

**North East Derbyshire District Council**

**Audit and Corporate Governance Scrutiny Committee**

**19 May 2016**

**INTERNAL AUDIT CONSORTIUM - SUMMARY OF PROGRESS ON THE ANNUAL  
INTERNAL AUDIT PLAN 2015/16**

This report is public

**Purpose of the Report**

- To present, for members' information, progress made by the Audit Consortium, during the period 9th April 2016 – 6th May 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 Internal Audit Consortium Manager 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 9th April 2016 – 6th May 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 supplied with a copy of the marginal report – Commercial and Industrial property rents.
- 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>	<b>Definition</b>
<b>Good</b>	A few minor recommendations (if any).
<b>Satisfactory</b>	Minimal risk; a few areas identified where changes would be beneficial.
<b>Marginal</b>	A number of areas have been identified for improvement.
<b>Unsatisfactory</b>	Unacceptable risks identified, changes should be made.
<b>Unsound</b>	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 2015/16 audits are in progress and nearly complete:

- 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**

<b>Is the decision a Key Decision?</b> (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
<b>District Wards Affected</b>	N/A
<b>Links to Corporate Plan priorities or Policy Framework</b>	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 9th April 2016 – 6th May 2016
<b>Background Papers</b> (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
Jenny Williams Internal Audit Consortium Manager	01246 217547

# **NORTH EAST DERBYSHIRE DISTRICT COUNCIL**

**Appendix 1**

## **Internal Audit Consortium - Report to Audit and Corporate Governance Scrutiny Committee**

### **Summary of Internal Audit Reports Issued – 9th April 2016 to 6th May 2016**

Report Ref No.	Report Title	Scope and Objectives	Overall Opinion	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
N022	Sundry Debtors	To ensure that all debtors are raised and collected promptly and accurately	Satisfactory	14/04/2016	6/05/2016	3M	Note 1
N023	Insurance	To review and assess the Council's insurance arrangements	Good	18/04/2016	10/05/2016	2 (1M 1L)	Note 1
N024	Commercial and Industrial Property Rents	To review letting and termination procedures and the charging of rental income	Marginal	21/04/2016	12/05/2016	5 (3H 2M)	Note 1
N025	Budgetary Control	To ensure that the Council has robust budgetary control procedures in place	Good	27/04/2016	19/05/2016	1M	Note 1

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

Note 1 Response not due at time of writing the report