

North East Derbyshire District Council

Audit and Corporate Governance Scrutiny Committee

25 July 2019

Summary of Progress on the Annual Internal Audit Plan 2018/19 and 2019/20

Report of the Internal Audit Consortium Manager

This report is public

Purpose of the Report

- To present, for members' information, progress made by the Audit Consortium in respect of the 2018/19 and 2019/20 Internal Audit Plan. The report includes a summary of Internal Audit Reports issued since the last meeting of the committee.

1 Report Details

- 1.1 This report details the final reports to be issued in respect of the 2018/19 internal audit plan. Two audits (dog wardens and Shared Ownership (Joint Audit with RHL)) have been deferred to 2019/20. The 2019/20 Consortium Audit Plan for North East Derbyshire was agreed at the Audit and Corporate Governance Scrutiny Committee on the 18 April 2019. 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 between the 6 April 2019 and the 30 June 2019. 8 reports have been issued, 5 with substantial assurance and 3 with reasonable assurance.
- 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 level of assurance that can be given in respect of the audit area examined and the number of recommendations made / agreed where a full response has been received.
- 1.5 The assurance provided column in Appendix 1 gives an overall assessment of the assurance that can be given in terms of the controls in place and the system's

ability to meet its objectives and manage risk in accordance with the following classifications:

Assurance Level	Definition
Substantial Assurance	There is a sound system of controls in place, designed to achieve the system objectives. Controls are being consistently applied and risks well managed.
Reasonable Assurance	The majority of controls are in place and operating effectively, although some control improvements are required. The system should achieve its objectives. Risks are generally well managed.
Limited Assurance	Certain important controls are either not in place or not operating effectively. There is a risk that the system may not achieve its objectives. Some key risks were not well managed.
Inadequate Assurance	There are fundamental control weaknesses, leaving the system/service open to material errors or abuse and exposes the Council to significant risk. There is little assurance of achieving the desired objectives.

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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 Audits currently in progress:-

- Leisure (Financial)
- Business Continuity and Emergency Planning
- Safeguarding
- Corporate Targets
- Transformation Agenda

2 Conclusions and Reasons for Recommendation

2.1 To inform Members of progress on the Internal Audit Plans for 2018/19 and 2019/20 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 an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC: Revenue - £75,000</i> <input type="checkbox"/> <i>Capital - £150,000</i> <input type="checkbox"/> <i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/> <i>Capital - £250,000</i> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
Has the relevant Portfolio Holder been informed	N/A
District Wards Affected	All

Links to Corporate Plan priorities or Policy Framework	All
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8 Document Information

Appendix No	Title
1	Summary of Internal Audit reports issued in respect of the 2018/19 and 2019/20 Internal Audit Plan 6 April 2019 to the 30 June 2019
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 6 April 2019 – 30 June 2019

Report Ref No.	Report Title	Scope and Objectives	Assurance Provided	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
	2018/19 Plan						
N026	Planning Fees	To ensure that all planning fees are invoiced and collected promptly	Substantial	11/4/19	3/5/19	4 (1M 3L)	4
N027	Fly tipping (back office systems)	To ensure that there are efficient systems for logging fly tipping and allocating jobs	Reasonable	18/4/19	13/5/19	14 (1H 3M 10L)	Note 1
N028	Joint Venture Company Northwood Group Ltd	To ensure that the Governance arrangements in respect of the company are strong and that performance is monitored	Substantial	24/4/19	16/5/19	4L	4

Report Ref No.	Report Title	Scope and Objectives	Assurance Provided	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
N029	Section 106	To ensure that monies are collected and spent in a timely and appropriate fashion	Reasonable	30/4/19	22/5/19	4 (2M 2L)	4
N030	Disaster Recovery	To ensure that there are adequate disaster recovery procedures in place	Substantial	30/4/19	22/5/19	1L	1
N031	Insurance	To ensure that the Council's insurance arrangements are fit for purpose	Substantial	24/6/19	15/7/19	3L	3
	2019/20 Plan						
N001	Procurement	To ensure that EU Regs and the Council's Financial Regulations are complied with	Reasonable	25/6/19	10/6/19	6 (3N 3L)	6
N002	Cash and Bank	To ensure that procedures are operating effectively	Substantial	14/6/19	5/7/19	1L	1

Note 1 – response not received at time of writing report