

North East Derbyshire District Council

Audit and Corporate Governance Scrutiny Committee

24 September 2015

<p><u>Internal Audit Consortium - Summary of Progress on the Annual Internal Audit Plan</u> <u>2015/16</u></p>
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Purpose of the Report

- To present, for members' information, progress made by the Audit Consortium, during the period 6th June 2015 – 11th September 2015, in relation to the 2015/16 Annual 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 2015/16 Consortium Audit Plan for North East Derbyshire was agreed at the Audit Committee on the 16th April 2015. 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 6th June 2015 – 11th September 2015, for audits included in the 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 This period two marginal reports have been issued and copies of these will be provided to Members.
- 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>	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.

1.7 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:

- Housing Benefits
- Commercial Waste
- Cash and Bank

2 Conclusions and Reasons for Recommendation

2.1 To inform Members of progress on the Internal Audit Plan for 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 aims and objectives to provide customers with an excellent service

8 Document Information

Appendix No	Title
1	Summary of Internal Audit reports issued 6th June 2015 – 11 th September 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)	
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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 – 6th June 2015 to 11th September 2015

Report Ref No.	Report Title	Scope and Objectives	Overall Opinion	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
N001	Sharley Park LC	To review the controls and procedures in place particularly in relation to cash and banking	Satisfactory	29/07/15	4/09/15	5 (3M 2L)	5
N002	Dronfield LC	To review the controls and procedures in place particularly in relation to cash and banking	Good	29/07/15	4/09/15	2L	2
N003	Planning Fees	To ensure that the correct fees are charged and accounted for	Satisfactory	3/08/15	24/08/15	9 (1H 4M 4L)	7
N004	NFI	To ensure that NFI reports have been investigated and appropriate action taken Good	Good	3/08/2015	24/08/2015	0	0

Report Ref No.	Report Title	Scope and Objectives	Overall Opinion	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
N005	Refuse Collection	To review the controls and procedures in place Good	Good	11/08/15	1/09/15	2 (1H 1M)	2
N006	Health and Safety	To ensure that Legislation is complied with and procedures operational	Marginal	20/08/15	10/09/15	7 (2H 5M)	7
N007	Leisure Direct Debit Scheme	To review the operation of the direct debit scheme	Satisfactory	25/08/15	15/9/15	3 (1H 2M)	3
N008	Non Domestic Rates	To ensure that controls and procedures are operating	Good	27/08/15	17/9/15	0	0
N009	Recruitment and Selection	To ascertain progress in implementing the audit recommendations made in 2014/15	Marginal	10/09/15	1/10/15	6 (2H 4M)	Note 1

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

Note 1 Response not yet due