

**North East Derbyshire District Council**

**Audit and Corporate Governance Scrutiny Committee**

**18 May 2017**

**Internal Audit Consortium – Summary of Progress on the Annual Internal Audit Plan  
2016/17**

This report is public

**Purpose of the Report**

- To present, for members' information, progress made by the Audit Consortium, during the period 7th January 2017 – 28th April 2017, in relation to the completion of the 2016/17 Audit Plan. The report includes a summary of Internal Audit Reports issued during the period and Work in Progress.

**1 Report Details**

- 1.1 The 2016/17 Consortium Audit Plan for North East Derbyshire was agreed at the Audit Committee on the 21st April 2016. 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 covering the period 7th January 2017 – 28th April 2017, for audits included in the 2016/17 Consortium Internal Audit Plan.
- 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 Overall Audit Opinion of the audit and the number of recommendations made / agreed where a full response has been received. Appendix 1 also shows the number of recommendations analysed between High, Medium and Low priority.
- 1.5 As previously requested Members have been provided with copies of the health and safety and transport reports that received a "marginal" conclusion.
- 1.6 The overall opinion column of Appendix 1 gives an overall assessment of the reliability of the internal controls examined in accordance with the classifications shown in the following table:

<i>Control Level</i>	<b>Definition</b>
<b>Good</b>	A few minor recommendations (if any).
<b>Satisfactory</b>	Minimal risk; a few areas identified where changes would be beneficial.
<b>Marginal</b>	A number of areas have been identified for improvement.
<b>Unsatisfactory</b>	Unacceptable risks identified, changes should be made.
<b>Unsound</b>	Major risks identified; fundamental improvements are required.

1.7 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.

1.8 The following audits are in progress:

- Sickness Absence Management
- Business Continuity

1.9 It should be noted that the 2017/18 plan will not initially progress as fast as usual due to the retirement of the Senior Auditor on the 23<sup>rd</sup> April 2017. However, an appointment has been made and a new Senior Auditor is due to start on the 8<sup>th</sup> June 2017. The new appointee has a vast amount of experience and is fully qualified.

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

2.1 To inform Members of progress on the Internal Audit Plan for 2016/17 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 one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No
<b>District Wards Affected</b>	N/A
<b>Links to Corporate Plan priorities or Policy Framework</b>	The report is linked to NEDDC's aims and objectives to provide customers with an excellent service

## **8 Document Information**

Appendix No	Title
1	Summary of Internal Audit reports issued 7th January 2017 – 28th April 2017
<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)	
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# **NORTH EAST DERBYSHIRE DISTRICT COUNCIL**

**Appendix 1**

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

### **Summary of Internal Audit Reports Issued – 7th January 2017 to 28<sup>th</sup> April 2017**

Report Ref No.	Report Title	Scope and Objectives	Overall Opinion	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
N017	Creditor Payments	To ensure that order are raised for all services and that invoices are paid promptly and accurately	Good	9/02/2017	2/03/2017	0	0
N018	Budgetary Control	To ensure that there are strong controls in place for the monitoring and setting of budgets	Good	9/03/2017	30/03/2017	1L	1
N019	Risk Management	To ensure that risk management is embedded and that the strategic and operational risk registers are regularly reviewed and updated	Satisfactory	14/03/2017	4/04/2017	3 (1H 1M 1L)	3

Report Ref No.	Report Title	Scope and Objectives	Overall Opinion	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
N020	Main Accounting	To ensure that the procedures in place are operating	Good	16/03/2017	6/04/2017	0	0
N021	Safeguarding	To ensure that the appropriate policies are in place and that staff have been trained and are aware of safeguarding issues	Satisfactory	29/03/2017	19/04/2017	4M	4
N022	Homelessness	To ensure that there is a strategy in place and that homelessness cases are dealt with appropriately	Good	13/04/2017	5/05/2017	0	0
N023	Section 106	To ensure that there is an adequate system for recording, monitoring and reporting all section 106 agreements	Satisfactory	13/04/2017	5/05/2017	3 (2M 1L)	3
N024	Payroll	To ensure that there are procedures in place which are operating to ensure that payments are made promptly and accurately	Good	25/04/2017	16/05/2017	0	0

Report Ref No.	Report Title	Scope and Objectives	Overall Opinion	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
N025	Health and Safety	To ensure that policies are up to date and that the corporate health and safety unit is in compliance with legislation	Marginal	26/04/2017	18/05/2017	2H	Note 1
N026	Transport	To examine procedures in respect of vehicles, checks on drivers licences, plant and fuel issues	Marginal	26/04/2017	18/05/2017	10 (6H 2M 2L)	Note 1
N027	BACS	To ensure that the BACS system is secure	Good	2/05/2017	23/05/2017	1L	Note 1

Notes: For recommendations, H = High priority, M = Medium priority and L = Low priority

Note 1 Response not due at time of writing report