

**Bolsover District Council**

**Audit Committee**

**23<sup>rd</sup> June 2014**

**Summary of Progress on the 2013/14 and 2014/15 Internal Audit Plan**

**Report of the Interim Head of Internal Audit**

This report is public

**Purpose of the Report**

- To present, for members' information, progress made by the Audit Consortium, during the period 18th January 2014 to 6<sup>th</sup> June 2014, in relation to the 2013/14 and 2014/15 Annual Internal Audit Plans. The report includes a summary of Internal Audit Reports issued during the period and work in progress.

**1 Report Details**

- 1.1 The 2013/14 Consortium Internal Audit Plan for Bolsover was reported to the Audit Committee on the 12<sup>th</sup> March 2013. In December 2013 it was agreed that the capital accounting audit would be removed from the plan as KPMG undertake the required work in this area and no longer require the verification of the existence of a sample of assets.
- 1.2 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.
- 1.3 Attached, as Appendix 1, is a summary of reports issued covering the period 18<sup>th</sup> January 2014 – 6th June 2014, for audits included in the 2013/14 Consortium Internal Audit Plan.
- 1.4 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.
- 1.5 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.
- 1.6 The overall opinion column of Appendix 1 gives an assessment of the reliability of the internal controls examined in accordance with the following classifications:

<b>Control Level</b>	<b>Definition</b>
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 majority of agreed work in relation to the 2013/14 Internal Audit Plan has now been completed and reported. The completion of one audit (environmental health miscellaneous income) has been delayed and the results of this audit will be reported next time.
- 1.9 In addition to this, there is just one low priority audit (Anti Social Behaviour/Community Safety) that has been deferred. This area has been partially covered by the review of CCTV that was undertaken this year as part of the data protection audit.
- 1.10 Work has commenced on audits included in the 2014/15 internal audit plan, the following audits currently being in progress:
- VAT
  - Licensing (Environmental Health)
  - Clowne Sports Centre
  - Freedom of Information
  - Gas Servicing
  - Section 106

## **2 Conclusions and Reasons for Recommendation**

- 2.1 To inform Members of progress on the Internal Audit Plan for 2013/14 and 2014/15 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 Not Applicable

### **5 Implications**

#### **5.1 Finance and Risk Implications**

Regular reports on progress against the internal audit plan ensure compliance with the Public Sector Internal Audit Standards and allow members to monitor progress against the plan.

#### **5.2 Legal Implications including Data Protection**

None

#### **5.3 Human Resources Implications**

None

### **6 Recommendation**

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>	None
<b>Links to Corporate Plan priorities or Policy Framework</b>	The internal audit plan helps to achieve the corporate aim "Strategic Organisational Development" which looks to continually improve the organisation.

### **8 Document Information**

<b>Appendix No</b>	<b>Title</b>
Appendix 1	Summary of Internal Audit Reports Issued 18 <sup>th</sup> January – 6 <sup>th</sup> June 2014

<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)	
N/A	
<b>Report Author</b>	<b>Contact Number</b>
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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 – 18th January 2014 – 6<sup>th</sup> June 2014**

Report Ref No.	Report Title	Scope and Objectives	Overall Opinion	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
B021	Debtors	To review the controls in place for the raising of debt and collection of income	Good	25/02/2014	18/03/2014	0	0
B022	Transparency Agenda	To ensure that the Council publishes information in line with legislative requirements	Satisfactory	5/03/2014	26/03/2014	1M	1
B023	ICT Policies and Network Security	To ensure that policies are up to date and comprehensive and that network security is satisfactory	Good	7/03/2014	28/03/2014	0	0
B024	Internet Usage Policy	To ensure that internet usage is appropriately monitored and restricted	Good	7/03/2014	28/03/2014	1M	1
B025	Insurance	To ensure that the Council has appropriate policies in place	Good	14/03/2014	4/04/2014	1M 2L	3

Report Ref No.	Report Title	Scope and Objectives	Overall Opinion	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
B026	Main Accounting	To ensure that the controls and procedures in place are operating correctly	Good	25/03/2014	15/04/2014	0	0
B027	Payroll	To review and assess the controls and procedures in place	Good	25/03/2014	15/04/2014	2L	2
B028	Non Domestic Rates	To ensure that bills are accurately raised and income collected.	Good	4/04/2014	25/04/2014	1H	1
B029	Budgetary Control	To ensure that there are strong budgetary control procedures in place	Good	8/04/2014	29/04/2014	1M 1L	2
B030	Refuse Collection	To review the operation of the service	Good	30/04/2014	21/05/2014	0	0
B031	CCTV	To ensure that Data Protection requirements are met in terms of CCTV	Satisfactory	14/05/2014	4/06/2014	2H 3M 2L	7
B032	Risk Management	To ensure that risk management has become embedded within the Council	Good	3/06/2014	24/06/2014	1L	Note 1

Report Ref No.	Report Title	Scope and Objectives	Overall Opinion	Date		Number of Recommendations	
				Report Issued	Response Due	Made	Accepted
B033	The Tangent	To ensure that all lettings and terminations are actioned in line with procedure and that rent is received promptly.	Satisfactory	3/06/2014	24/06/2014	1M 4L	Note 1

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

Note 1      The response was not due at the time of compiling this report

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