

# RIBBLE VALLEY BOROUGH COUNCIL

## REPORT TO ACCOUNTS AND AUDIT COMMITTEE

INFORMATION

Agenda Item No

meeting date: 16 SEPTEMBER 2009  
title: INTERNAL AUDIT PROGRESS REPORT 2009/10  
submitted by: DIRECTOR OF RESOURCES  
principal author: MICK AINSCOW

### 1 PURPOSE

- 1.1 To submit to committee the internal audit progress report 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 resources allocation based on the risk score. All high-risk areas are covered annually with the medium and low-risk areas covered at least twice over a three year period.
- 2.3 The 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
Other systems work	104
Probity and Regularity	154
Ongoing checks	100
Risk Management, PI's, etc.	85
	<b>663</b>

### 3 2009/10 INTERNAL AUDIT YEAR

- 3.1 During the year we aim to review all of the Council's main fundamental systems. The majority of this work will be undertaken during the last six months of the year in order that there are sufficient current year transactions to test to provide the assurance required.
- 3.2 In addition we will continue to carry out a series of ongoing checks to prevent/detect fraud and corruption.

## 4 AUDITS CARRIED OUT AND RECOMMENDATIONS MADE

### 4.1 *Flexi-time System Operation*

To establish how effectively the system was working across departments and to highlight any breaches/inconsistencies. Found system to be operating reasonably well but there were still two particular officers who were regularly infringing core times. These officers have been spoken to by their respective Directors and advised that the situation must improve.

### 4.2 *Car Mileage Claims*

Checked all mileage claims submitted by staff for the period December 2008 to April 2009 to ensure correct authorisation, accuracy of claims, appropriate journeys, correct reimbursement rates used, etc. All claims were correct. No recommendations arising.

### 4.3 *Printing and Stationery*

Ensuring that all aspects of operation of the printing and stationery stores were effective and efficient, that all stock is properly accounted for, and any private work carried out is accurately recorded and recharged. System was found to be operating extremely well. No recommendations arising.

### 4.4 *Rechargeable Works*

Examination of recharges for works carried out by the Council's mechanics and works admin sections to ensure that all labour, materials, etc. had been recharged in full to customers and that accounts were promptly paid.

All works had been recharged in full and the majority of accounts promptly paid. Normal recovery procedures were followed where accounts were not paid within 14 days.

### 4.5 *Car Insurances*

Checked car insurance policies for those members of staff using their own vehicles on official council business to ensure they had the required business use cover. A number of employees did not have the appropriate level of cover and were advised not to use their vehicles on council business until such time as cover was arranged.

### 4.6 *Clitheroe Market*

All aspects of operation at the market were examined. Overall operation was much improved. No recommendations arising.

### 4.7 *Housing Benefit Cheque Delivery*

Random sample of 20 cheques delivered to claimants in April 2009 with the request that they confirm that there had been no change in circumstances. A number of queries were referred to the Fraud/Control Officer for investigation. Verification now received that all claims were valid.

5 CONCLUSION

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

PRINCIPAL AUDITOR

AA12-09/MA/AC  
27 August 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	<b>214</b>
Income Monitoring	20	
Contingencies	20	<b>40</b>
Risk Management	45	
Corporate Governance	15	
Performance Indicators/SIC	25	<b>85</b>
Total Planned Audit Work		<b>663</b>