

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO ACCOUNTS AND AUDIT COMMITTEE

Agenda Item No 10

meeting date: 24 JUNE 2015
 title: INTERNAL AUDIT PROGRESS REPORT 2015/16
 submitted by: DIRECTOR OF RESOURCES
 principal author: MICK AINSCOW

1 PURPOSE

1.1 To report to Committee internal audit work progress to date for 2015/16.

1.2 Relevance to the Council's ambitions and priorities:

- Corporate priorities – the Council seeks to maintain critical financial management and controls, and provide efficient and effective services.
- Other considerations – the Council has a statutory duty to maintain an adequate and effective system of internal audit.

2 BACKGROUND

2.1 Internal audit ensure that sound 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 and audit experience. A risk score is then calculated for each area.

2.2 An operational audit plan is then produced to prioritise resources allocation based on the risk score, with all high-risk areas being covered annually.






2.3 The full internal audit plan for 2015/16 is attached as Annex 1 alongside progress to date. In summary resources for the year have been allocated as follows:

Audit Area	2015/16 Planned Days
Fundamental (Main) Systems	255
Other Systems	52
Probity and Regularity	230
On-going checks	12
Risk Management, Performance Indicators	40
Non-Audit Duties (Insurance)	25
College	30
Contingencies/unplanned work	25
	669

2.4 The position with regards to audit work carried out as at the end of May 2015 is included within Annex 1 and shows completed audits, audits in progress and continuous activity.



3 ISSUES

- 3.1 During the first couple of months of this year we have spent time completing testing on the sundry debtors systems and on grants received and paid. Testing has shown the level of control to be sound and effective.
- 3.2 In addition to our systems work we will continue to carry out a series of on-going 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 1	Full		The Council can place full reliance on the levels of control in operation
Level 2	Substantial		The Council can place substantial reliance on the levels of control in operation
Level 3	Reasonable		Generally sound systems of control. Some minor weaknesses in control which need to be addressed
Level 4	Limited		Only limited reliance can be placed on the arrangements/ controls in operation. Significant control issues need to be resolved.
Level 5	Minimal		System of control is weak, exposing the operation to the risk of significant error or unauthorised activity

4 REPORTS CARRIED OUT AND ASSURANCE OPINIONS

- 4.1 This report covers audit work and reports issued since the last report to Committee on 1 April 2015. The table below sets out the assurance opinions issued from these audits:

Date of Report	Assurance Opinion	Report Details
13.05.15	Full 	Car Allowances – checked all mileage claims submitted by staff for the period April 2014 to March 2015 to ensure correct authorisation, accuracy, correct rates paid, etc. No recommendation arising.
03.06.15	Substantial 	Car Insurances and Driving Licences – verifying that all staff using their own cars on official council business were appropriately insured and held a valid license. Documentation provided by all staff with the exception of one person who has been instructed not to use her vehicle on Council business until such times she produces the required documentation.

5 QUALITY MONITORING

5.1 Customer feedback questionnaires are issued following the completion of the majority of audit work carried out. These questionnaires ask for the auditees view on the work that has been undertaken. No questionnaires have been returned since the last meeting and any outstanding ones are currently being pursued from the officers concerned.

6 RECOMMENDATION

6.1 Progress to date with the 2015/16 audit plan is satisfactory.

PRINCIPAL AUDITOR









DIRECTOR OF RESOURCES





AA10-15/MA/AC
4 June 2015

BACKGROUND PAPERS: None

For further information please ask for Mick Ainscow .

Annex 1

2015/16 Planned Days	Audit	Actual days to 31/05/15	Status as at 31/05/15	Comments
<i>Fundamental (Main) Systems</i>				
30	Main Accounting	3		Additional testing being carried out to complete 2014/15 audit. Completion expected July 2015.
30	Creditors	0	Not started	
25	Sundry Debtors	7		Initial testing being carried out.
30	Payroll and HR	4		Initial testing being carried out.
45	Council Tax	0	Not started	
40	Housing Benefits	0	Not started	
35	NNDR	0	Not started	
20	Cash Receipting	0		C/f from 2014/15. Completion expected July/August 2015.
255		14		
<i>Other Systems Work</i>				
20	VAT	0	Not started	
12	Treasury Management	0	Not started	
20	Procurement	0	Not started	
50		0		
<i>Probity and Regularity</i>				
5	Car Allowances	7		
10	Asset Mgmt/Register	0		C/f from 2014/15. Awaiting draft report.
5	Members Allowances	0	Not started	
20	HR and Recruitment/Staff Expenses	14		Additional testing carried out in respect of 2015/16. Report expected July 2015.
12	Insurance	5		Some additional testing carried out in respect of 2014/15 audit. At draft report stage.
5	Land Charges	0	Not started	
5	Fees and Charges	0	Not started	
5	Clitheroe Cemetery	0	Not started	
15	Business Continuity Mgmt	0	Not started	

2015/16 Planned Days	Audit	Actual days to 31/05/15	Status as at 31/05/15	Comments
10	Car Parking	0	Not started	
10	VIC/Platform Gallery	0	Not started	
12	Trade Refuse/Recycling/Refuse Collection	0	Not started	
8	Salthill Depot Stores	0	Not started	
5	Civic Suite	0	Not started	
5	Environmental Health	1		Identifying all income streams.
5	Museum	0	Not started	
5	Healthy Lifestyles	2		Identifying all income streams.
5	Ribblesdale Pool	0	Not started	
10	Licences	0	Not started	
12	Partnership Arrangements	0	Not started	
10	Grants received	3		Completion of 2014/15 report.
10	Grants paid	4		Completion of 2014/15 report.
15	Sustainability	0	Not started	
10	Section 106 Agreements	0	Not started	
8	Building Regulations	0	Not started	
8	Planning Applications	0	Not started	
230		36		
<i>Continuous Activity/Ongoing Checks</i>				
12	Income Monitoring	2	∞	
25	Contingencies/unplanned work	10	∞	
15	Risk Management	3	∞	
20	Corporate Governance	19	∞	
5	Performance Indicators	0	∞	
40		22		

2015/16 Planned Days	Audit	Actual days to 31/05/15	Status as at 31/05/15	Comments
25	Insurance	7	∞	
30	Training	4	∞	
	Available audit days to 31/3/2016	574		
669		669		

Key:



In Progress



Continuous Activity



Completed

Not started No work undertaken in the current year on these audits