

North East Derbyshire District Council

Audit and Corporate Governance Scrutiny Committee

25 June 2015

**INTERNAL AUDIT CONSORTIUM - SUMMARY OF PROGRESS ON THE ANNUAL
INTERNAL AUDIT PLANS 2014/15 and 2015/16**

Purpose of the Report

- To present, for members' information, progress made by the Audit Consortium, during the period 28th March 2015 – 5th June 2015, in relation to the 2014/15 and 2015/16 Annual Audit Plans. The report includes a summary of Internal Audit Reports issued during the period and Work in Progress.

1 Report Details

- 1.1 The 2014/15 Consortium Audit Plan for North East Derbyshire was agreed at the Audit Committee on the 3rd April 2014. 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 28th March 2015 – 5th June 2015, for audits included in the 2014/15 and 2015/16 Consortium Internal Audit Plans.
- 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 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>	Definition
Good	A few minor recommendations (if any).
Satisfactory	Minimal risk; a few areas identified where changes would be beneficial.
Marginal	A number of areas have been identified for improvement.
Unsatisfactory	Unacceptable risks identified, changes should be made.
Unsound	Major risks identified; fundamental improvements are required.

- 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 All agreed work in relation to the 2014/15 Internal Audit Plan has now been completed with the exception of the Section 106 audit which has been included in the 2015/16 audit plan.
- 1.8 Work has commenced on audits included in the 2015/16 internal audit plan, the following audits currently being in progress:
- Sharley Park Leisure Centre
 - Planning Fees
 - Dronfield Leisure Centre
 - Direct Debit Scheme
 - Non Domestic Rates
- 1.9 It should be noted that the Internal Audit Consortium has been operating with less resource for the first 3 months of the financial year due to one member of staff leaving and another member of staff being seconded to Accountancy. Progress against the internal audit plan will be closely monitored so that appropriate action can be taken if necessary.

2 Conclusions and Reasons for Recommendation

- 2.1 To inform Members of progress on the Internal Audit Plans for 2014/15 and 2015/16 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 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
District Wards Affected	N/A
Links to Corporate Plan priorities or Policy Framework	The report is linked to NEDDC's corporate plan objective to be a high performing council

8 Document Information

Appendix No	Title
1	Summary of Internal Audit reports issued 28 March 2015 – 5 th June 2015
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 – 28th March 2015 to 5th June 2015

Report Ref No.	Report Title	Scope and Objectives	Overall Opinion	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
N018	Creditors	To ensure that controls in respect of orders and payments are operating	Good	2/06/2015	23/06/2015	1L	Note 1
N019	Budgetary Control	To ensure that budgets are closely monitored and reported on	Good	2/06/2015	23/06/2015	0	Note 1
N020	Debtors	To ensure that invoices are raised promptly and that collection procedures are operating	Satisfactory	2/06/2015	23/06/2015	5m 2L	Note 1
N021	Main Accounting	To review the controls and procedures in place	Good	2/06/2015	23/06/2015	1L	Note 1

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

Note 1 Response not due at time of Report Preparation