

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO ACCOUNTS AND AUDIT COMMITTEE

INFORMATION

Agenda Item No

meeting date: 25 NOVEMBER 2009
title: INTERNAL AUDIT PROGRESS REPORT 2009/10
submitted by: DIRECTOR OF RESOURCES
principal author: MICK AINSCOW

1 PURPOSE

1.1 To report to committee internal audit work progress to date for 2009/10.

1.2 Relevance to the Council's ambitions and priorities:

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

2 BACKGROUND

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

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

2.3 The full internal audit plan for 2009/10 is attached as Annex 1, but in summary resources for the year have been allocated as follows:

Audit Area	2009/10 Planned Days
Fundamental (Main) Systems	220
Non-Fundamental Systems	104
Probity and Regularity	154
Ongoing checks	100
Risk Management, Performance Indicators	85
Total	663

3 2009/10 INTERNAL AUDIT YEAR

3.1 During the year we aim to review all of the Council's main fundamental systems. Work has just begun on the first couple of these system reviews – payroll and sundry debtors.

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

3.3 We have recently started to use an assurance system for all audits carried out. Each completed audit report contains a conclusion which gives a level of assurance opinion as follows:

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

4 REPORTS CARRIED OUT AND ASSURANCE OPINIONS

4.1 This report covers audit work and reports issued since the last report to Committee on 16 September 2009. The table below sets out the assurance opinions issued from these audits:

Date of Report	Assurance Opinion	Report Details
21.09.09	Substantial 	Employees – Council Tax and Single Person Discount Check. Ensuring that all employees and elected members living in the Ribble Valley are registered for council tax, and any discounts or benefits claimed are valid
21.09.09	Substantial 	Private Drain Clearances – recharges for works carried out by works dept. staff. All expenditure had been fully recharged to customers
23.09.09	Reasonable 	Petty Cash/Floats – Checks made on all petty cash and floats. Minor discrepancies noted
28.09.09	Substantial 	Temporary Loans and Investments – Ensure that all loans and investments were valid, accurate and made only in respect of approved organisations
21.10.09	Substantial 	Land Charges – Sample of searches carried out over the last 12 months were examined
23.10.09	Substantial 	Clitheroe Cemetery – All areas of operation at the cemetery were examined and found to be working efficiently
10.11.09	Substantial 	Salthill Depot Stores – All aspects of stores operation examined. Recommendations made that all obsolete items of stock be disposed of

5 QUALITY MONITORING

- 5.1 Over the last month or so we have developed a customer feedback questionnaire in order that we can judge client satisfaction with audit work carried out. The questionnaire is sent to the auditee following the completion of each audit assignment and seeks views, expressed as scores on a range from 1 to 5, on twelve aspects of the audit covering communication, consultation, conduct, objectivity, reporting and impact of the work. We have not actually received any forms back from auditees at the time of writing this report but if any are received back prior to the meeting, details will be reported at your meeting (copy of questionnaire is attached as Annex 2).
- 5.2 Summary results from questionnaires will be presented to future meetings of Committee showing the average scores obtained from all returned surveys. We have set a target level score of 4 for all aspects of the audit and will report performance against this target.

6 CONCLUSION

- 6.1 I am hopeful of achieving a minimum 90% coverage of the 2009/10 operational audit plan, with a proposed 100% coverage in respect of work on the Council's main fundamental systems.

PRINCIPAL AUDITOR

AA19-09/MA/AC
11 November 2009

Annex 1

Operational Audit Plan 2009/10		Days
Number of days available		900
Less:		
Bank Hols/Statutory	42	
Annual Leave	75	
College	60	
Non-Audit Duties (Insurance, etc.)	60	(237)
Actual auditing days available		663

AREA OF ACTIVITY		
General Ledger	40	
Creditors	25	
Debtors	25	
Payroll	25	
Council Tax	40	
Housing Benefits	40	
NNDR	25	220
Cash and Bank Reconciliation	10	
Stores	12	
Loans and Investments	12	34
Data Protection	20	
Freedom of Information	15	
Health and Safety	15	
Enterprise Risk Management	20	70
Flexitime System	10	
Car Allowances	10	
Car Leasing	3	
Land Charges	6	
HB Cheque Delivery	10	
HB Tenancy Verification	15	
Petty Cash	10	
CT/HB Checks	25	
Staff Expenses	10	
Fees and Charges	5	
Improvement Grants	10	
Printing and Stationery	5	
Rechargeable Works	5	
Tourism	10	
NFI checks	25	

AREA OF ACTIVITY		Days
Longridge Gym	5	
Ribblesdale Pool	15	
Platform Gallery	5	
Private Drain Clearances	5	
Clitheroe Market	10	
Cemetery	5	
Planning App./Building Reg. Fees	10	214
Income Monitoring	20	
Contingencies	20	40
Risk Management	45	
Corporate Governance	15	
Performance Indicators/SIC	25	85
Total Planned Audit Work		663



RIBBLE VALLEY BOROUGH COUNCIL
INTERNAL AUDIT SECTION

CUSTOMER SATISFACTION SURVEY

This Customer Satisfaction Survey relates to the following audit:

Audit Title:

Date of Audit Report: _____

Audit Staff Involved _____

Departmental Contact Officer _____

Other Departmental Staff Contacted _____

How do you rate the following aspects of the audit?

Please rate your answers to the questions from 1 to 5

5 = very good, 4 = good, 3 = satisfactory, 2 = just adequate, 1 = poor

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

If you have marked any of the questions overleaf as either 1 or 2, please could you detail why in the box below:

If you have any views on areas that would benefit from future audit reviews, please set them out below:

Signed: _____

Position: _____

Date: _____

PLEASE RETURN TO: MICK AINSCOW, INTERNAL AUDIT, IN THE ATTACHED ENVELOPE