

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO ACCOUNTS AND AUDIT COMMITTEE

Agenda Item No 12

meeting date: 24 JULY 2019
 title: INTERNAL AUDIT PROGRESS REPORT 2019/20
 submitted by: DIRECTOR OF RESOURCES
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1 PURPOSE

1.1 To report to Committee internal audit work progress to date for 2019/20.

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 2019/20 is attached as Annex 1 alongside progress to date. In summary resources for the year have been allocated as follows:






Audit Area	2019/20 Planned Days	Actual Days to 10 July 2019
Fundamental (Main) Systems	230	15
Other Systems	74	26
Probity and Regularity	232	42
On-going checks	12	3
Risk Management, Performance Indicators	40	0
Non-Audit Duties (Insurance)	35	2
College	30	0
Contingencies/unplanned work	20	0
Vacant Post		92
Available Audit Days to 31 March 2020		493
	673	673

2.4 The position with regards to audit work carried out as at the 10 July 2019 is included within Annex 1 and shows completed audits, audits in progress and continuous activity.

2.5 Work on Fundamental (Main) Systems is generally programmed to be undertaken towards the end of the financial year in order to ensure that there is an adequate sample size for the audit.




3 ISSUES

- 3.1 During the first couple of months of this year time has been spent carrying out audits on Fees and Charges, Car Parking, Cash Receipting, VIC/Platform Gallery, Health and Safety and Procurement.
- 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 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 10 April 2019. The table below sets out the assurance opinions issued from these audits:

Date of Report	Assurance Opinion	Report Details
24.05.19	Full 	Fees and Charges – ensuring that fees approved by Committee were those being charged by respective departments. No issues arising
31.05.19	Full 	Car Parking – looking at cash collection and banking procedures, issuing of permits and payment of penalty notices. System operating well. No recommendations arising.
13.06.19	Full 	VIC/Platform Gallery – all areas of operation examined. Controls in place are operating as intended. No recommendations arising.

Date of Report	Assurance Opinion	Report Details
21.06.19	Full ✓✓✓	Cash Receipting System – sound system of internal control operating. Controls in place were being consistently applied. No recommendations arising.
04.07.19	Full ✓✓✓	Health and Safety – All policies and procedures examined. Recommendations agreed at previous audit continue to work well.

5 CURRENT STAFFING ISSUES

5.1 We are still trying to recruit for the Internal Auditor position within the Internal Audit team, which has been vacant now since September 2018. In addition, the Internal Audit Assistant left in early June to take up a position elsewhere. Both jobs are currently being advertised with a closing date of 19 July and interviews scheduled to be held in early August.

6 UPDATE ON RED RISKS

6.1 There are currently no red risks to report.

7 CONCLUSION

7.1 Progress to date with the 2019/20 audit plan is satisfactory.

PRINCIPAL AUDITOR

DIRECTOR OF RESOURCES

AA15-19/MA/AC
12 July 2019

Annex 1

2019/20 Planned Days	Audit	Actual days to 10/07/19	Status as at 10/07/19
<i>Fundamental (Main) Systems</i>			
25	Main Accounting	0	Not started
20	Creditors	0	Not started
20	Sundry Debtors	0	Not started
30	Payroll and HR	0	Not started
40	Council Tax	0	Not started
40	Housing Benefits/CT Support	0	Not started
40	NNDR/Business Rates Pooling	0	Not started
15	Cash Receipting	15	
230		15	
<i>Other Systems Work</i>			
15	VAT	13	Testing complete
12	Treasury Management	0	Not started
15	Procurement	13	Testing complete
20	Business Continuity	0	Not started
12	Asset Management	0	Not started
74		26	
<i>Probity and Regularity</i>			
15	Recruitment/Safeguarding Arrangements	0	Not started
15	Insurance	0	Not started
5	Land Charges	0	Not started
10	Fees and Charges/Cash Collection Procedures	10	
12	Health and Safety	12	
10	Car Parking	10	
5	VIC/Platform Gallery	5	
12	Trade and Domestic Refuse Collection	0	Not started
15	Externally contracted Provision of RVBC Services	0	Not started
10	Environmental Health	0	Not started
12	ICT Audit	0	Not started
5	Healthy Lifestyles/Up and Active	5	
5	Ribblesdale Pool	0	Not started
3	Museum/Café	0	Not started
12	Partnership Arrangements	0	Not started
12	Grants received	0	Not started
12	Grants paid	0	Not started
12	Data Protection/GDPR	0	Not started
15	Section 106 Agreements/Planning Enforcement	0	Not started
10	Building Control	0	Not started
5	Licences	0	Not started
5	Land and Property Leases	0	Not started
5	Outdoor Recreation	0	Not started
10	Planning Applications	0	Not started
232		42	

2019/20 Planned Days	Audit	Actual days to 10/07/19	Status as at 10/07/19
<i>Continuous Activity/Ongoing Checks</i>			
12	Income Monitoring	3	∞
20	Contingencies/unplanned work	0	
15	Risk Management	0	∞
20	Corporate Governance	0	∞
5	Performance Indicators	0	∞
40		0	
35	Insurance	2	∞
30	Training	0	∞
	Vacant post	92	
	Available audit days to 31/3/2020	493	
673		673	

Key:

∞ Continuous Activity

✓ Completed

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