

North East Derbyshire District Council

Audit and Corporate Governance Scrutiny Committee

25 January 2018

**Internal Audit Consortium Summary of Progress on the Annual Internal Audit Plan
2017/2018**

This report is public

Purpose of the Report

- To present, for members' information, progress made by the Audit Consortium in respect of the 2017/18 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 2017/18 Consortium Audit Plan for North East Derbyshire was agreed at the Audit and Corporate Governance Scrutiny Committee on the 6th April 2017. 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 beginning of November 2017 and the beginning of January 2018.
- 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:

Assurance Level	Definition
Substantial Assurance	There is a sound system of controls in place, designed to achieve the system objectives. Controls are being consistently applied and risks well managed.
Reasonable Assurance	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.
Limited Assurance	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.
Inadequate Assurance	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.

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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 The following audits are in progress:

- Taxi Licensing
- Main Accounting
- Grounds Maintenance
- Safeguarding

2 Conclusions and Reasons for Recommendation

2.1 To inform Members of progress on the Internal Audit Plan for 2017/18 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**

Is the decision a Key Decision? 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: Revenue - £75,000 <input type="checkbox"/></i> <i>Capital - £150,000 <input type="checkbox"/></i> <i>NEDDC: Revenue - £100,000 <input type="checkbox"/></i> <i>Capital - £250,000 <input type="checkbox"/></i> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
District Wards Affected	All
Links to Corporate Plan priorities or Policy Framework	All

8 Document Information

Appendix No	Title
1	Summary of Internal Audit reports issued in respect of the 2017/18 Internal Audit Plan beginning of November 2017 to the beginning of January 2018
Background Papers (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
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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 beginning of November 2017 – beginning of January 2018

Report Ref No.	Report Title	Scope and Objectives	Assurance Provided	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
N014	Payroll	To ensure that the payroll and all associated returns are processed promptly and accurately	Substantial	30/10/2017	20/11/2017	1M	1
N015	Procurement	To verify that financial regulations are being adhered to and that good procurement practice is in operation	Reasonable	19/10/2017	17/11/2017	4 (3M 1L)	4
N016	Food Safety Enforcement	To ensure that Legislation is complied with and that food premises are visited and assessed in line with guidance	Reasonable	15/11/2017	6/12/2017	7 (4M 3L)	7

Report Ref No.	Report Title	Scope and Objectives	Assurance Provided	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
N017	Creditors	To ensure that official orders are raised and that invoices are paid in a timely and accurate manner	Substantial	17/11/2017	8/12/2017	2M	2
N018	Transport Follow Up – Phase 1	To follow up a number of the recommendations that were made at the previous audit.	Not Applicable – phase 2 of follow up to take place April/May 2018	6/12/2017	4/01/2018	3 (2M 1L)	3
N019	Treasury Management	To ensure that all lending and borrowing is in line with an approved strategy and that limits are adhered to	Substantial	9/01/18	26/01/18	1L	1