

RIBBLE VALLEY BOROUGH COUNCIL

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Dear Councillor

The next meeting of the **ACCOUNTS & AUDIT COMMITTEE** is at **6.30pm on WEDNESDAY, 30 MARCH 2016** in the **TOWN HALL, CHURCH STREET, CLITHEROE.**

I do hope you can be there.

Yours sincerely

CHIEF EXECUTIVE

To: Committee Members (copy for information to all other members of the Council)
Directors
Press

AGENDA

Part 1 – items of business to be discussed in public

1. Apologies for absence.
- ✓ 2. Minutes of the meeting held on 18 November 2015 – copy enclosed.
3. Declarations of Pecuniary and Non-Pecuniary Interests (if any).
4. Public Participation (if any).

DECISION ITEMS

- ✓ 5. Closure of Accounts Timetable 2015/16 – report of Director of Resources – copy enclosed.
- ✓ 6. Internal Audit Annual Plan 2016/17 – report of Director of Resources – copy enclosed.

INFORMATION ITEMS

- ✓ 7. Grants Certification Letter 2014/15 – report of Grant Thornton - copy enclosed.

- ✓ 8. Grant Thornton Progress Report Update – report of Grant Thornton - copy enclosed.
- ✓ 9. Audit Plan 2015/2016 – report of Grant Thornton – copy enclosed.
- ✓ 10. Internal Audit Progress Report 2015/2016 – report of Director of Resources – copy enclosed.
- 11. Reports from Representatives on Outside Bodies (if any).

Part II - items of business **not** to be discussed in public

- ✓ 12. Risk Management – Update on Red Risks – report of Director of Resources – copy enclosed.

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO ACCOUNTS AND AUDIT COMMITTEE

Agenda Item No 5

meeting date: 30 MARCH 2016
title: CLOSURE OF ACCOUNTS TIMETABLE 2015/16
submitted by: DIRECTOR OF RESOURCES
principal author: LAWSON ODDIE

1 PURPOSE

- 1.1 To remind members of the current statutory requirement to closedown our accounts by 30 June 2016 and publish them including any certificate, opinion or report issued by the auditor, by 30 September 2016.
- 1.2 To inform members of the benefits of closing down our accounts by these deadlines, in particular the good governance aspects.
- 1.3 To consider the detailed timetable to be adhered to if we are to achieve the required deadlines.

2 BACKGROUND

- 2.1 The Accounts and Audit Regulations (2003) set out detailed prescription about the format and content of the statement of accounts and allocate certain responsibilities to participants in the accounts production process. In addition the Accounts and Audit Regulations (2006) introduced significant changes to these regulations. Further amendments were also made in 2009 and the regulations were consolidated in 2011.
- 2.2 More recently, the Accounts and Audit Regulations 2015 set out detailed requirements in relation to duties and rights, and also introduce changes to the key deadlines for approval of the statement of accounts and completion of the audit in future years. These Regulations revoke the Accounts and Audit Regulations 2011, and impact on financial years ending after 31st March 2015.
- 2.3 As a result, the council's statement of accounts for 2014/15 were subject to the requirements of the 2011 regulations, whilst the statement of accounts for 2015/16 will be subject to the 2015 regulations.
- 2.4 The Regulations have important implications for local authorities in terms of planning to ensure critical tasks are met and the approval of accounts carried out by set deadlines.

3 THE ACCOUNTS AND AUDIT REGULATIONS 2015

- 3.1 The principal matters covered by the regulations relevant to accounts preparation are:
 - the responsible financial officer must ensure that the accounting records kept by the authority are sufficient to enable the preparation of the statement of accounts
 - the statement of accounts is required to be prepared in accordance with the Regulations and proper practices in relation to accounts.
 - the responsible financial officer is required to certify that the accounts give a "true and fair view" of the financial position

- at the point of certifying the accounts the authority must commence a 30 working day period for the exercise of public rights. For the 2015/16 statement of accounts this must also include the first 10 working days of July.
- advertisement of the 30 working day period for the exercise of public rights must be published on the council's website including a copy of the unaudited statement of accounts together with a declaration of the responsible financial officer as to the status of the accounts as unaudited and that they may be subject to change.
- conduct a review of the effectiveness of the system of internal control, which will feed into the preparation of the annual governance statement
- the authority is to allow access to the accounts and specified supporting documents during the period for the exercise of public rights
- following the conclusion of the period for the exercise of public rights, consider either by way of a committee or by the members meeting as a whole, the statement of accounts and approve the statement of accounts by a resolution of that committee or meeting.
- publication of the audited accounts is to be achieved by particular dates.
- as soon as reasonably practicable after conclusion of the audit publish a statement that the audit has been concluded and that the statement of accounts has been published, and the rights of inspection of the same.

The Regulations stipulate various responsibilities for the closure of accounts;

Members

- Consider the findings of the annual review of the effectiveness of the system of internal control and approve the annual governance statement
- following the conclusion of the period for the exercise of public rights and following the audit, consider the statement of accounts and approve the same and ensure that the statement of accounts is signed and dated by the person presiding at the committee at which that approval is given
- Where, following completion of an audit, the council receives any audit letter, committee must meet to consider its contents as soon as reasonably practicable.

Responsible Financial Officer

- Determining on behalf of the authority, and ensuring they are observed and kept up to date -
 - The form of its accounting records and supporting records; and
 - Its financial control systems
- Accounting records must, in particular, contain -
 - entries from day to day of all sums of money received and expended by the authority and the matters to which its income and expenditure or receipts and payments relate; and
 - a record of the assets and liabilities of the authority.

- The financial control systems must include
 - measures to ensure that the financial transactions of the authority are recorded as soon as, and as accurately as, reasonably practicable;
 - measures to enable the prevention and the detection of inaccuracies and fraud, and the reconstitution of any lost records; and
 - measures to ensure that risk is appropriately managed;
 - identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers.
- On behalf of the authority
 - sign and date the statement of accounts, and confirm that they are satisfied that it presents a true and fair view of the financial position of the authority at the end of the financial year to which it relates, and of the authority's income and expenditure for that financial year;
 - ensures that commencement of the period for the exercise of public rights takes place
- As soon as reasonably practicable after conclusion of an audit, publish on the website
 - a statement that the audit has been concluded and that the statement of accounts has been published
 - a statement of the rights of inspection conferred on local government electors and the address and hours during which, those rights may be exercised

4 TRANSITIONARY PROVISIONS UNDER ACCOUNTS AND AUDIT REGULATIONS 2015

- 4.1 Under the previous Accounts and Audit Regulations there was a requirement to have the Responsible Financial Officer sign the statement of accounts as a true and fair view by the 30 June. We were also required to publish our accounts as soon as reasonably possible after the auditor had certified the audit closed and in any event no later than 30 September.
- 4.2 The Accounts and Audit Regulations 2015 now require that the Responsible Financial Officer sign the statement of accounts as a true and fair view by the **31 May** and for us to publish our accounts by no later than **31 July**.
- 4.3 However, under transitional provisions under the regulations, these new deadlines will not be implemented until we are required to produce the statement of accounts for the 2017/18 financial year. Until then, we are working with our external auditors, Grant Thornton, to gradually pull back the date by which we complete our statement of accounts, and they in turn complete the audit.
- 4.4 This highlights the need for us to strictly follow the closedown timetable attached at Annex 1 and for the closure of accounts to take even more of a priority within the accountancy team and other impacted staff within the offices.
- 4.5 The attached timetable reflects the bringing forward of a number of tasks to enable us to issue the statement of accounts on 20 June and to allow the final approval following audit on 17 August.
- 4.6 The table below shows a summary of the deadlines for the coming years under the Regulations.

Financial Year	Year Ending	Latest date for start of the period for the exercise of public rights	Latest date for publication of audited Statement of Accounts
2015/16	31 March 2016	1 July 2016	30 September 2016
2016/17	31 March 2017	1 July 2017	30 September 2017
2017/18	31 March 2018	1 June 2018	31 July 2018
2018/19	31 March 2019	1 June 2019	31 July 2019

4.7 DCLG has warned that it may revisit this issue in future years, to consider whether an even earlier closure timetable is possible. If so, this would likely require some fundamental changes to how we undertake the final accounts process and have a major impact on staffing resources.

5 GOVERNANCE ISSUES

5.1 The early production of the statement of accounts is an essential element of good governance, therefore enabling members to;

- Receive assurance that accounting systems have operated adequately and have been closed down satisfactorily
- Have confidence that the budget for the current year has a secure foundation
- Understand the corporate financial performance during the year and also the position at 31 March
- Adopt the statement of accounts

5.2 It is important that members are aware of the comfort gained from having the statement of accounts published and also that this comfort should be provided at the earliest opportunity. If members fully scrutinise the accounts authorities are in an ideal situation:

- An interested readership will encourage a focus to disclosures
- A source of challenge for the content and presentation of the statement of accounts
- Demand for prompt production at the highest level in the authority that will provide muscle to attempts to meet deadlines

6 ISSUES FACING RIBBLE VALLEY

6.1 ***Budget Pressures***

Members will recall the setting of the 2016/17 budget and more significantly the forecast savings needed in the future based on the current medium term forecast. It is therefore imperative that the accounts for the current year are closed as soon as reasonably practicable in order to inform the budget setting process for 2017/18. We will then be in a position to consider the council's reserves and balances and areas of over/under spending.

6.2 ***Practical Issues***

Last year our accounts were considered by the Accounts and Audit Committee on 24 June 2015. The final accounts, following amendments suggested by our auditors (via their Audit Findings Report), were then approved by the Accounts and Audit Committee on 26 August 2015.

Subject to approval of the proposed committee meeting timetable for 2016/17, the statement of accounts will be presented at the next meeting of this committee on Wednesday 29 June 2016 for information.

The amended final accounts, following any adjustments agreed with our auditors, will need to be approved by the end of September.

As the deadlines for publishing the audited statement of accounts will be brought forward in future years to the end of July, we have been working together with Grant Thornton to be able to move to an earlier committee date for the approval of the audited statement of accounts. Subject to approval of the proposed committee meeting timetable for 2016/17, the meeting for the approval of the audited statement of accounts will be on Wednesday 17 August 2016.

It is important that all members endeavour to attend in order to ensure that the meeting on Wednesday 17 August 2016 is quorate.

6.3 ***Resource Implications***

It should be stressed that the timetable attached assumes a full complement of accountancy staff. However, there are not anticipated to be the same level of amendment to the accounts this year as has been seen in past years.

6.4 ***Timetable***

Based on our past experience, the availability of our external auditors and the statutory deadlines we have determined a timetable for the closure of our accounts, attached at Annex 1. We firmly believe it is important that all staff are aware of the importance of achieving these deadlines and understand the vital roles they also play. As you will see from the timetable, a number of tasks have already begun or been completed.

You will see this timetable is considerably detailed and clearly indicates who is responsible for which actions. We have used our experience from last year's closure to inform this year's deadlines. Again we intend to monitor when we actually achieve each individual task in order to inform future timetables.

7 RECOMMENDED THAT COMMITTEE

7.1 Endorse the suggested approach for the closure of the 2015/16 accounts.

HEAD OF FINANCIAL SERVICES
AA1-16/LO/AC
15 March 2016

DIRECTOR OF RESOURCES

For further information please ask for Lawson Oddie.

**Timetable for Closure of 2015/16
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
1	Mon	14-Mar-16	Send Request for all utilities meter readings to be taken as at 31 March 2016	Amy Johnson	Kay Plant/Sally Mason Adrian Harper Alan Coar		
2	Mon	14-Mar-16	Inform PAs of the deadline for receipt of holiday and lieu time records into the accounts section, in order to ensure records are up to date.	Andrew Cook	Averil Crowther Irene Williamson Lynne Calver Colin Winterbottom Helen Smith		
3	Thurs	17-Mar-16	Deadline for return of Officer and Member Interests Form	Andrew Cook	Julie Smith/Liz Rawson		
4	Fri	18-Mar-16	Update Intranet pages relating to the Closure of the Accounts.	Andrew Cook	Kay Plant/Sally Mason		
5	Fri	18-Mar-16	Circulation of closure memo and estimated creditor/debtor sheets	Andrew Cook			
6	Fri	18-Mar-16	All staff responsible for entering year end invoices onto Financials to have been contacted and any training required arranged.	Karen Anderson			

**Timetable for Closure of 2015/16
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
7	Mon	21 to 24 Mar-16	Grant Thornton on site	Lawson Oddie			
8	Mon	21-Mar-16 and on-going	Review of “open” purchase orders , i.e. cancel/match up to invoice/keep under review to accrue	Amy Johnson	Trudy Holderness Beth Taylor Andrew Cook		
9	Thurs	24-Mar-16	Review credit balances on Debtors prior to final run of Creditor Payments	Karen Anderson	Liz Nash/Alison Carins		
10	Thurs	24-Mar-16	Review disputed creditor invoices and debit balances prior to final run of Creditor Payments	Karen Anderson	Liz Nash/Alison Carins		
11	Fri	25-Mar-16	Good Friday				
12	Mon	28-Mar-16	Easter Monday				

**Timetable for Closure of 2015/16
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
13	Tues	29-Mar-16	Last payment run BACS/cheque dated 31 March 2016. Payment run to include ALL outstanding creditor payments (excluding disputed payments)	Karen Anderson	David Saunders		
14	Tues	29-Mar-16	After last payment run, send email to all staff asking them not to enter any more creditor invoices until notified	Karen Anderson			
15	Thurs	31-Mar-16	Send email to all staff asking them not to use the purchasing, creditors or debtors modules of the Financials system until notified.	Karen Anderson			
16	Thurs	31-Mar-16	<u>ALL stock takes</u> to be carried out: <ul style="list-style-type: none"> • General Stores (Depot) • Paper • Canteen Stock • Civic Regalia 	Trudy Holderness	Kay Plant Helen Smith Helen Bolton Irene Williamson Olwen Heap		
17	Thurs	31-Mar-16	<u>ALL stock takes</u> to be carried out: <ul style="list-style-type: none"> • Pool • Gallery/TIC 	Amy Johnson	Colin Winterbottom		

**Timetable for Closure of 2015/16
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
18	Thurs	31-Mar-16	<u>ALL</u> stock takes to be carried out: <ul style="list-style-type: none"> • Pest Control 	Andrew Cook	Karen Kenyon		
19	Thurs	31-Mar-16	All relevant staff to have been contacted to notify them that all Goods Received Notes must be entered on to the Purchasing system where goods or services have been received by the end of the day on 31 March 2016	Beth Taylor	All staff responsible for purchasing		
20	Thurs	31-Mar-16	Ensure Creditor and Debtor Reconciliation reports balance.	Karen Anderson	Liz Nash/Alison Carins		
21	Thurs	31-Mar-16	Ensure All Creditor batches are closed and authorised and that Debtor invoices have all been authorised	Karen Anderson	Liz Nash/Alison Carins		
22	Thurs	31-Mar-16	Ensure All Purchase Order requisitions are approved and authorised	Beth Taylor	All staff responsible for purchasing		

Timetable for Closure of 2015/16 Accounts

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
23	Thurs	31-Mar-16	Enter final emergency schedule for the year on to Creditors	Karen Anderson	Karen Keenan/Carole Malone		
24	Thurs	31-Mar-16	Bank Transfer to be undertaken between General Account and Disbursements Account	Karen Anderson	Trudy Holderness Kay Plant/Sally Mason		
25	Thurs	31-Mar-16	Ensure Creditors/Debtors balance reports & Aged Debtors reports are set to run at overnight	Karen Anderson			
26	Thurs	31-Mar-16	<p>All income to be paid in to cash office (cards, cheques & cash) – See later instruction for any further income received on the 31 March after this paying-in:</p> <ul style="list-style-type: none"> ❖ Level D reception/Planning ❖ Pool ❖ TIC/Gallery ❖ Car Parks 	Val Taylor	Jane Tucker Colin Winterbottom Stephanie Hibbert / Helen Cresswell Heather Yates		

Timetable for Closure of 2015/16 Accounts

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
27	Thurs	31-Mar-16 (PM)	Print Bank Statement from HSBCnet and pass to cash office to allow for processing of any items in the bank account.	Trudy Holderness Kay Plant/Sally Mason	Michelle West Donna Bailey		
28	Fri	1-Apr-16 (AM)	Send REMINDER email to all staff asking them not to use the purchasing, creditors or debtors modules of the Financials system until notified.	Karen Anderson			
29	Fri	1-Apr-16	Change settings on creditor and debtor transaction codes: crinv, crvat, crcrn, crcre, crcvt, dbinv, dbvat, dbrn, dbcvt	Lawson Oddie			
30	Fri	1-Apr-16	Change default year and budget settings – including funds checking budget for purchasing.	Lawson Oddie			

**Timetable for Closure of 2015/16
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
31	Fri	1-Apr-16	All staff responsible for petty cash books/floats/receipts to have brought them to the Accounts Section.	Val Taylor	Lynne Calver Lesley Lund Irene Williamson Helen Smith Katherine Rodgers Colin Winterbottom		
32	Fri	1-Apr-16	Last date for the receipt of office staff capital timesheets for charging to capital schemes	Kay Plant/Sally Mason	All capital scheme lead officers		
33	Fri	1-Apr-16	Last date for the receipt of Grounds Maintenance timesheets.	Kay Plant/Sally Mason	Alan Boyer		
34	Fri	1-Apr-16	Last date for the receipt of Works Administration and Vehicle Workshop timesheets.	Val Taylor	Adrian Harper		
35	Fri	1-Apr-16	Roll Forward purchase order commitments to new financial year and provide reports to Accountants	Amy Johnson	Beth Taylor		
36	Fri	1-Apr-16	Finalise PWLB interest and average interest rate for investments	Trudy Holderness			

**Timetable for Closure of 2015/16
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
37	Fri	1-Apr-16	<p>All remaining income (received after the final paying-in previously made on 31 March 2015) up to the close of 31 March 2015 to be paid in to cash office (cards, cheques & cash):</p> <ul style="list-style-type: none"> ❖ Level D reception/Planning ❖ Pool ❖ TIC/Gallery ❖ Car Parks 	Val Taylor	<p>Jane Tucker</p> <p>Colin Winterbottom</p> <p>Stephanie Hibbert / Helen Cresswell</p> <p>Heather Yates</p>		
38	Fri	1-Apr-16	Income analysis sheets for Pool, TIC/Gallery to be passed to Val Taylor for period up to and including 31 March 2016	Val Taylor	<p>Colin Winterbottom (Pool)</p> <p>Stephanie Hibbert / Helen Cresswell (TIC and Gallery)</p>		
39	Fri	1-Apr-16	Request information from Ribble Valley Homes for VAT shelter arrangement	Andrew Cook			

**Timetable for Closure of 2015/16
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
40	Fri	1-Apr-16	Cash office to have processed any remaining balances on all bank statements up to 31 March 2016	Val Taylor	Michelle West		
41	Mon	04-Apr-16	Interest allocated	Trudy Holderness			
42	Mon	04-Apr-16	Completed Statement 1's & 2's up to & incl. 31 March 2016 to be passed to Val Taylor and thereafter on a daily basis	Val Taylor	Michelle West		
43	Mon	04-Apr-16	Last date for receipt of completed and authorised stock sheets : <ul style="list-style-type: none"> • Stores • Paper • Canteen Stock • Civic Regalia 	Trudy Holderness	Kay Plant/Sally Mason Helen Smith Helen Bolton Irene Williamson Olwen Heap		
44	Mon	04-Apr-16	Last date for receipt of completed and authorised stock sheets : <ul style="list-style-type: none"> • Pool • Gallery/TIC 	Amy Johnson	Colin Winterbottom		

Timetable for Closure of 2015/16 Accounts

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
45	Mon	04-Apr-16	Last date for receipt of completed and authorised stock sheets : • Pest Control	Andrew Cook	Karen Kenyon		
46	Mon	04-Apr-16	Last date for receipt of Council Tax and Business Rates prints	Kay Plant/Sally Mason	Mark Edmondson		
47	Mon	04-Apr-16	All sundry debtor control sheets for 2015/16 financial year to have been received in the Accounts Office	Karen Anderson	All staff		
48	Tues	05-Apr-16	Last date for receipt of estimated debtor sheets	Andrew Cook	All staff		
49	Weds	06-Apr-16	Last day for receipt of holiday and lieu time records from PAs	Andrew Cook	Averil Crowther Irene Williamson Lynne Calver Colin Winterbottom Helen Smith		
50	Thurs	07-Apr-16	Last day for entering old year invoices on Financials	Karen Anderson	All staff		
51	Fri	08-Apr-16	Bank reconciliation to have been completed and authorised	Val Taylor			
52	Fri	08-Apr-16	Entry of year end cash journals	Val Taylor			

**Timetable for Closure of 2015/16
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
53	Fri	08-Apr-16	Completion of all system reconciliations: <ul style="list-style-type: none"> • Council Tax • NNDR 	Kay Plant/Sally Mason			
54	Fri	08-Apr-16	Last day for receipt of estimated creditor sheets	Andrew Cook	All staff		
55	Fri	08-Apr-16	All suspense accounts to be cleared	Andrew Cook Trudy Holderness Amy Johnson			
56	Fri	08-Apr-16	Final deadline for non-returned Officer and Member Interests Forms	Andrew Cook	Julie Smith/Liz Rawson		
57	Fri	15-Apr-16	General Stores to be finalised	Kay Plant/Sally Mason	Helen Smith		
58	Fri	15-Apr-16	Capital accounts finished and journals entered	Lawson Oddie	Andrew Cook		

**Timetable for Closure of 2015/16
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
59	Fri	15-Apr-16	Decision taken on assets to be added/written off	Lawson Oddie			
60	Fri	15-Apr-16	Receipt of IAS19 information from Lancashire County Council	Lawson Oddie			
61	Fri	29-Apr-16	Closedown collection fund for Council Tax and inform LCC, Fire and Police	Lawson Oddie			
62	Fri	29-Apr-16	Valuation Office notification to be actioned and also Depreciation processed	Trudy Holderness			

**Timetable for Closure of 2015/16
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
63	Fri	29-Apr-16	<p>Central establishment and other recharges to have been completed by:</p> <ul style="list-style-type: none"> • Council Offices • Bank Charges • Organisation & Member Development • Financial Services • IT Services • Chief Executives • Revenue Services • Contact Centre • Legal Services • Capital Charges 	Trudy Holderness			
64	Fri	29-Apr-16	<p>Central establishment and other recharges to have been completed by:</p> <ul style="list-style-type: none"> • Depot • Community Services • Grounds Maintenance • Vehicles and Plant • Balances on WKSAD and VEHCL 	Amy Johnson			

Timetable for Closure of 2015/16 Accounts

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
65	Fri	29-Apr-16	Central establishment and other recharges to have been completed by: • Use of Market Buildings	Andrew Cook			
66	Fri	29-Apr-16	IAS19/FRS17 adjustment journals (as required) to be entered by	Lawson Oddie			
67	Mon	02-May-16	May Day				
68	Thurs	05-May-16	Election Day				
69	Fri	13-May-16	Possible deadline for NNDR3	Jane Pearson	Mark Edmondson		
70	Fri	13-May-16	Closedown collection fund for Business Rates and inform LCC and Fire	Lawson Oddie			

**Timetable for Closure of 2015/16
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
71	Fri	13-May-16	Service committee accounts to be finished and general fund summary account complete:				
			Policy & Finance Development Services	Trudy Holderness			
			Community Services	Amy Johnson			
			Health & Housing	Andrew Cook			
72	Mon	16-May-16	Produce I&E A/C, Balance sheet	Lawson Oddie			
73	Fri	27-May-16	Produce notes to the accounts	Lawson Oddie	Andrew Cook Trudy Holderness Amy Johnson		
74	Fri	27-May-16	Complete all other associated statements cash flow / Movement in Reserves Statement	Lawson Oddie			
75	Mon	30-May-16	Spring Bank Holiday				
76	Tues	31-May-16	Complete Narrative Statement	Lawson Oddie			
77	Wed	08-Jun-16	Report Annual Governance Statement and Findings of Review to CMT	Salma Farooq			

**Timetable for Closure of 2015/16
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
78	Fri	10-Jun-16	Annual Governance Statement to Leader and CE for signing	Salma Farooq			
79	Fri	10-Jun-16	Statement of Accounts to be completed	Lawson Oddie			
80	Fri	17-Jun-16	Advertise accounts available for inspection on website from 20 June 2016	Lawson Oddie	Kay Plant/Sally Mason		
81	Mon	20-Jun-16	Distribution date for Accounts and Audit Committee and Director of Resources (CFO) sign accounts for true and fair view	Lawson Oddie			
82	Mon	20-Jun-16	Period of public inspection starts (30 consecutive working days from sign off by Director of resources)	Lawson Oddie			
83	Wed	22-Jun-16	Grant Thornton commence final accounts audit	Grant Thornton			
84	Thurs	23-Jun-16	EU Referendum				
85	Wed	29-Jun-16	Accounts and Audit Committee meeting	Jane Pearson	Lawson Oddie		

**Timetable for Closure of 2015/16
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
86	Fri	01-Jul-16	Progress Meeting with Grant Thornton	Grant Thornton Lawson Oddie			
87	Fri	08-Jul-16	WGA Return to be completed by (Unaudited)	Andrew Cook			
88	Fri	08-Jul-16	Revenue Outturn Forms to be completed by	Andrew Cook			
89	Fri	15-Jul-16	Progress Meeting with Grant Thornton	Grant Thornton Lawson Oddie			
90	Wed	27-Jul-16	Clearance meeting with Grant Thornton	Jane Pearson Lawson Oddie	Grant Thornton		
91	Wed	03-Aug-16	Complete Audit Findings Report adjustments and issue final Statement of Accounts to Grant Thornton	Lawson Oddie	Grant Thornton		
92	Mon	08-Aug-16	Distribution Date for Accounts and Audit Committee	Lawson Oddie	Grant Thornton		
93	Wed	17-Aug-16	Accounts and Audit Committee meeting to consider the audit Findings Report and approve amended Final Accounts	Jane Pearson	Lawson Oddie Grant Thornton		
94	Thurs	18-Aug-16	Receipt of Accounts opinion from Grant Thornton	Lawson Oddie	Grant Thornton		
95	Fri	19-Aug-16	Accounts to be published on website by	Lawson Oddie	Kay Plant/Sally Mason		

**Timetable for Closure of 2015/16
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
96	<i>Mon</i>	<i>29-Aug-16</i>	<i>August Bank Holiday</i>				
97	Fri	30-Sep-16	Whole of Government Accounts return (audited) to be completed by	Andrew Cook			

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO ACCOUNTS AND AUDIT COMMITTEE

Agenda Item No 6

meeting date: 30 MARCH 2016
 title: INTERNAL AUDIT ANNUAL PLAN 2016/17
 submitted by: DIRECTOR OF RESOURCES
 principal author: MICK AINSCOW

1 PURPOSE

1.1 To submit to committee the internal audit plan for 2016/17.

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 All local authorities are required to make proper provision for Internal Audit in line with the 1972 Local Government Act and the Accounts and Audit Regulations 2015. The Public Sector Internal Audit Standards require the proper planning of all audit activity.

3 RISK SCORING

3.1 Internal Audit ensures that good internal controls are inherent in all the Council's systems. All services have been identified into auditable areas and then subjected to a risk assessment process. This risk assessment scores each area against 4 key factors, based on the table shown below:

Risk Factor	Description	Scoring Methodology
Financial Impact	Based on the monetary value of the transactions involved	Highest score given to those areas with substantially monetary value transactions
Primary Objectives	Based on service links to the primary objectives in the Corporate Strategy	Highest score given to those areas that are key to the council achieving its primary objectives
Audit Experience and Assurance	Based on recommendations and assurance levels at past audits	Highest scores given to those areas which have a poor audit experience or low levels of assurance. (New areas automatically score high)
Time since last audit	Based on the time that has elapsed since an audit was last undertaken on the service area	Highest scores given to those areas which have not been audited in the past three years

3.2 Scores are given across these four factors for each auditable area to arrive at a total risk score, from which it is determined whether the area in question is high, medium or low risk. A total score of 4 to 6 is regarded as low risk, of 7 to 9 as medium, and 10 and over as high.

3.3 Using this risk based approach to scoring the Council's service areas, as shown at Annex 1, an operational audit plan is then produced which prioritises resource allocation based on those areas scored as higher risk. All high risk areas are covered annually with the medium risk areas covered at least twice over a three year period. The number of days allocated to each area is based on past experience and level of

testing required. Low risk areas are aimed to be covered over the longer term where resources allow.

4 CONSULTING ON THE ANNUAL AUDIT PLAN

- 4.1 Directors and Heads of Service were also consulted, asking for any comments on proposals. They are also asked for information on any new and emerging risks that the audit team should be aware of, and for any information on service changes.
- 4.2 Importantly, there has also been consultation with our external auditors on our proposed audit plan. In undertaking their work, there are areas where the external auditors place reliance on the work of the internal audit section. Consulting with external audit also helps avoid areas of duplication in both external and internal audit work over the course of the forthcoming financial year, enabling better and more efficient planning.

5 INTERNAL AUDIT ANNUAL AUDIT PLAN 2016/17

- 5.1 Using the risk scoring exercise above, we are able to construct a better informed risk based audit plan for the coming year. The proposed audit plan for 2016/17 is attached at Annex 2.
- 5.2 Within the 2016/17 year all high risk category audit areas have been included in the audit plan. As there would be available resources after inclusion of the high risk areas, all medium risk areas have also been included. Should resources allow as the year progresses, it may be possible to include some of the low risk areas.
- 5.3 With regard to risk management, internal audit will continue to have a monitoring role during 2016/17. Risk owners are asked to review all their risks periodically in accordance with agreed timescales, and we will monitor all risks to ensure this is being done with any red risks being reported to this Committee.
- 5.4 We will continue to allow a number of days in the audit plan for contingencies. This is to account for any work carried out that is unplanned e.g. possible fraud investigations, complaints from members of the public or pieces of work carried out following specific requests from Directors or Heads of Service.
- 5.5 Further work will also be programmed for computer audit reviews, however, this will fall outside the audit plan as we do not have the necessary expertise in house for this area of audit work. The Council have an earmarked reserve for use in the procurement of such external provision.

6 RECOMMENDED THAT COMMITTEE

- 6.1 Approve the 2016/17 internal audit plan.

PRINCIPAL AUDITOR
AA2-16/MA/AC

DIRECTOR OF RESOURCES

17 March 2016

For further information please ask for Mick Ainscow.

SCORING OF ALL SERVICE AREAS FOR RISK 2016/17 **Annex 1**

		RISK FACTOR				
AUDIT AREA	FINANCIAL IMPACT	PRIMARY OBJECTIVES	AUDIT EXPERIENCE AND ASSURANCE	TIME SINCE LAST AUDIT	TOTAL	
Fundamental Systems	Main Accounting	3	3	1	1	8
	Creditors	3	3	1	1	8
	Sundry Debtors	3	3	1	1	8
	Payroll	3	3	1	1	8
	Council Tax	3	3	1	1	8
	Housing Benefits/Council Tax Support	3	3	1	1	8
	NNDR/Business Rates Pooling	3	3	1	1	8
	Cash Receipting	3	3	1	1	8
Non-fundamental Systems	VAT	3	3	2	3	11
	Stores	2	2	1	3	8
	Procurement	3	3	1	3	10
	Treasury Management	3	3	1	1	8
	Asset Management	3	3	1	1	8
Resources	Car Allowances/Staff Expenses	2	1	1	1	5
	Car Loans/Leasing	1	1	1	3	6
	Petty Cash/Floats	1	1	1	1	4
	Members' Allowances	2	3	1	1	7
	HR and Recruitment	2	3	1	1	7
	Insurance	3	2	1	1	7
Chief Executives	Land Charges	3	2	1	1	7
	Clitheroe Market	2	2	1	1	6
	Cemetery	2	2	1	3	8
	Licences	2	2	1	1	6
	Building Control	3	2	1	1	7
	Business Continuity	3	3	3	3	12
	Environmental Health	3	3	3*	3*	12
Community	Planning Applications	3	2	1	1	7
	Car Parking	3	2	2	3	10
	VIC/Platform Gallery	2	3	2	1	8
	Trade and Domestic Refuse Collection	2	3	1	1	7
	Museum/Café	2	2	3*	3*	10
	Healthy Lifestyles	3	3	1	1	8
	Ribblesdale Pool	2	3	1	1	7
	Data Protection	1	2	1	3	7
Other Areas	Partnership Arrangements	3	3	1	1	8
	Grants Received	3	3	1	1	8
	Grants Paid	3	3	1	1	8
	Flexi-time System	1	1	2	2	6
	Section 106 Agreements/ Planning Enforcement	3	2	3*	3*	11
	Fees and Charges/Cash Collection Procedures	3	2	1	1	7
	Transparency/Open Data	1	1	3*	3*	8
	Externally Contracted Provision of RVBC Services	2	2	3*	3*	10

*Scored high as not previously included as a separate audit area

PROPOSED INTERNAL AUDIT ANNUAL PLAN 2016/17

Operational Audit Plan 2016/17			Days
	Number of days available		780
	Less:		
	Bank Hols/Statutory	36	
	Annual Leave	74	
	Non-Audit Duties (Insurance, etc.)	25	
	College	30	(165)
	Actual auditing days available		615
Risk Score	Area Of Activity		
	<i>Fundamental Systems</i>		
8	Main Accounting	25	
8	Creditors	25	
8	Sundry Debtors	25	
8	Payroll	30	
8	Council Tax	40	
8	Housing Benefits/Council Tax Support	45	
8	NNDR/Business Rates Pooling	40	
8	Cash Receipting	15	245
	<i>Non Fundamental Systems</i>		
11	VAT	20	
8	Treasury Management	12	
10	Procurement	20	
8	Stores	6	
8	Asset Management	10	68

Risk Score	Area of Activity		
	<i>Probity/Regularity</i>		
7	Members Allowances	5	
7	HR and Recruitment	15	
7	Insurance	15	
7	Land Charges	5	
7	Fees and Charges/Cash Collection Procedures	10	
12	Business Continuity	15	
10	Car Parking	10	
8	VIC/Platform Gallery	5	
7	Trade and Domestic/Refuse Collection	10	
7	Ribblesdale Pool	5	
8	Cemetery	5	
8	Partnership Arrangements	10	
8	Grants received	10	
8	Grants paid	10	
12	Environmental Health	10	
11	Section 106 Agreements/Planning Enforcement	15	
7	Building Control	10	
7	Planning Applications	10	
7	Data Protection	10	
10	Museum/Café	10	
8	Healthy Lifestyles	5	
8	Transparency/Open Data	10	
10	Externally Contracted Provision of RVBC services	15	225
	<i>Continuous Activity/Ongoing Checks</i>		
	Income Monitoring	12	12

	Contingencies	25	25
	Risk Management	15	
	Corporate Governance	20	
	Performance Indicators	5	40
	Total Planned Audit Work		615

Jane Pearson
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8 January 2016

Dear Mrs Pearson

Certification work for Ribble Valley Borough Council for year ended 31 March 2015

We are required to certify certain claims and returns submitted by Ribble Valley Borough Council ('the Council'). This certification typically takes place six to nine months after the claim period and represents a final but important part of the process to confirm the Council's entitlement to funding.

The Local Audit and Accountability Act 2014 gave the Secretary of State power to transfer Audit Commission responsibilities to other bodies. Public Sector Audit Appointments (PSAA) have taken on the transitional responsibilities for HB COUNT issued by the Audit Commission in February 2015

We have certified one claim and return for the financial year 2014/15 relating to expenditure of £7.5 million. Further details of the claim certified are set out in Appendix A.

There are no issues arising from our certification work which we wish to highlight for your attention. We are satisfied that the Council has appropriate arrangements to compile complete, accurate and timely claims and returns for audit certification.

The indicative fee for 2014/15 for the Council is based on the final 2012/13 certification fees, reflecting the amount of work required by the auditor to certify the claims and returns in that year. Fees for schemes no longer requiring certification under the Audit Commission regime (such as the national non-domestic rates return, teachers pensions return and pooling housing capital receipts return) have been removed. The indicative scale fee set by the Audit Commission for the Council for 2014/15 is £8,920.

Yours sincerely

For Grant Thornton UK LLP

Appendix A - Details of claims and returns certified for 2014/15

Claim or return	Value	Amended?	Amendment (£)	Qualified?	Comments
Housing benefits subsidy claim	7,572,933	No	0	No	

Appendix B: Fees for 2014/15 certification work

Claim or return	2013/14 fee (£)	2014/15 indicative fee (£)	2014/15 actual fee (£)	Variance (£)	Explanation for variances
Housing benefits subsidy claim (BEN01)	£14,080	£8,920	£8,920	-£5160	The indicative fee for 2014/15 for the Council is based on the final 2012/13 certification fees and has varied in line with that original fee.
Total	£14,080	£8,920	£8,920	-£5160	

Accounts and Audit Committee Ribble Valley Borough Council Progress Report and Update Year ended 31 March 2016

March 2016

Karen Murray

Director

T 0161 234 6364

E karen.l.murray@uk.gt.com

Caroline Stead

Senior Manager

T 0161 234 6355

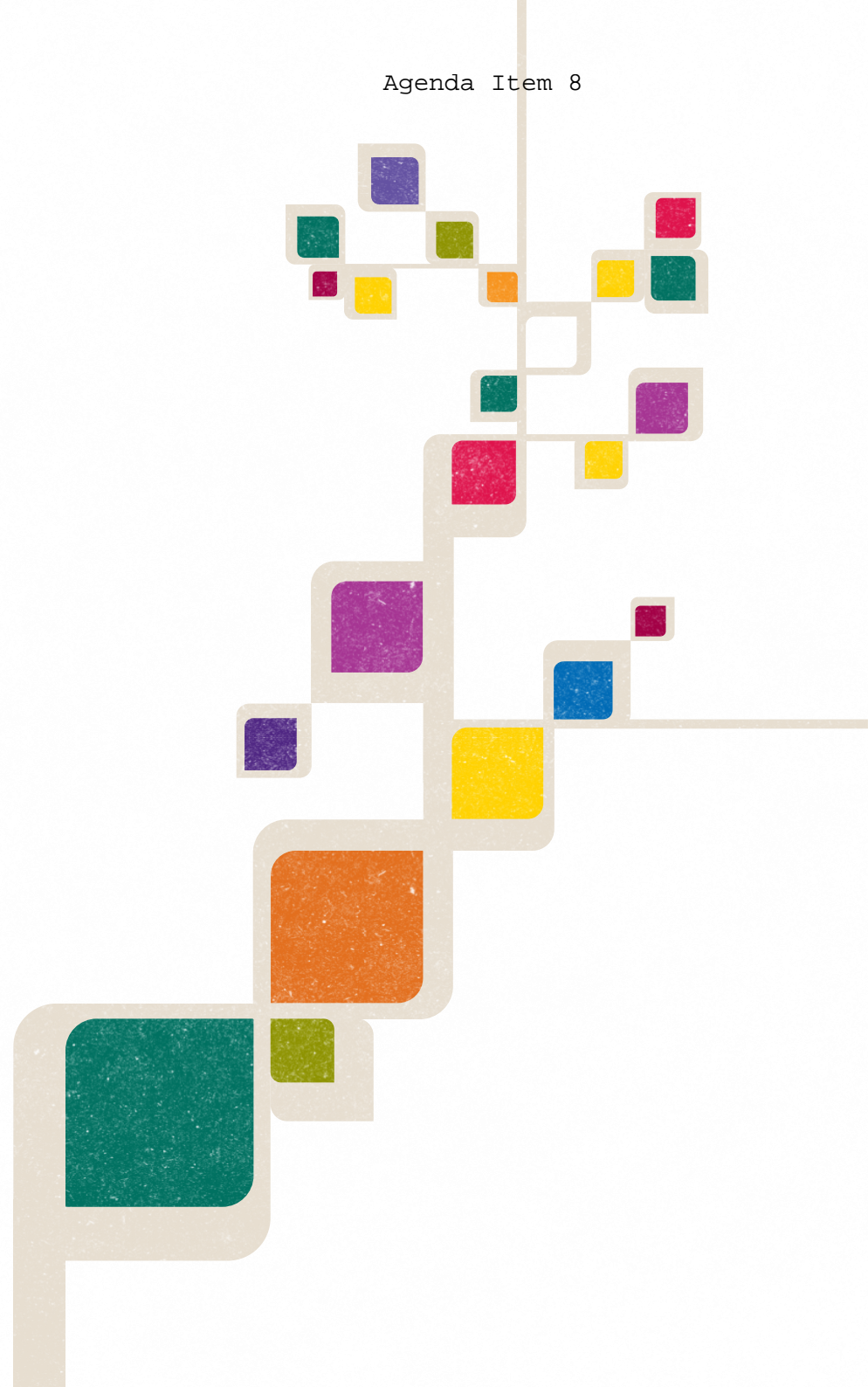
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Amelia Payton

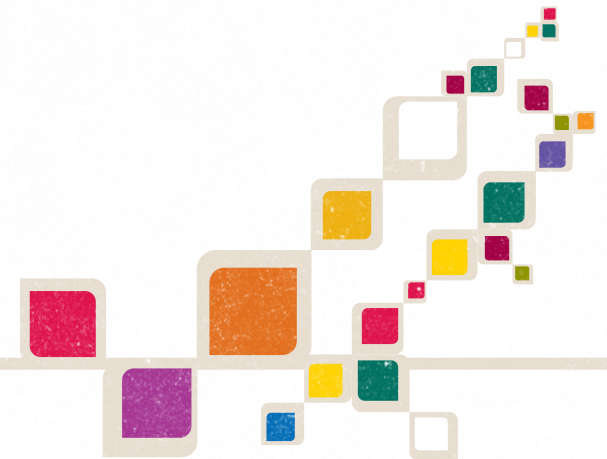
In charge auditor

T 0161 953 6943

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.



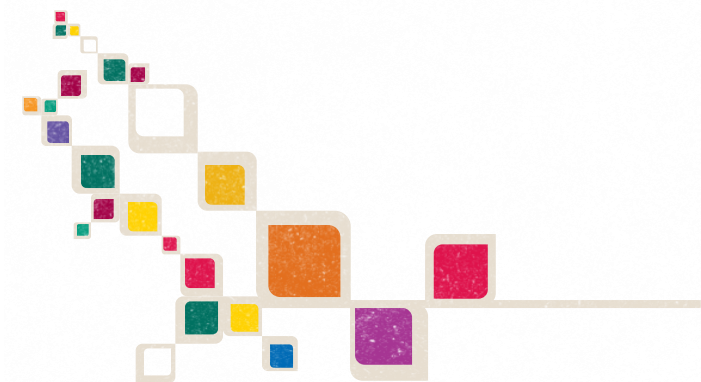
Introduction

This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditors.

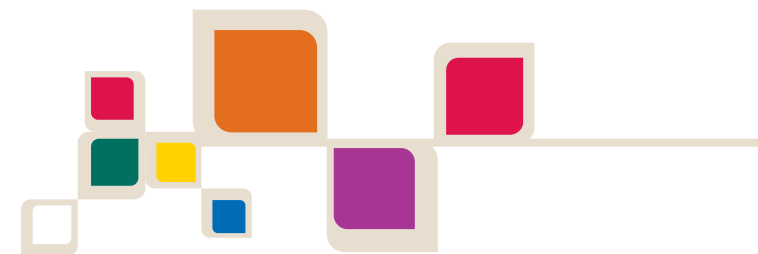
Members of the Audit and Assurance Committee can find further useful material on our website www.grant-thornton.co.uk, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications:

- Innovation in public financial management (December 2015); www.grantthornton.global/en/insights/articles/innovation-in-public-financial-management/
- Knowing the Ropes – Audit Committee; Effectiveness Review (October 2015); www.grantthornton.co.uk/en/insights/knowing-the-ropes--audit-committee-effectiveness-review-2015/
- Making devolution work: A practical guide for local leaders (October 2015) www.grantthornton.co.uk/en/insights/making-devolution-work/

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

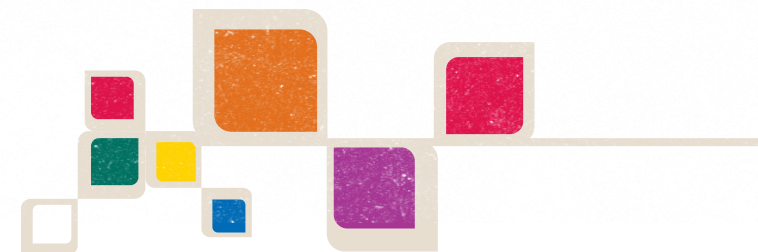


Progress at 4th March 2016



2015/16 work	Planned Date	Complete?	Comments
<p>Accounts Audit Plan</p> <p>We are required to issue a detailed accounts audit plan to the Council setting out our proposed approach in order to give an opinion on the Council's 2015-16 financial statements.</p>	March	In progress	Our audit plan is included as a separate agenda item for the Accounts and Audit Committee to consider.
<p>Interim accounts audit</p> <p>Our interim fieldwork visit plan included:</p> <ul style="list-style-type: none"> • updated review of the Council's control environment • updated understanding of financial systems • review of Internal Audit reports on core financial systems • early work on emerging accounting issues • early substantive testing • proposed Value for Money conclusion. 	February – March	In progress	We undertook our interim audit work in January and March. The visit in March is focusing on early audit testing where practical to support a more efficient final accounts audit.
<p>Final accounts audit</p> <p>Including:</p> <ul style="list-style-type: none"> • audit of the 2015-16 financial statements • proposed opinion on the Council's accounts • proposed Value for Money conclusion • review of the Council's disclosures in the consolidated accounts against the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 	June - August	Not started	We are planning to complete our audit fieldwork by the end of July as part of the transition to the earlier closedown and audit cycle from 2018.

Progress at 4th March 2016



2015/16 work	Planned Date	Complete?	Comments
<p>Value for Money (VfM) conclusion</p> <p>The scope of our work has changed and is set out in the final guidance issued by the National Audit Office in November 2015. The Code requires auditors to satisfy themselves that; "the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".</p> <p>The guidance confirmed the overall criterion as; "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".</p> <p>The three sub criteria for assessment to be able to give a conclusion overall are:</p> <ul style="list-style-type: none"> • Informed decision making • Sustainable resource deployment • Working with partners and other third parties 	March - July	In progress	<p>We have considered the potential significant risks for our VfM conclusion and identified no risks at this time.</p> <p>We will continue to update our risk assessment for events throughout the financial year.</p>
<p>Other areas of work</p> <p>As in previous years we hosted, with CIPFA a closedown workshop for local authority finance staff.</p>	February 2016		This was attended by your Head of Financial Services.

Local Government Accounting and other issues



IFRS 13 'Fair value measurement

The 2015/16 Accounting Code applies IFRS 13 'Fair Value Measurement' for the first time. The standard sets out in a single framework for measuring fair value and defines fair value as the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date.

There is no public sector adaptation to IFRS13 but the Treasury and therefore the Code has adapted IAS 16 Property, Plant and Equipment so that operational assets (providing service potential) are no longer held at fair value but current value. As such IFRS 13 does not apply to operational assets. This new definition of current value means that the measurement requirements for operational property, plant and equipment providing service potential have not changed from the prior year.

However, surplus assets will need to be measured under the new definition of fair value, reflecting the highest and best use from the market participant perspective.

Other areas affected by the new standard include investment property, available for sale financial assets and those items where fair values are disclosed - for example, long term loans and PFI liabilities. IFRS 13 also introduces extensive disclosure requirements.

Local Authorities need to:

- review their classification of surplus assets and investment properties
- discuss IFRS 13 with their property valuers and treasury advisers to ensure that fair values provided are produced in line with the new standard
- update accounting policies and disclosures to reflect the new standard.



Better Care Fund

The Better Care Fund was launched on 1 April 2015 to ‘...drive closer integration and improve outcomes for patients and service users and carers’. The intention was to set up the fund as a pooled budget with NHS organisations and local authorities contributing into a single pot that is used to commission or deliver health and social care services.

In practice, different Better Care Fund agreements have different and sometimes complex arrangements. As a result determining the correct accounting can be difficult and there is no one size fits all approach. NHS and local government partners need to agree on accounting for such arrangements to ensure that not only are there no material errors in their own accounts but also that there are no material errors on consolidation into Whole of Government Accounts.

NHS and local government partners therefore need to consider the specific terms of their agreements and considering where the control and risks lie in line with the definition of control in IFRS 10 Consolidated Financial Statements and IFRS 11 Joint Arrangements. Individual authorities also need to consider whether they are acting as a principal or an agent. Judgement may be required, and may therefore need to be disclosed as a critical judgement in the accounts.

Although the local government timetable is moving forward, the NHS timetable is still significantly earlier so local authorities will need to include dates in their closedown plan to give NHS colleagues the information they need to prepare their accounts in good time for these deadlines.

Unlodged non-domestic rate appeals

Last year, there were primarily no provisions for unlodged non-domestic rates appeals as appeals received on or after 1 April 2015 were only backdated to 1 April 2015. The effect of last years announcement was supposed to put authorities in the position as if the revaluation had been done in 2015 as initially intended before the extension to 2017. This was only a one year reprieve and so any unlodged appeals at 31 March 2016 will only be backdated to 1 April 2015 and therefore may not be material.

However, this year, local authorities will need to estimate a provision for unlodged appeals but as above it may not be material.

Under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' and the Code it is in only extremely rare cases that a reliable estimate cannot be made. Therefore, if your local authority does have such an instance, the rationale needs backing up: both in terms of disclosures (as a contingent liability) and in providing evidence to those charged with governance as to why a reliable estimate for the provision cannot be made.

Grant Thornton Publications



Reforging local government: Summary findings of financial health checks and governance reviews

The recent autumn statement represents the biggest change in local government finance in 35 years. The Chancellor announced that in 2019/20 councils will spend the same in cash terms as they do today and that "better financial management and further efficiency" will be required to achieve the projected 29% savings. Based on our latest review of financial resilience at English local authorities, this presents a serious challenge to many councils that have already become lean.



Our research suggests that:

- the majority of councils will continue to weather the financial storm, but to do so will now require difficult decisions to be made about services
- most councils project significant funding gaps over the next three to five years, but the lack of detailed plans to address these deficits in the medium-term represents a key risk
- Whitehall needs to go further and faster in allowing localities to drive growth and public service reform including proper fiscal devolution that supports businesses and communities
- local government needs a deeper understanding of their local partners to deliver the transformational changes that are needed and do more to break down silos
- elected members have an increasingly important role in ensuring good governance is not just about compliance with regulations, but also about effective management of change and risk
- councils need to improve the level of consultation with the public when prioritising services and make sure that their views help shape council development plans.

Our report is available at <http://www.grantthornton.co.uk/en/insights/reforging-local-government/>, or in hard copy from your Engagement Lead or Engagement Manager.

CFO Insights – driving performance improvement

CFO insights is an online analysis tool that gives those aspiring to improve the financial position of their local authority instant access to insight on the financial performance, socio- economy context and service outcomes of every council in England, Scotland and Wales.

The tool provides a three-dimensional lens through which to understand council income and spend by category, the outcomes for that spend and the socio-economic context within which a council operates. This enables comparison against others, not only nationally, but in the context of their geographical and statistical neighbours. CFO Insights is an invaluable tool providing focused insight to develop, and the evidence to support, financial decisions.



We are happy to organise a demonstration of the tool if you want to know more.

Innovation in public financial management

In December 2015 we issued a report, which drew on a survey of almost 300 practitioners worldwide, also includes insights from experts at the International Consortium on Governmental Financial Management (ICGFM) and the Massachusetts Institute of Technology's Centre for Finance and Policy.

The report is the latest in a decade-long series jointly published by Grant Thornton and the ICGFM and it covers four major topics that, globally, will impact on the future of public financial management:

Changing practices. Our research showed that the biggest issue ahead will be finding the political commitment to support more difficult innovations on the agenda – such as increasing public engagement.

The right PPP formula. 90% of respondents felt that substantial investment in infrastructure was required to drive economic growth. In this age of austerity, most governments are also seeking ways to attract outside investment – with the majority using some form of public-private partnership (PPP). Many countries remain inexperienced with such arrangements and the results of

their application have been mixed. There has been little improvement since our 2011 survey, which shows that it takes a long time to develop the requisite skills and experience to make PPPs work.

Transparency with technology. Public financial managers are convinced of the importance of enhancing transparency and most are trying to be innovative in this area. However, most are using outdated digital tools. Fewer than half use social media to enhance openness. Even among the best, most transparency efforts are focussed on releasing data sets than data insights.

The new normal. Public financial management remains weighed down by the effects of the global financial crisis, but respondents also focussed on important developments since 2008, such as the Eurozone problems and the collapse of commodity prices. This suggests that public financial management is having to come to terms with not just the lessons one major financial crisis, but with how governments can live with less over the long term.

Our report, Innovation in public financial management, can be downloaded from our website:
<http://www.grantthornton.global/en/insights/articles/innovation-in-public-financial-management/>

Grant Thornton reports



2016 Transparency Report

Grant Thornton's commitment to quality underpins all that we do and this is reflected in our 2016 Transparency Report.

We have more than 42,000 people in over 130 countries and this report is a public statement of our commitment to provide high-quality services to businesses and organisations operating throughout the world.

It is designed to help clients, audit committees, regulators and the public, who make up our many stakeholders, understand us better.

The report covers the three key aspects of our business, namely:

- Audit and assurance;
- Taxation; and
- Advisory services.

The report provides information on our audit methodology and sets out how we monitor the quality of our work and engage with external regulators.

It also covers our arrangements for governance and management and sets our most recent financial information.

The report can be downloaded from our website:

www.grantthornton.global/globalassets/1.-member-firms/global/grant-thornton-global-transparency-report-2016.pdf

Alternatively, hard copies can be provided by your Engagement Lead or Audit Manager.

Grant Thornton reports



Transparency report 2016
Our commitment to brighter futures





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The Audit Plan for Ribble Valley Borough Council

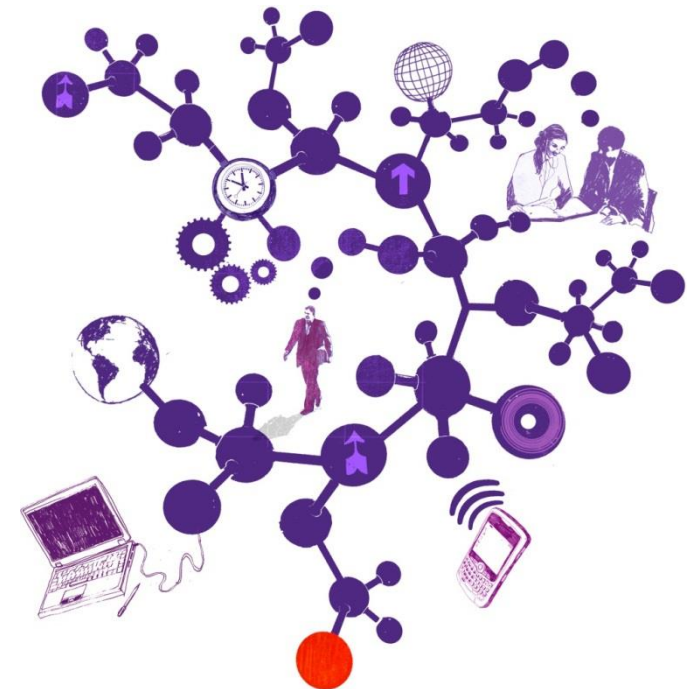
Year ending 31 March 2016

March 2016

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Council or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

Ribble Valley Borough Council,
Council Offices
Church Walk
CLITHEROE
Lancashire
BB7 2RA

30 March 2016

Dear Members of the Accounts and Audit Committee

Audit Plan for Ribble Valley Borough Council for the year ending 31 March 2016

This Audit Plan sets out for the benefit of those charged with governance (in the case of Ribble Valley Borough Council, the Accounts and Audit Committee), an overview of the planned scope and timing of the audit, as required by International Standard on Auditing (UK & Ireland) 260. This document is to help you understand the consequences of our work, discuss issues of risk and the concept of materiality with us, and identify any areas where you may request us to undertake additional procedures. It also helps us gain a better understanding of the Council and your environment. The contents of the Plan have been discussed with management.

We are required to perform our audit in line with the Local Audit and Accountability Act 2014 and in accordance with the Code of Practice issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General in April 2015.

Our responsibilities under the Code are to:

- give an opinion on the Council's financial statements
- satisfy ourselves the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

As auditors we are responsible for performing the audit, in accordance with International Standards on Auditing (UK & Ireland), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

Yours sincerely

Karen Murray
Engagement Lead

Chartered Accountants

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Contents

Section

Understanding your business

Developments and other requirements relevant to the audit

Our audit approach

Significant risks identified

Other risks identified

Value for Money

Results of interim audit work

Key dates

Fees and independence

Communication of audit matters with those charged with governance

Appendices

A. Action plan

Understanding your business

In planning our audit we need to understand the challenges and opportunities the Council is facing. We set out a summary of our understanding below.

Challenges/opportunities

1. Autumn Statement 2015 and financial health

- The Chancellor proposed that local government would have greater control over its finances, although this was accompanied by a 24% reduction in central government funding to local government over 5 years.
- Despite the increased ownership, the financial health of the sector is likely to become increasingly challenging.
- The Council has factored central government funding into its budget planning for the financial year.

2. Devolution

- The Autumn Statement 2015 also included proposals to devolve further powers to localities.
- In Lancashire there is a movement towards a combined authority. Consultation has been undertaken on the combined authority and the Council is involved in shaping this development for Lancashire

5. Earlier closedown of accounts

- The Accounts and Audit Regulations 2015 require councils to bring forward the approval and audit of financial statements to 31 May and 31 July respectively by the 2017/18 financial year.
- The Council is well placed to meet this earlier date because it has a good track record in preparing accounts ahead of the current deadline of 30 June.



Our response

We will:

- consider the Council's plans for addressing its financial position as part of our work to reach our VFM conclusion.

We will:

- consider your plans as part of the local devolution agenda in reaching our VFM conclusion.
- provide support and challenge to your plans based on our knowledge of devolution elsewhere in the country if appropriate.

We will:

- work with you to identify areas of your accounts production where you can learn from good practice in other authorities.
- aim to complete all substantive work in our audit of your financial statements by 31 July 2016 as a 'dry run' has

Developments and other requirements relevant to your audit

In planning our audit we also consider the impact of key developments in the sector and take account of national audit requirements as set out in the Code of Audit Practice and associated guidance.

Developments and other requirements

1. Fair value accounting

- A new accounting standard on fair value (IFRS 13) has been adopted and applies for the first time in 2015/16.
- This will have a particular impact on the valuation of surplus assets within property, plant and equipment which are now required to be valued at fair value in line with IFRS 13 rather than the existing use value of the asset.
- Investment property assets are required to be carried at fair value as in previous years.
- There are a number of additional disclosure requirements of IFRS 13.



2. Corporate governance

- You are required to produce an Annual Governance Statement (AGS) as part of your financial statements.
- SOLACE and CIPFA recently concluded a consultation on proposed changes to the guidance relating to the Local Code of Governance. The revised guidance notes are due to be published in April 2016.



3. Narrative Statement

- The Accounts and Audit Regulations 2015 require local authorities to produce a Narrative Statement, which reports on your financial performance and use of resources in the year, and replaces the explanatory foreword.



Our response

We will:

- keep the Council informed of changes to the financial reporting requirements for 2015/16 through ongoing discussions and invitations to our technical update workshops.
- discuss this with you at an early stage, including reviewing the basis of valuation of your surplus assets and investment property assets, to ensure they are valued on the correct basis.
- review your draft financial statements to ensure you have complied with the disclosure requirements of IFRS 13.

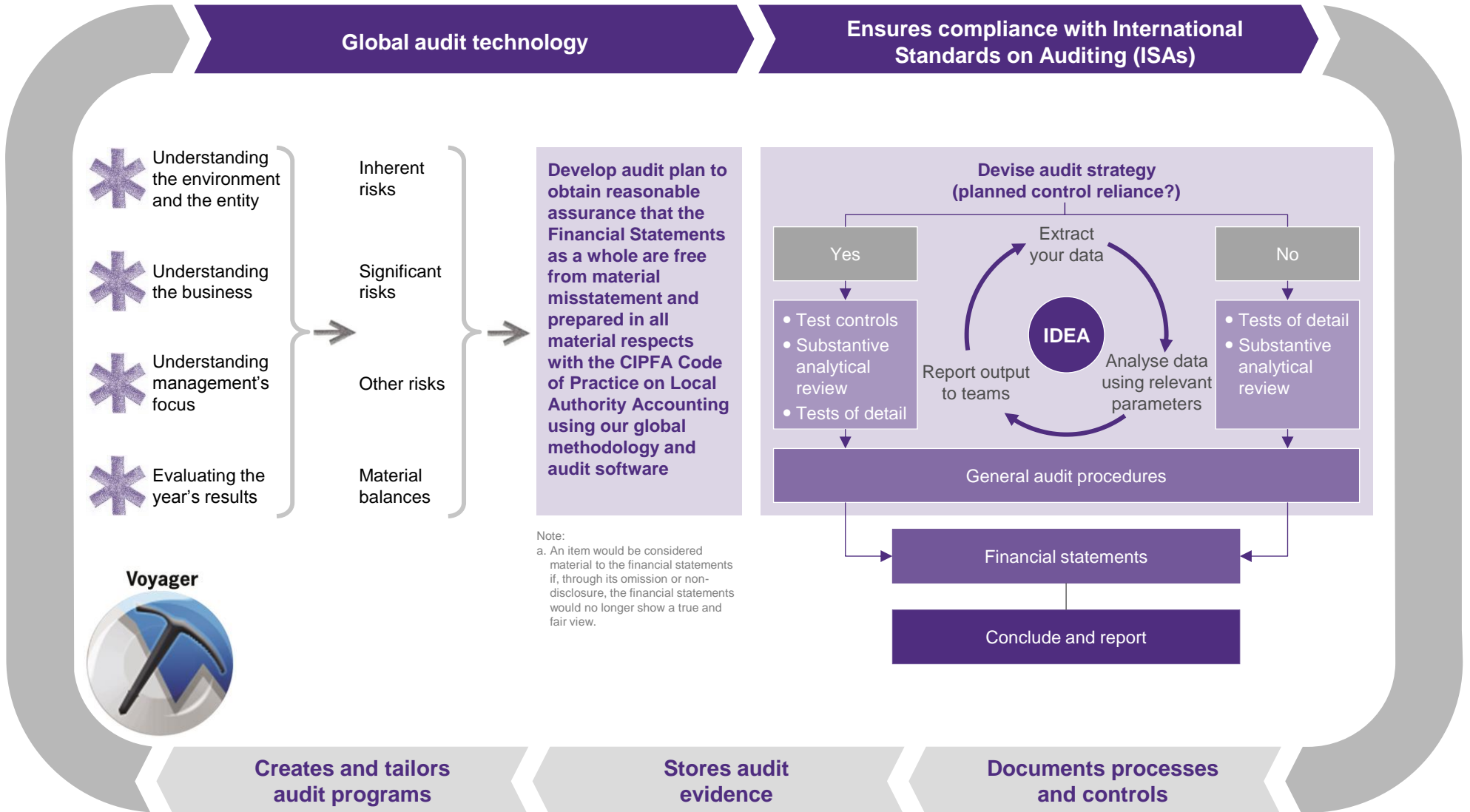
We will:

- review your arrangements for producing the AGS
- review your draft AGS and consider whether it is consistent with our knowledge of the Council and the requirements of CIPFA guidance.

We will:

- review your Narrative Statement to ensure it reflects the requirements of the CIPFA Code of Practice when this is updated, and make recommendations for improvement.

Our audit approach



Materiality

In performing our audit, we apply the concept of materiality, following the requirements of International Standard on Auditing (UK & Ireland) (ISA) 320: Materiality in planning and performing an audit.

The standard states that 'misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements'.

As is usual in public sector entities, we have determined materiality for the statements as a whole as a proportion of the gross revenue expenditure of the Council. For purposes of planning the audit we have determined overall materiality to be £400k (being 2% of gross revenue expenditure). We will consider whether this level is appropriate during the course of the audit and will advise you if we revise this.

In the previous year, we determined materiality to be £405k (being 2% of gross revenue expenditure).

Under ISA 450, auditors also set an amount below which misstatements would be clearly trivial and would not need to be accumulated or reported to those charged with governance because we would not expect that the accumulation of such amounts would have a material effect on the financial statements. "Trivial" matters are clearly inconsequential, whether taken individually or in aggregate and whether judged by any criteria of size, nature or circumstances. We have defined the amount below which misstatements would be clearly trivial to be £20k.

ISA 320 also requires auditors to determine separate, lower, materiality levels where there are 'particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users'.

We have identified the following items where we would expect the disclosures in the accounts to be correct.

Balance/transaction/disclosure	Explanation
Disclosures of officers' remuneration, salary bandings and exit packages in notes to the statements	Due to public interest in these disclosures and the statutory requirement for them to be made.
Disclosure of auditors' remuneration in notes to the statements	Due to public interest in these disclosures and the statutory requirement for them to be made.

Significant risks identified

"Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, either due to size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty" (ISA 315). In this section we outline the significant risks of material misstatement which we have identified. There are two presumed significant risks which are applicable to all audits under auditing standards (International Standards on Auditing - ISAs) which are listed below:

Significant risk	Description	Substantive audit procedures
The revenue cycle includes fraudulent transactions	<p>Under ISA 240 there is a presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p>This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p>	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at Ribble Valley Borough Council, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition • opportunities to manipulate revenue recognition are very limited • the culture and ethical frameworks of local authorities, including Ribble Valley Borough Council, mean that all forms of fraud are seen as unacceptable.
Management over-ride of controls	Under ISA 240 it is presumed that the risk of management over-ride of controls is present in all entities.	<p>Work planned:</p> <ul style="list-style-type: none"> • Review of accounting estimates, judgments and decisions made by management • Testing of journal entries • Review of unusual significant transactions

Significant risks identified (continued)

Significant risk	Description	Substantive audit procedures
Valuation of pension fund net liability	The Council's pension fund asset and liability as reflected in its balance sheet represent significant estimates in the financial statements.	<p>Work planned:</p> <ul style="list-style-type: none"> • identify the controls put in place by management to ensure that the pension fund liability is not materially misstated. • assess whether these controls were implemented as expected and whether they are sufficient to mitigate the risk of material misstatement. • review the competence, expertise and objectivity of the actuary who carried out your pension fund valuation. We will gain an understanding of the basis on which the valuation is carried out. • undertake procedures to confirm the reasonableness of the actuarial assumptions made. • review the consistency of the pension fund asset and liability and disclosures in notes to the financial statements with the actuarial report from your actuary.

Other risks identified

"The auditor should evaluate the design and determine the implementation of the entity's controls, including relevant control activities, over those risks for which, in the auditor's judgment, it is not possible or practicable to reduce the risks of material misstatement at the assertion level to an acceptably low level with audit evidence obtained only from substantive procedures"(ISA (UK & Ireland) 315).

In this section we outline the other risks of material misstatement which we have identified as a result of our planning.

Other risks	Description	Audit approach
Operating expenses	Creditors understated or not recorded in the correct period (Operating expenses understated)	<p>Work completed to date:</p> <ul style="list-style-type: none"> • Identification of controls and walkthrough of the operating expenses system <p>Work planned:</p> <ul style="list-style-type: none"> • Substantive testing of a sample of expenditure transactions • Review of managements processed to raise accruals and ensure that accruals recognised are materially complete • Substantive testing of a sample of creditor balances and accruals recognised in the year end balance sheet • Testing of cash payments made after the year-end to identify potential unrecorded liabilities and gain assurance over the completeness of the payables balance in the accounts
Employee remuneration	Employee remuneration accruals understated (Remuneration expenses not correct)	<p>Work completed to date:</p> <ul style="list-style-type: none"> • Identification of controls in place and walkthrough of the payroll system • Early sample testing of payroll transactions <p>Work planned:</p> <ul style="list-style-type: none"> • Review of the reconciliation of payroll expenditure recorded in the general ledger to the subsidiary systems and interfaces • Completing our sample testing of payroll transactions to cover the full financial year • Trend analysis and risk identification for monthly payroll costs.

Other risks identified (continued)

Other material balances and transactions

Under International Standards on Auditing, "irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure". All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in the previous section but will include

- Heritage assets
- Assets held for sale
- Investments (long term and short term)
- Cash and cash equivalents
- Borrowing and other liabilities (long term and short term)
- Provisions
- Usable and unusable reserves
- Movement in Reserves Statement and associated notes
- Statement of cash flows and associated notes
- Financing and investment income and expenditure
- Taxation and non-specific grants
- Segmental reporting note
- Officers' remuneration note
- Leases note
- Related party transactions note
- Capital expenditure and capital financing note
- Financial instruments note
- Housing Benefits income and expenditure
- Collection Fund and associated notes

Other audit responsibilities

- We will undertake work to satisfy ourselves that disclosures made in the Annual Governance Statement are in line with CIPFA/SOLACE guidance and consistent with our knowledge of the Council.
- We will read the Narrative Statement and check that it is consistent with the statements on which we give an opinion and disclosures are in line with the requirements of the CIPFA Code of Practice.
- We will carry out work on consolidation schedules for the Whole of Government Accounts process in accordance with NAO instructions to auditors.
- We will give electors the opportunity to raise questions about the accounts and consider and decide upon objections received in relation to the accounts

Value for Money

Background

The Local Audit & Accountability Act 2014 ('the Act') and the NAO Code of Audit Practice ('the Code') require us to consider whether the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the Value for Money (VfM) conclusion.

The National Audit Office (NAO) issued its guidance for auditors on value for money work in November 2015 [here](#).

The Act and NAO guidance state that for local government bodies, auditors are required to give a conclusion on whether the Council has put proper arrangements in place.

The guidance identifies one single criterion for auditors to evaluate:

In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

This is supported by three sub-criteria as set out to the right:

Sub-criteria	Detail
Informed decision making	<ul style="list-style-type: none"> Acting in the public interest, through demonstrating and applying the principles and values of good governance Understanding and using appropriate cost and performance information to support informed decision making and performance management Reliable and timely financial reporting that supports the delivery of strategic priorities Managing risks effectively and maintaining a sound system of internal control.
Sustainable resource deployment	<ul style="list-style-type: none"> Planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions Managing assets effectively to support the delivery of strategic priorities Planning, organising and developing the workforce effectively to deliver strategic priorities.
Working with partners and other third parties	<ul style="list-style-type: none"> Working with third parties effectively to deliver strategic priorities Commissioning services effectively to support the delivery of strategic priorities Procuring supplies and services effectively to support the delivery of strategic priorities.

Value for Money (continued)

Risk assessment

We completed an initial risk assessment based on the NAO's guidance. In our initial risk assessment, we considered:

- our cumulative knowledge of the Council, including work performed in previous years in respect of the VfM conclusion and the opinion on the financial statements.
- the findings of other inspectorates and review agencies.
- any illustrative significant risks identified and communicated by the NAO in its Supporting Information.
- any other evidence which we consider necessary to conclude on your arrangements.

We have identified significant risks which we are required to communicate to you. The NAO's Code of Audit Practice defines 'significant' as follows:

A matter is significant if, in the auditor's professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public. Significance has both qualitative and quantitative aspects.

We have not identified any significant risks from our initial risk assessment. We will continue our review of your arrangements, including reviewing your Annual Governance Statement, before we issue our auditor's report.

Results of interim audit work

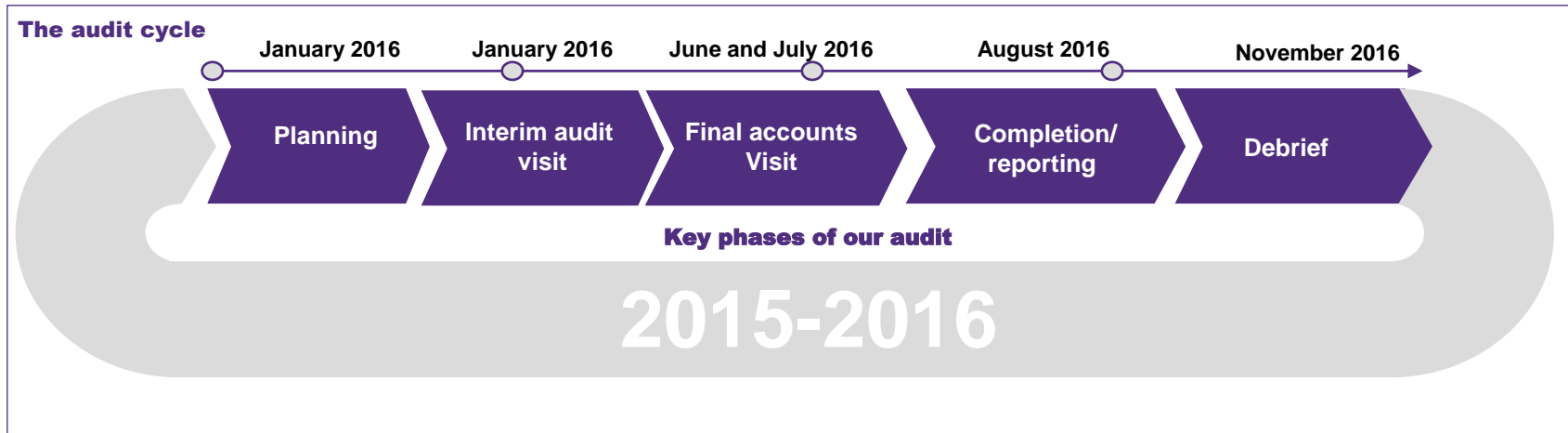
The findings of our interim audit work, and the impact of our findings on the accounts audit approach, are summarised in the table below:

	Work performed	Conclusion
Internal audit	<p>We have completed a high level review of internal audit's overall arrangements. Our work has not identified any issues which we wish to bring to your attention.</p> <p>We have also reviewed internal audit's work on the Council's key financial systems to date.</p>	<p>Overall, we have concluded that the internal audit service provides an independent and satisfactory service to the Council and that internal audit work contributes to an effective internal control environment.</p> <p>Our review of internal audit work has not identified any weaknesses which impact on our audit approach.</p>
Entity level controls	<p>We have obtained an understanding of the overall control environment relevant to the preparation of the financial statements including:</p> <ul style="list-style-type: none"> • Communication and enforcement of integrity and ethical values • Commitment to competence • Participation by those charged with governance • Management's philosophy and operating style • Organisational structure • Assignment of authority and responsibility • Human resource policies and practices 	<p>Our work has identified no material weaknesses which are likely to adversely impact on the Council's financial statements</p>

Results of interim audit work (continued)

	Work performed	Conclusion
Walkthrough testing	<p>We have completed walkthrough tests of the Council's controls operating in areas where we consider there is a risk of material misstatement to the financial statements.</p> <p>We have walked through the controls in place over your systems for employee remuneration, operating expenses and housing benefit expenditure.</p>	<p>Internal controls have been implemented by the Council in accordance with our documented understanding.</p> <p>Our work has not identified any weaknesses which impact on our audit approach.</p>
Journal entry controls	<p>We have reviewed the Council's journal entry policies and procedures as part of determining our journal entry testing strategy.</p>	<p>We have not identified any material weaknesses which are likely to adversely impact on the Council's control environment or financial statements.</p> <p>The Director of Resources has the ability to post journals. We test any journals raised by the Director of Resources as part of our final accounts testing of journals</p>
Early substantive testing	<p>We have undertaken early testing on your payroll transactions to month 9.</p> <p>We have arranged to undertake some early testing on your income and operating expenditure and this is underway.</p>	<p>We will complete this testing towards the end of March and include the findings in our audit findings report.</p>

Key dates



Date	Activity
January 2016	Planning
January 2016 and March 2016	Interim site visit
March 2016	Presentation of audit plan to Audit Committee
June and July 2016	Year end fieldwork
July 2016	Audit findings clearance meeting with Director of Resources
August 2016	Report audit findings to those charged with governance (Audit Committee)
August 2016	Sign financial statements opinion

Fees and independence

Fees

	£
Council audit	40,202
Grant certification	10,560
Total audit fees (excluding VAT)	50,762

Our fee assumptions include:

- Supporting schedules to all figures in the accounts are supplied by the agreed dates and in accordance with the agreed upon information request list.
- The scope of the audit, and the Council and its activities, have not changed significantly.
- The Council will make available management and accounting staff to help us locate information and to provide explanations.
- The accounts presented for audit are materially accurate, supporting working papers and evidence agree to the accounts, and all audit queries are resolved promptly.

Grant certification

- Our fees for grant certification cover only housing benefit subsidy certification, which falls under the remit of Public Sector Audit Appointments Limited
- Fees in respect of other grant work, such as reasonable assurance reports, are shown under 'Fees for other services'.

Fees for other services

Fees for other services reflect those agreed at the time of issuing our Audit Plan. Any changes will be reported in our Audit Findings Report and Annual Audit Letter. There are no fees for other services agreed at the current time.

Independence and ethics

. We have complied with the Auditing Practices Board's Ethical Standards and therefore we confirm that we are independent and are able to express an objective opinion on the financial statements. Ethical standards and International Standards on Auditing (ISA) 260 require us to give you full and fair disclosure of matters relating to our independence. In this context, we disclose the following to you:

- a member of the Council's Accountancy section is a former employee of Grant Thornton UK LLP. We will ensure any work completed by this member of your team is reviewed by staff who did not previously work directly with him.

Full details of all fees charged for audit and non-audit services will be included in our Audit Findings Report at the conclusion of the audit.

We confirm that we have implemented policies and procedures to meet the requirements of the Auditing Practices Board's Ethical Standards.

Communication of audit matters with those charged with governance

International Standards on Auditing (UK & Ireland) (ISA) 260, as well as other ISAs, prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table opposite.

This document, The Audit Plan, outlines our audit strategy and plan to deliver the audit, while The Audit Findings Report will be issued prior to approval of the financial statements and will present key issues and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via a report to the Council.

Respective responsibilities

This plan has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by Public Sector Audit Appointments Limited (<http://www.psa.co.uk/appointing-auditors/terms-of-appointment/>)

We have been appointed as the Council's independent external auditors by the Audit Commission, the body responsible for appointing external auditors to local public bodies in England at the time of our appointment. As external auditors, we have a broad remit covering finance and governance matters.

Our annual work programme is set in accordance with the Code of Audit Practice ('the Code') issued by the NAO and includes nationally prescribed and locally determined work (<https://www.nao.org.uk/code-audit-practice/about-code/>). Our work considers the Council's key risks when reaching our conclusions under the Code.

It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	✓	
Overview of the planned scope and timing of the audit. Form, timing and expected general content of communications	✓	
Views about the qualitative aspects of the entity's accounting and financial reporting practices, significant matters and issues arising during the audit and written representations that have been sought		✓
Confirmation of independence and objectivity	✓	✓
A statement that we have complied with relevant ethical requirements regarding independence, relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	✓	✓
Material weaknesses in internal control identified during the audit		✓
Identification or suspicion of fraud involving management and/or others which results in material misstatement of the financial statements		✓
Non compliance with laws and regulations		✓
Expected modifications to the auditor's report, or emphasis of matter		✓
Uncorrected misstatements		✓
Significant matters arising in connection with related parties		✓
Significant matters in relation to going concern		✓



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RIBBLE VALLEY BOROUGH COUNCIL REPORT TO ACCOUNTS AND AUDIT COMMITTEE

Agenda Item No 10

meeting date: 30 MARCH 2016
 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 up to the end of February 2016 is included within Annex 1 and shows completed audits, audits in progress and continuous activity.



3 ISSUES

- 3.1 During the year we aim to review all of the Council's main fundamental systems. Reviews have so far taken place in relation to the sundry debtors, creditors, main accounting, payroll, housing benefits and cash receipting systems. Testing is currently ongoing on the council tax and NNDR systems. I envisage that the testing will be largely complete on these two systems by the end of March. Testing carried out to date has not revealed any areas of concern.
- 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 19 November 2015. The table below sets out the assurance opinions issued from these audits:

Date of Report	Assurance Opinion	Report Details
04.11.15	Substantial 	Fees and Charges – ensuring that the fees approved by Committee were those being charged by respective departments. Two minor discrepancies which have now been amended accordingly.
24.11.15	Full 	Housing Benefits Systems and Processes – control systems in place were operating effectively. No recommendations arising.

Date of Report	Assurance Opinion	Report Details
11.12.15	Reasonable ✓	Countryside Grants – looking at Partnership, Parish Lengthsman and Biodiversity Project Grants. Good controls with regard to budget monitoring but issues around transparency with details of grants approved not being reported to committee and little or no publicity with regard to the lengthsman scheme.
18.12.15	Full ✓✓✓	Refuse Collection, Recycling and Trade Refuse – looking at all areas of collection/recycling to ensure all processes are operating as intended. No issues arising with all systems being well managed.
21.01.16	Full ✓✓✓	Land Charges – controls in place were sound and operating effectively. No recommendations arising.
29.01.16	Substantial ✓✓	Platform Gallery and VIC – all areas of operation examined. Much improved from previous audits with only minor recommendations arising.
02.02.16	Full ✓✓✓	Partnerships – looked at sample of partnership arrangements across the whole authority. Good audit trail of supporting paperwork for each partnership examined. No recommendations arising.
23.02.16	Full ✓✓✓	Building Regulations – system was operating well with no weaknesses identified and no recommendations arising.
23.02.16	Full ✓✓✓	Planning Applications – no issues arising, system was operating well with no recommendations arising
23.02.16	Full ✓✓✓	Payroll Systems and Procedures – system controls were sound and working effectively, reflecting a good standard of work from the staff involved.

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. Summary results are shown at Annex 2 for the latest returned questionnaires. Outstanding ones are being pursued.

6 CONCLUSION

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

PRINCIPAL AUDITOR






DIRECTOR OF RESOURCES








AA5-16/MA/AC
17 March 2016

BACKGROUND PAPERS: None

For further information please ask for Mick Ainscow .

Annex 1

2015/16 Planned Days	Audit	Actual days to 26/02/16	Status as at 26/02/16	Comments
<i>Fundamental (Main) Systems</i>				
30	Main Accounting	31	✓	
30	Creditors	29	✓	
25	Sundry Debtors	24	✓	
30	Payroll and HR	33	✓	
45	Council Tax	18		Testing in progress
40	Housing Benefits	45	✓	
35	NNDR	18		Testing in progress
20	Cash Receipting	22	✓	
255		220		
<i>Other Systems Work</i>				
20	VAT	11		Testing in progress
12	Treasury Management	12	✓	
20	Procurement	3		Testng identified
52		26		
<i>Probity and Regularity</i>				
5	Car Allowances	7	✓	
10	Asset Mgmt/Register	10		Awaiting further info prior to draft report
5	Members Allowances	7	✓	
20	HR and Recruitment/Staff Expenses	22	✓	
12	Insurance	12	✓	
5	Land Charges	5	✓	

2015/16 Planned Days	Audit	Actual days to 26/02/16	Status as at 26/02/16	Comments
5	Fees and Charges	6	✓	
5	Clitheroe Market	6	✓	
15	Business Continuity Mgmt	11		Testing in progress
10	Car Parking	2		Testing identified
10	VIC/Platform Gallery	12	✓	
12	Trade Refuse/Recycling/Refuse Collection	12	✓	
8	Salthill Depot Stores	2		Testing identified
5	Civic Suite	5	✓	
5	Environmental Health	3		Testng in progress
5	Museum	2		Identifying all income streams
5	Healthy Lifestyles	6	✓	
5	Ribblesdale Pool	5	✓	
10	Licences	12	✓	
12	Partnership Arrangements	12	✓	
10	Grants received	10	✓	
10	Grants paid	10	✓	
15	Sustainability	4		Will be included in Procurement Audit
10	Section 106 Agreements	8		Testing in progress
8	Building Regulations	8	✓	
8	Planning Applications	8	✓	
230		207		
<i>Continuous Activity/Ongoing Checks</i>				

2015/16 Planned Days	Audit	Actual days to 26/02/16	Status as at 26/02/16	Comments
12	Income Monitoring	11	∞	
25	Contingencies/unplanned work	16	∞	Unplanned audit at Salthill Depot. Petty cash/floats check. Car insurance and Driving Licence check.
15	Risk Management	15	∞	
20	Corporate Governance	20	∞	
5	Performance Indicators	5	∞	
40		40		
25	Insurance	33	∞	Significant increase in number of claims compared to 2014/15
30	Training	50	∞	Training new member of Audit team
	Available audit days to 31/3/2016	66		
669		669		

Key:



In Progress



Continuous Activity



Completed

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

Annex 2

Question	Audit Carried Out	
	Land Charges	Building Regulations
Sufficient notice given to arrange the visit (not applicable for unannounced visits)	5	5
A briefing sheet sent prior to audit commencing and any comments/ requests were taken into account during the audit	5	5
The auditors understanding of your systems and any operational issues	5	4
The audit carried out efficiently with minimum disruption	5	4
The level of consultation during the audit	5	4
The audit was carried out professionally and objectively	5	5
The draft report addressed the key issues and was soundly based	5	4
Your opportunity to comment on findings	5	5
The final report in terms of clarity and conciseness	5	4
The prompt issue of final report	5	4
The recommendations will improve control and/or performance	5	4
Audit was constructive and added value overall	5	3
Average	5	4.2

5 = Very good

4 = Good

3 = Satisfactory

2 = Just adequate

1 = Poor