

## RIBBLE VALLEY BOROUGH COUNCIL REPORT TO ACCOUNTS AND AUDIT COMMITTEE

Agenda Item No 8

meeting date: 27 NOVEMBER 2019  
 title: INTERNAL AUDIT PROGRESS REPORT 2019/20  
 submitted by: DIRECTOR OF RESOURCES  
 principal author: MICK AINSCOW

### 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 15 November 2019
Fundamental (Main) Systems	230	92
Other Systems	74	30
Probity and Regularity	232	70
On-going checks	12	7
Risk Management, Performance Indicators	40	15
Non-Audit Duties (Insurance)	35	20
College/Training	30	4
Contingencies/unplanned work	20	5
Vacant Posts		156
Available Audit Days to 31 March 2020		274
	<b>673</b>	<b>673</b>

2.4 The position with regards to audit work carried out as at the 15 November 2019 is included within Annex 1 and shows completed audits, audits in progress and continuous activity.

2.5 During the year we aim to review all of the Council's main fundamental systems. Reviews have so far been completed in relation to the Creditors and Cash Receipting Systems. Testing is well underway on both the Payroll and Housing Benefits systems.




### 3 ISSUES


- 3.1 During the first seven months of this year time has been spent carrying out audits on Fees and Charges, Car Parking, Land Charges, VIC/Platform Gallery, Health and Safety, Procurement, Healthy Lifestyles/Up and Active and Ribblesdale Pool.
- 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 24 July 2019. The table below sets out the assurance opinions issued from these audits:

Date of Report	Assurance Opinion	Report Details
29.07.19	Full 	Asset Management – looking at purchase and disposal of assets, accurate recording in asset register, assets properly insured. No recommendations arising.
15.08.19	Full 	Creditors Systems and Processes – levels of control were effective and reflected a good standard of operation. No recommendations arising.
25.10.19	Full 	Land Charges – controls in place were operating effectively. No recommendations arising.

Date of Report	Assurance Opinion	Report Details
25.10.19	Full 	Ribblesdale Pool – all areas of operation at the pool were examined with no issues and no recommendations arising.

## 5 CURRENT STAFFING POSITION

5.1 At the end of August we successfully recruited for both the Auditor and Audit Assistant posts, meaning the team is now back to full strength. The vacant posts have obviously impacted on the 2019/20 Audit Plan coverage but we will strive to complete as much of the plan as possible by 31 March 2020.

## 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, given the vacant posts within the team previously referred to.

PRINCIPAL AUDITOR

DIRECTOR OF RESOURCES

AA18-19/MA/AC  
15 November 2019

## Annex 1

2019/20 Planned Days	Audit	Actual days to 15/11/19	Status as at 15/11/19
<i>Fundamental (Main) Systems</i>			
25	Main Accounting	0	Not started
20	Creditors	20	✓
20	Sundry Debtors	0	Not started
30	Payroll and HR	19	On going
40	Council Tax	0	Not started
40	Housing Benefits/CT Support	38	At draft report stage
40	NNDR/Business Rates Pooling	0	Not started
15	Cash Receipting	15	✓
<b>230</b>		<b>92</b>	
<i>Other Systems Work</i>			
15	VAT	6	Testing underway
12	Treasury Management	0	Not started
15	Procurement	12	Testing complete
20	Business Continuity	0	Not started
12	Asset Management	12	✓
<b>74</b>		<b>30</b>	
<i>Probity and Regularity</i>			
15	Recruitment/Safeguarding Arrangements	0	Not started
15	Insurance	0	Not started
5	Land Charges	5	✓
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	4	Ongoing
15	Externally contracted Provision of RVBC Services	10	Ongoing
10	Environmental Health	0	Not started
12	ICT Audit	0	Not started
5	Healthy Lifestyles/Up and Active	5	✓
5	Ribblesdale Pool	5	✓
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	4	Ongoing
5	Land and Property Leases	0	Not started
5	Outdoor Recreation	0	Not started

2019/20 Planned Days	Audit	Actual days to 15/11/19	Status as at 15/11/19
10	Planning Applications	0	Not started
<b>232</b>		<b>70</b>	
<i>Continuous Activity/Ongoing Checks</i>			
12	Income Monitoring	7	∞
20	Contingencies/unplanned work	5	Insurance/Licence Check and Car Park Income Investigations
15	Risk Management	10	∞
20	Corporate Governance	0	∞
5	Performance Indicators	5	∞
<b>40</b>		<b>15</b>	
35	Insurance	20	∞
30	Training	4	∞
	Vacant post	156	
	Available audit days to 31/3/2020	274	
<b>673</b>		<b>673</b>	

**Key:**

∞ Continuous Activity

✓ Completed

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