

North East Derbyshire District Council

Audit and Corporate Governance Scrutiny Committee

4 February 2016

**Internal Audit Consortium – Summary of Progress on the Annual Return Audit Plan
2015/16**

Purpose of the Report

- To present, for members' information, progress made by the Audit Consortium, during the period 12th September 2015 – 22nd January 2016, 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 12th September 2016 – 22nd January 2016, 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 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 The following audits are in progress:

- Budgetary Control
- Insurance
- Section 106
- Council Tax
- Industrial property rents/periodic income
- Business Centres
- Sundry Debtors

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 12th September 2015 – 22nd January 2016
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 – 12th September 2015 to 22nd January 2016

Report Ref No.	Report Title	Scope and Objectives	Overall Opinion	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
N010	Commercial Waste	To ensure that all bills are raised promptly and accurately	Satisfactory	15/09/2015	6/10/2015	2 (1H 1M)	2
N011	Cash and Bank	To review and test processes and procedures	Good	20/10/2015	10/11/2015	1L	1
N012	Housing Benefits	To ensure that claims are processed promptly and accurately	Satisfactory	20/10/2015	10/11/2015	4 (1H 2M 1L)	4
N013	Treasury Management	To ensure there is a current strategy and that lending and borrowing is in line with the strategy	Good	19/11/2015	10/12/2015	1L	1

Report Ref No.	Report Title	Scope and Objectives	Overall Opinion	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
N014	Transparency Agenda	To ensure that the requirements of the Transparency Agenda are met	Satisfactory	30/11/2015	21/12/2015	9 (2M 7L)	Note 1
N015	ICT Disaster Recovery Arrangements	To review and assess the Council's IT disaster recovery arrangements	Satisfactory	9/12/2015	6/01/2016	1H	1
N016	Creditors	To ensure that orders are raised appropriately and that invoices are paid promptly and accurately	Good	13/01/2016	3/02/2016	0	0

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

Note 1 Response not received at time of writing the report