

North East Derbyshire District Council

Audit and Corporate Governance Scrutiny Committee

22 September 2016

**Internal Audit Consortium – Summary of Progress on the Annual Internal Audit Plan
2016/17**

Purpose of the Report

- To present, for members' information, progress made by the Audit Consortium, during the period 9th April 2016 – 9th September 2016, in relation to the completion of the 2016/17 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 2016/17 Consortium Audit Plan for North East Derbyshire was agreed at the Audit Committee on the 21st April 2016. 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 9th April 2016 – 9th September 2016, for audits included in the 2016/17 Consortium Internal Audit Plan.
- 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 Procurement and Taxi Licences reports that received "marginal" conclusions.
- 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/Council Tax Support
- Council Tax
- Ambition Project/Funding
- Non Domestic Rates

2 Conclusions and Reasons for Recommendation

2.1 To inform Members of progress on the Internal Audit Plan for 2016/17 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 9th April 2016 – 9th September 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 – 9th April 2016 to 9th September 2016

Report Ref No.	Report Title	Scope and Objectives	Overall Opinion	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
N001	Network Security	To ensure there are suitable policies, access controls and training in place. To review network security and any security breaches	Good	5/05/2016	26/05/2016	2 (1M 1L)	2
N002	Eckington Leisure Centre	To review and assess the controls and procedures in operation	Good	9/06/2016	30/06/2016	3 (1M 2L)	3
N003	Discretionary Housing Payments	To ensure that discretionary housing payments are made in line with policy	Satisfactory	14/07/2016	3/08/2016	5 (1H 1M 3L)	Note 1

Report Ref No.	Report Title	Scope and Objectives	Overall Opinion	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
N004	Procurement	To ensure that there is a strategy in place and that Financial Regulations and Contract Standing Orders are complied with	Marginal	7/07/2016	28/07/2016	8 (1H 4M 3L)	2
N005	Cash and Bank	To review cash and bank procedures	Good	18/07/2016	8/08/2016	2 (1H 1L)	Note 1
N006	Corporate Plan Targets	To ensure that corporate targets align with the corporate plan and that they are clearly defined and calculated correctly	Good	20/07/2016	10/08/2016	1M	1
N007	Taxi Licences	To ensure that systems and procedures are operating including those in relation to safeguarding	Marginal	2/08/2016	23/08/2016	4 (3H 1M)	4
N008	Street Cleansing	To review the systems and procedures in place	Good	17/08/2016	8/09/2016	2L	2
N009	VAT	To ensure that the VAT returns are completed in a timely and accurate fashion.	Good	26/08/2016	19/09/2016	1M	Note 2

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

Note 1 Response not received at the time of writing the report

Note 2 Response not due at time of writing the report