

North East Derbyshire District Council

Audit and Corporate Governance Scrutiny Committee

21 April 2016

**Internal Audit Consortium – Summary of Progress on the Annual Internal Audit Plan
2015/2016**

Purpose of the Report

- To present, for members' information, progress made by the Audit Consortium, during the period 23rd January 2016 – 8th April 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 23rd January 2016 – 8th April 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 Members have been provided with a copy of the Section 106 Agreements report that received an "Unsatisfactory" conclusion along with the corresponding management response and action plan.
- 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:

- Budgetary Control
- Insurance
- Industrial property rents/periodic income
- Sundry Debtors
- Network Security/PSN
- Procurement

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 23rd January 2016 – 8th April 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 – 23rd January 2015 to 8th April 2016

Report Ref No.	Report Title	Scope and Objectives	Overall Opinion	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
N017	Payroll	To review and assess the controls in place	Good	25/02/2016	17/03/2016	1L	1
N018	Council Tax	To ensure that bills are raised promptly and accurately and that monies are collected.	Good	17/03/2016	11/04/2016	4L	Note 1
N019	Coney Green Business Centre	To review the letting, billing and termination procedures in place.	Good	31/01/2016	21/04/2016	2L	Note 1
N020	Section 106	To review the process for the collection and spending of Section 106 monies	Unsatisfactory	6/04/2016	Complete	N/A	Note 2
N021	Main Accounting	To ensure that the controls in place are operating	Good	11/04/2016	3/05/2016	0	0

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

Note 1 Response not due at time of writing the report

Note 2 Management response and action plan provided to Members