

Bolsover District Council

Meeting of the Audit Committee on 7th July 2025

Summary of Progress on the 2024/25 Internal Audit Plan

Report of the Head of the Internal Audit Consortium

Classification	This report is public
Contact Officer	Jenny Williams – Head of the Internal Audit Consortium

PURPOSE/SUMMARY OF REPORT

To present, for members' information, the final progress report in respect of the 2024/25 Internal Audit Plan.

REPORT DETAILS

1. Background

- 1.1 The Global Internal Audit Standards require that the Head of the Internal Audit Consortium reports periodically to the Audit Committee in respect of performance against the audit plan. Significant risk and control issues should also be reported.

2. Details of Proposal or Information

- 2.1 Appendix 1 is a summary of reports issued January – June 2025 in respect of the 2024/25 Internal Audit Plan.
- 2.2 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. The definitions of the assurance levels used can be seen in the table below.

Assurance Level	Internal Audit Definition	Risk Register Link
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.	Minor / negligible impact
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.	Minor / moderate
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.	Moderate / Severe Impact
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.	Catastrophic Impact

2.3 In this period 7 reports have been issued 3 with substantial, 3 with reasonable and 1 with limited assurance. The final wording of the Climate Change audit report is in the process of being agreed, a reasonable assurance level has been awarded. In addition to this, 2 reports have been issued in respect of Dragonfly Ltd both with reasonable assurance.

2.4 As Members have previously requested, a full copy of the limited assurance sundry debtors report is attached at Appendix 2. The main reasons for a limited assurance report being issued were: -

- There is no automated recovery in the debtor system after the second reminder stage and limited recovery action has been taken after this
- Procedure notes are out of date and incomplete
- Aged debt reports don't go to all areas
- In some areas discretionary services continue to be provided even if the debtor has not paid
- Some staff members owe money to the Council
- It is unclear who can agree payment plans

2.5 The recommendations have been agreed and action is in the process of being taken to improve the controls and processes in place.

- 2.6 No issues arising relating to fraud were identified.
- 2.7 Appendix 3 provides the final picture in respect of the completion of the 2024/25 Internal Audit Plan. The areas not completed have been rolled forward to future years. The annual report provides more detail.
- 2.8 In terms of staffing, the BDC Senior Auditor has left the Internal Audit Consortium and started a Principal Accountant job at BDC. The Senior Auditor role has been advertised twice however it was not possible to recruit. CIPFA PENNA are now in the process of running a recruitment campaign for us. In the meantime, an Interim Senior Auditor has been recruited for a period of 6 months.
- 2.9 In addition to the above, the full time BDC Auditor has also left and the part time BDC Auditor has handed in their resignation. These posts are in the process of being advertised.
- 2.10 Resources will be shared with CBC and NEDDC to try and ensure that each Council completes enough of their audit plan to enable me to provide a year end opinion on the governance, risk and control arrangements in place.

3. Reasons for Recommendation

- 3.1 To inform Members of progress on the 2024/25 Internal Audit Plan and to provide details of the Audit Reports issued to date.
- 3.2 To comply with the requirements of the Global Internal Audit Standards.

4 Alternative Options and Reasons for Rejection

- 4.1 N/A

RECOMMENDATION

That the report be noted.

IMPLICATIONS:

<u>Finance and Risk</u>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Details:		
Internal audit reviews help to ensure that processes and controls are operating effectively thereby contributing to ensuring that value for money is obtained.		
On behalf of the Section 151 Officer		

<u>Legal (including Data Protection)</u> Details: <p>The core work of internal audit is derived from the statutory responsibility under the Accounts and Audit Regulations 2015 which requires the Council to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking in to account the Public Sector Internal Audit Standards or guidance”.</p>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
On behalf of the Solicitor to the Council	
<u>Staffing</u> Details:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
On behalf of the Head of Paid Service	
<u>Equality and Diversity, and Consultation</u> Details: N/A	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<u>Environment</u> Please identify (if applicable) how this proposal/report will help the Authority meet its carbon neutral target or enhance the environment. Details: N/A	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

DECISION INFORMATION

<input checked="" type="checkbox"/> <i>Please indicate which threshold applies:</i>	
Is the decision a Key Decision? A Key Decision is an Executive decision which has a significant impact on two or more wards in the District or which results in income or expenditure to the Council above the following thresholds: Revenue (a) Results in the Council making Revenue Savings of £75,000 or more or (b) Results in the Council incurring Revenue Expenditure of £75,000 or more.	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (a) <input type="checkbox"/> (b) <input type="checkbox"/>

<p>Capital (a) Results in the Council making Capital Income of £150,000 or more or (b) Results in the Council incurring Capital Expenditure of £150,000 or more.</p> <p>District Wards Significantly Affected: <i>(to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the District)</i> Please state below which wards are affected or tick All if all wards are affected:</p>	<p>(a) <input type="checkbox"/> (b) <input type="checkbox"/></p> <p>All <input type="checkbox"/></p>
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<p>Is the decision subject to Call-In? <i>(Only Key Decisions are subject to Call-In)</i></p> <p>If No, is the call-in period to be waived in respect of the decision(s) proposed within this report? <i>(decisions may only be classified as exempt from call-in with the agreement of the Monitoring Officer)</i></p> <p>Consultation carried out: <i>(this is any consultation carried out prior to the report being presented for approval)</i></p> <p> Leader <input type="checkbox"/> Deputy Leader <input type="checkbox"/> Executive <input type="checkbox"/> SLT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/> </p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>
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<p>Links to Council Ambition: Customers, Economy, Environment, Housing</p>
<p>Internal audit reviews help to ensure that the Council is delivering high quality, cost effective services.</p>

DOCUMENT INFORMATION	
Appendix No	Title
1	Summary of Internal Audit reports issued January to June 2025
2	Sundry Debtors Report
3	Final Progress Report on the 2024/25 Internal Audit Plan

Background Papers
<i>(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 Executive you must provide copies of the background papers).</i>