

**INTERNAL AUDIT CONSORTIUM - SUMMARY OF PROGRESS ON THE
INTERNAL AUDIT PLAN 2013/14**

MEETING: **BOLSOVER DISTRICT COUNCIL
AUDIT COMMITTEE**

DATE: **10TH DECEMBER 2013**

REPORT BY: **INTERIM HEAD OF INTERNAL AUDIT
CONSORTIUM**

1.0 PURPOSE OF REPORT

1.1 To update Members on the progress made by the Audit Consortium, during the period 7th September 2013 to 22nd November 2013, in relation to the 2013/14 Internal Audit Plan. The report includes a summary of internal audit reports issued during the period and work in progress.

2.0 BACKGROUND

2.1 The 2013/14 Internal Audit Plan for Bolsover was reported to the Audit Committee on the 12th March 2013. The Consortium Agreement in paragraph 9.3 requires that the Head of the Internal Audit Consortium (HIAC) or his or her nominee will report quarterly (or at such intervals as the HIAC may agree with the Committee) to the Audit Committee of each Council on progress made in relation to their Annual Audit Plan.

3.0 PROGRESS AGAINST THE 2013/2014 INTERNAL AUDIT PLAN

3.1 Good progress is being made against the 2013/14 Internal Audit Plan. However, the audit days available are slightly less than when the plan was approved at the start of the financial year. This is because the Deputy Head of the Audit Consortium is currently the Interim Head of the Internal Audit Consortium and as such is now splitting her time between three Councils rather than two.

- 3.2 A detailed analysis of the resource available and the resource required to meet the plan has been undertaken. Two revisions to the original audit plan are deemed necessary. The first is in respect of the ten days identified for the capital accounting audit. The audit work undertaken in this area was for the Audit Commission and mainly entailed the verification of the existence of the Council's assets. This work is no longer required by KPMG and therefore it is proposed to remove capital accounting from the audit plan. The second proposed revision is in relation to the seven day inventories audit. Rather than complete inventories as a separate audit, inventory checks have been incorporated in to the test schedules of individual audits.
- 3.3 These two revisions to the plan should enable the rest of the plan to be completed in full provided there is no substantial additional work in relation to the remaining planned audit areas or special investigations arising. Progress against the plan will be kept under review to ensure that any slippage can be promptly identified and appropriate action taken.

4.0 **SUMMARY OF REPORTS ISSUED**

- 4.1 Attached, as Appendix 1, is a summary of reports issued covering the period 7th September 2013 to 22nd November 2013 for audits included in the 2013/14 Bolsover District Council Internal Audit Plan.
- 4.2 Internal Audit 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.
- 4.3 The Appendix shows for each report a summary of the Overall Audit Opinion on the audit and the number of recommendations made / agreed where a full response has been received.
- 4.4 The overall opinion column of Appendix 1 gives an assessment of the reliability of the internal controls examined in accordance with the following classifications:

Control Level	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.

4.5 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.

5.0 **OTHER WORK IN PROGRESS**

5.1 Work currently in progress in relation to other audits in the 2013/14 internal audit plan includes:

- Housing Rents
- Housing Benefits
- Creswell Leisure Centre
- Creditors
- Treasury Management

6.0 **RECOMMENDATION**

6.1 That the report be noted.

6.2 That the two revisions to the audit plan detailed in paragraph 3.2 be approved.

7.0 **REASON FOR RECOMMENDATION**

- 7.1 To inform Members of progress on the Internal Audit Plan for 2013/14 and the Audit Reports issued.

JENNY WILLIAMS
INTERIM HEAD OF INTERNAL AUDIT CONSORTIUM

BOLSOVER DISTRICT COUNCIL

Appendix 1

Internal Audit Consortium - Report to Audit Committee

Summary of Internal Audit Reports Issued 7th September – 22nd November relating to the 2013/14 Internal Audit Plan

Report Ref No.	Report Title	Scope and Objectives	Overall Opinion	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
B009	Procurement	To review a sample of the Council's procurement arrangements for compliance with Financial Regulations and Standing Orders	Marginal	24/09/13	15/10/13	5 (4H 1M)	5
B010	Right To Buy Sales	To ensure that the Right to Buy scheme is operated in line with procedures and Legislation	Satisfactory	24/09/13	15/10/13	3H	Note 1
B011	Council Tax	To review the controls and procedures in operation	Good	24/09/13	15/10/13	0	0
B012	Stores	To review the operation and management of the stores contract	Satisfactory	17/10/13	7/11/13	4 (1H 3M)	Note 1
B013	Cash and Bank	To ensure the security of cash and accuracy of banking	Satisfactory	25/10/13	15/11/13	2H	2

For recommendations, H = High priority, M = Medium priority and L = Low Priority.

Note 1: Response not received reminder issued