

North East Derbyshire District Council

Audit and Corporate Governance Scrutiny Committee

10th February 2021

Internal Audit Consortium Summary of Progress on the 2020/21 Internal Audit Plan

Report of the Internal Audit Consortium Manager

This report is public

Purpose of the Report

- To present, for members' information, progress made by the Internal Audit Consortium in respect of the 2020/21 Internal Audit Plan.

1 Report Details

- 1.1 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.

Audits issued

- 1.2 Appendix 1 is a summary of reports issued between the 14th November 2020 and the 15th January 2021. The Appendix shows for each report the level of assurance given and the number of recommendations made / agreed where a full response has been received. This provides an overall assessment of the system's ability to meet its objectives and manage risk.
- 1.3 Appendix 2 details the definitions in respect of the assurance levels used currently and those used prior to April 2017 for comparison in order that the direction of travel of an audited area can be monitored.
- 1.4 In this period 5 reports have been issued, all 5 with substantial assurance.
- 1.5 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.
- 1.6 In respect of the audits being reported, it is confirmed that no issues arising relating to fraud were identified.

Progress on the 2020/21 Plan

- 1.7 At the end of November 2020 CIPFA issued guidance in relation to the Head of Audits Annual Opinion: Addressing the Risk of a limitation of scope (Appendix 3). A limitation of scope should be considered if enough work has not been carried out to provide assurance on the Council's governance, risk management and control processes in place. There is no definition of the amount of work required to provide an opinion, this is left up to professional judgement.
- 1.8 At this stage, although the whole of the plan will not be completed, I believe that by prioritising the work for the remainder of the year I will be able to give an unlimited audit opinion.
- 1.9 Appendix 4 shows the 2020/21 internal audit plan and details the audits that have been completed and those in progress. It is considered that reasonable progress is being made given the circumstances.

2 Conclusions and Reasons for Recommendation

- 2.1 To inform Members of progress on the 2020/21 Internal Audit Plan and to provide details of the Audit Reports issued to date.
- 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 Recommendations

- 6.1 That the report be noted.

- 6.2 That the CIPFA guidance relating to the Head of Internal Audit Annual Opinion: Addressing the Risk of a limitation of scope be noted.

7 Decision Information

<p>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></p>	No
<p>Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)</p>	No
<p>Has the relevant Portfolio Holder been informed</p>	N/A
<p>District Wards Affected</p>	All
<p>Links to Corporate Plan priorities or Policy Framework</p>	All

8 Document Information

Appendix No	Title
1	Summary of Internal Audit reports issued in respect of the 2020/21 Internal Audit Plan between the 14th November 2020 and the 15th January 2021
2	Definition of assurance and control levels
3	CIPFA Guidance on the Head of Internal Audit's Annual Opinion
4	Progress on the 2020/21 Internal Audit Plan
<p>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)</p>	
<p>Report Author</p>	
<p>Contact Number</p>	
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