3 requires that the Head of the Internal Audit Consortium (HIAC) or his or her nominee will report to the Audit Committee of each Council on progress made in relation to their annual Audit Plan.
- 1.2 Attached, as Appendix 1, is a summary of reports issued between the 19th January 2019 and the 5th April 2019. 6 reports have been issued, 4 with substantial assurance and 2 with reasonable assurance.
- 1.3 Reports are issued as Drafts with five working days being allowed for the submission of any factual changes, after which time the report is designated as a Final Report. Fifteen working days are allowed for the return of the Implementation Plan.
- 1.4 The Appendix shows for each report a summary of the level of assurance that can be given in respect of the audit area examined and the number of recommendations made / agreed where a full response has been received.
- 1.5 The assurance provided column in Appendix 1 gives an overall assessment of the assurance that can be given in terms of the controls in place and the system's ability to meet its objectives and manage risk in accordance with the following classifications:

<b>Assurance Level</b>	<b>Definition</b>
<b>Substantial Assurance</b>	There is a sound system of controls in place, designed to achieve the system objectives. Controls are being consistently applied and risks well managed.
<b>Reasonable Assurance</b>	The majority of controls are in place and operating effectively, although some control improvements are required. The system should achieve its objectives. Risks are generally well managed.
<b>Limited Assurance</b>	Certain important controls are either not in place or not operating effectively. There is a risk that the system may not achieve its objectives. Some key risks were not well managed.
<b>Inadequate Assurance</b>	There are fundamental control weaknesses, leaving the system/service open to material errors or abuse and exposes the Council to significant risk. There is little assurance of achieving the desired objectives.

1.6 In respect of the audits being reported, it is confirmed that there were no issues arising relating to fraud that need to be brought to the Committee's attention.

1.7 Audits currently in progress:-

- Planning fees
- Flytipping
- Insurance
- Disaster Recovery
- Section 106 Agreements
- Northwood Building Company

## **2 Conclusions and Reasons for Recommendation**

2.1 To inform Members of progress on the Internal Audit Plan for 2018/19 and the Audit Reports issued.

2.2 To comply with the requirements of the Public Sector Internal Audit Standards.

## **3 Consultation and Equality Impact**

3.1 None.

## **4 Alternative Options and Reasons for Rejection**

4.1 None.

## **5      Implications**

### **5.1      Finance and Risk Implications**

- 5.1.1 The regular reporting of the progress made by the Internal Audit Consortium enables Members to monitor progress against the approved internal audit plan.

### **5.2      Legal Implications including Data Protection**

- 5.2.1 None.

### **5.3      Human Resources Implications**

- 5.3.1 None.

## **6      Recommendation**

- 6.1 That the report be noted.

## **7      Decision Information**

<b>Is the decision a Key Decision?</b> A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC:</i> <i>Revenue - £75,000</i> <input type="checkbox"/> <i>Capital - £150,000</i> <input type="checkbox"/> <i>NEDDC:</i> <i>Revenue - £100,000</i> <input type="checkbox"/> <i>Capital - £250,000</i> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
<b>Is the decision subject to Call-In?</b> (Only Key Decisions are subject to Call-In)	No
<b>Has the relevant Portfolio Holder been informed</b>	N/A
<b>District Wards Affected</b>	All
<b>Links to Corporate Plan priorities or Policy Framework</b>	All

## 8 Document Information

Appendix No	Title
1	Summary of Internal Audit reports issued in respect of the 2018/19 Internal Audit Plan 19th January 2019 to the 5th April 2019
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Report Author	Contact Number
Jenny Williams Internal Audit Consortium Manager	01246 217547

AGIN 5(a) - Summary of Progress

# **NORTH EAST DERBYSHIRE DISTRICT COUNCIL**

**Appendix 1**

## **Internal Audit Consortium - Report to Audit and Corporate Governance Scrutiny Committee**

### **Summary of Internal Audit Reports Issued 19th January 2019 – 5<sup>th</sup> April 2019**

Report Ref No.	Report Title	Scope and Objectives	Assurance Provided	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
N020	Expenses and Allowances	To ensure that claims are appropriately authorised, checked and paid promptly and accurately	Reasonable	23/01/19	13/2/19	7 (5M 2L)	7
N021	Creditors	To ensure that invoices are paid promptly and accurately and that they are supported by an official order	Substantial	8/2/19	1/3/19	4 (1M 3L)	4
N022	Commercial Waste	To ensure that invoices are raised promptly and accurately and that debt collection procedures are in place and that the service is promoted.	Substantial	19/2/19	12/3/19	3L	3
N023	Housing Benefits	To ensure that housing benefit payments are made promptly and accurately	Substantial	25/02/19	18/03/19	4 (1M 3L)	4

Report Ref No.	Report Title	Scope and Objectives	Assurance Provided	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
N024	Premises and Personal Licences	To ensure that licences are issued promptly and accurately and that all the necessary checks are undertaken	Reasonable	19/3/19	9/4/19	7L	Note 1
N025	Sundry Debtors	To ensure that invoices are raised promptly and accurately and that there are debt collection procedures in place	Substantial	1/4/19	23/1/19	2 (1M 1L)	Note 1

Note 1 – response not due at time of writing report