

INFORMATION

RIBBLE VALLEY BOROUGH COUNCIL
REPORT TO ACCOUNTS AND AUDIT COMMITTEE

Agenda Item No 11

meeting date: 24 AUGUST 2011
title: INTERNAL AUDIT PROGRESS REPORT 2011/12
submitted by: DIRECTOR OF RESOURCES
principal author: MICK AINSCOW

1 PURPOSE

1.1 To report to committee internal audit work progress to date for 2011/12.

1.2 Relevance to the Council's ambitions and priorities:

- The Council has a statutory duty to maintain an adequate and effective system of internal audit to ensure the continued efficient running of its services.

2 BACKGROUND

2.1 Internal audit ensure that good internal controls are inherent in all the Council's systems. All services are identified into auditable areas and then subjected to a risk assessment process looking at factors such as financial value, audit experience, fraud, etc. A risk score is then calculated for each area.

2.2 An operational audit plan is then produced to prioritise resource allocation based on the risk score. All high-risk areas are covered annually with the medium and low-risk areas covered at least once every two years.

2.3 The full internal audit plan for 2011/12 is attached as Annex 1, but in summary resources for the year have been allocated as follows:





Audit Area	2011/12 Planned Days
Fundamental (Main) Systems	200
Non-Fundamental Systems	105
Probity and Regularity	133
Ongoing checks	100
Risk Management, Performance Indicators	90
Total	628

3 2011/12 INTERNAL AUDIT YEAR

3.1 During the year we aim to review all of the Council's main fundamental systems. The majority of this work will be undertaken during the last six months of the year in order that there are sufficient current year transactions to test to provide the assurance required.



3.2 In addition to our systems work we will continue to carry out a series of ongoing checks to prevent/detect fraud and corruption.

3.3 At present we use an assurance system for all audits carried out. Each completed audit report contains a conclusion which gives a level of assurance opinion as follows:

Level 4	Substantial		The Authority can place high levels of reliance on the arrangements/ controls in place. Best practice is demonstrated in some or all areas.
Level 3	Reasonable		The Authority can place reasonable (i.e. sufficient) reliance on the arrangements/ controls in place. Only relatively minor control weaknesses exist.
Level 2	Limited		The Authority can place only limited reliance on the arrangements/ controls in place. Significant control issues need to be resolved.
Level 1	Minimal		The Authority cannot place sufficient reliance on the arrangements/ controls in place. Substantial control weaknesses exist.

4 REPORTS CARRIED OUT AND ASSURANCE OPINIONS

4.1 This report covers audit work and reports issued since the last report to Committee on 29 June 2011. The table below sets out the assurance opinions issued from these audits:

Date of Report	Assurance Opinion	Report Details
July 2011	Reasonable 	Members' Allowances – examination into the payment of allowances to members. Claims for mileage checked to minutes/attendance register. Also checked for promptness of submission. Looked at claims submitted 2009/10 and 2010/11. A number of claims had not been signed by members and certain members were not submitting claims within the timescale laid down in the approved members' allowances scheme i.e. 2 months after date of meeting. Members to be reminded of the need to submit claims on a more timely basis and to sign all claims.
August 2011	Minimal 	Visitor Information Centre - See separate report

5 QUALITY MONITORING

5.1 Since the end of October 2009, we have been issuing customer feedback questionnaires following the majority of audit work carried out. These questionnaires ask for the auditees views on the work we have undertaken.

5.2 Summary results are shown at Annex 2 for the questionnaires returned since the last meeting of this Committee, and it is pleasing to note that we continue to deliver what customers want. All returned questionnaires show an average score above our target level of 4.

PRINCIPAL AUDITOR

AA15-11/MA/AC
11 August 2011

Annex 1

Operational Audit Plan 2011/12		Days
Number of days available		780
Less:		
Bank Hols/Statutory	39	
Annual Leave	73	
College/Other Training	10	
Non-Audit Duties (Insurance, etc.)	30	(152)
Actual auditing days available		628

AREA OF ACTIVITY		
General Ledger	30	
Creditors	15	
Debtors	15	
Payroll	20	
Council Tax	45	
Housing Benefits	45	
NNDR	30	200
Cash and Bank Reconciliation	10	
Stores	5	
Loans and Investments	10	25
Data Protection	20	
Freedom of Information	20	
Health and Safety	20	
Enterprise Risk Management	20	80
Flexitime System	15	
Car Allowances	8	
Land Charges	10	
HB Cheque Delivery	12	
HB Tenancy Verification	20	
Petty Cash	5	
CT/HB Checks/NFI Checks	50	
Staff Expenses	10	
Fees and Charges	5	
Printing and Stationery	3	
Rechargeable Works	5	
Tourism	8	
Car Parking	3	
Inventories	5	

AREA OF ACTIVITY		Days
Longridge Gym	3	
Ribblesdale Pool	5	
Platform Gallery	5	
Private Drain Clearances	5	
Clitheroe Market	5	
Cemetery	8	
Planning App./Building Reg. Fees	8	
Contract Procedure Rules	10	208
Contingencies	25	25
Risk Management	50	
Corporate Governance	15	
Performance Indicators/SIC	25	90
Total Planned Audit Work		628

Annex 2

Question	Clitheroe Market	Clitheroe Cemetery	Platform Gallery
Sufficient notice given to arrange the visit (not applicable for unannounced visits)	5	5	5
A briefing sheet was sent prior to commencement of the audit and any comments/requests made were taken into account during the audit	5	5	5
The Auditors understanding of your systems and any operational issues	4	3	5
The audit was carried out efficiently with minimum disruption	5	5	5
The level of consultation during the audit	5	5	5
The audit was carried out professionally and objectively	5	5	5
The draft report addressed the key issues and was soundly based	5	5	5
Your opportunity to comment on the findings	5	5	5
The final report in terms of its clarity and conciseness	4	5	4
The prompt issue of the final report	4	5	4
The recommendations in the final report will improve control and/or performance	4	4	5
The audit was constructive and added value overall	4	4	5
Average	4.7	4.7	4.8

5 = Very Good 4 = Good 3 = Satisfactory 2 = Just Adequate 1 = Poor