

**Bolsover District Council**

**Audit Committee**

**15th September 2020**

**Internal Audit Consortium Summary of Progress on the Annual Internal Audit Plans for 2019/20 and 2020/21**

**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 2019/20 and 2020/21 Internal Audit Plans. The report includes a summary of internal audit reports issued since the last meeting of the committee and an appendix detailing the 2020/21 internal audit plan and progress to date.

**1 Report Details**

- 1.1 The 2019/20 Internal Audit Plan for Bolsover District Council was agreed at the Audit Committee on the 16th April 2019. As detailed in the annual report, this plan has now been substantially completed and the remaining areas will be rolled forward on a risk analysis basis taking in to consideration the Council's changing risk profile as a result of COVID-19.
- 1.2 The 2020/21 Internal audit plan was due to be approved at the Audit Committee's April 2020 meeting however due to COVID-19 this meeting was cancelled and this is the first meeting of the committee since that date. The plan was however discussed and agreed with the Council's section 151 officer and the Strategic Alliance Management Team.
- 1.3 The internal audit team are currently working to this plan (Appendix 2) however due mainly to COVID-19 the whole of the plan will not be achievable. In addition to this, as recovery progresses it may be necessary to replace some areas with other areas that are deemed higher risk.
- 1.4 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.

- 1.5 Attached, as Appendix 1, is a summary of reports issued between the 11th January 2020 and the 1st September 2020. 16 reports have been issued 7 with substantial assurance and 9 with reasonable assurance.
- 1.6 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.
- 1.7 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.
- 1.8 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:

<b>Assurance Level</b>	<b>Definition</b>
<b>Substantial Assurance</b>	There is a sound system of controls in place, designed to achieve the system objectives. Controls are being consistently applied and risks well managed.
<b>Reasonable Assurance</b>	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.
<b>Limited Assurance</b>	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.
<b>Inadequate Assurance</b>	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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- 1.9 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.
- 1.10 Appendix 2 shows the 2020/21 internal audit plan and details the audits that have been completed and those in progress.

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

- 2.1 To inform Members of progress on the Internal Audit Plans for 2019/20 and 2020/21 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 impact of the coronavirus on the ability to complete the current audit plan and the potential for future changes to the plan is noted and approved.

**7 Decision Information**

<p><b>Is the decision a Key Decision?</b>  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:  BDC: Revenue - £75,000 <input type="checkbox"/>  Capital - £150,000 <input type="checkbox"/>  NEDDC: Revenue - £100,000 <input type="checkbox"/>  Capital - £250,000 <input type="checkbox"/>  <input checked="" type="checkbox"/> Please indicate which threshold applies</p>	No
<p><b>Is the decision subject to Call-In?</b>  (Only Key Decisions are subject to Call-In)</p>	No
<p><b>Has the relevant Portfolio Holder been informed</b></p>	N/A
<p><b>District Wards Affected</b></p>	All
<p><b>Links to Corporate Plan priorities or Policy Framework</b></p>	All

**8 Document Information**

Appendix No	Title
1	Summary of Internal Audit reports issued between the 11 <sup>th</sup> January 2020 and the 1st September 2020
2	Current progress on the 2020/21 Internal Audit Plan
<p><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)</p>	
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