

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO ACCOUNTS AND AUDIT COMMITTEE

DN

Agenda Item No 9

meeting date: 26 JUNE 2013  
title: INTERNAL AUDIT PROGRESS REPORT 2013/14  
submitted by: DIRECTOR OF RESOURCES  
principal author: MICK AINSCOW

## 1 PURPOSE

1.1 To report to Committee internal audit work progress to date for 2013/14.

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 2013/14 is attached as Annex 1 alongside progress to date. In summary resources for the year have been allocated as follows:

Audit Area	2013/14 Planned Days
Fundamental (Main) Systems	265
Other Systems	55
Probity and Regularity	150
On-going checks	27
Risk Management, Performance Indicators	65
Non-Audit Duties (Insurance)	30
College	38
Contingencies/unplanned work	25
	<b>655</b>

2.4 The position with regards to audit work carried out as at the end of May 2013 is included within Annex 1 and shows completed audits, audits in progress and continuous activity.

### 3 ISSUES

- 3.1 During the first couple of months of this year we have spent time carrying out testing on the Council Tax and General Ledger systems, looking at transactions relating to both 2012/13 and 2013/14. Testing to date on both systems has shown the level of control to be sound and effective.
- 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 27 March 2013. The table below sets out the assurance opinions issued from these audits:

Date of Report	Assurance Opinion	Report Details
08.05.13	Full 	Council Tax Single Person Discount Check – checked sample of council tax payers in receipt of single person discount to details shown on latest copy of Register of Electors. 149 claimants checked. A number of queries, but no one found to be wrongly claiming discount.
15.05.13	Substantial 	Housing Benefit Tenancy Verification – wrote to 662 claimants whose housing benefit was paid direct to their landlord, to confirm continued residence. Details of claimants who failed to respond have been forwarded to the Fraud/Control Officer for further investigation.
13.06.13	Substantial 	Creditors System – No significant areas of concern identified and the overall levels of control were effective. Minor recommendations only arising.

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. No questionnaires have been returned since the last meeting and any outstanding ones are currently being pursued from the officers concerned.

6 RECOMMENDATION

6.1 Progress to date with the 2013/14 audit plan is satisfactory.

PRINCIPAL AUDITOR

DIRECTOR OF RESOURCES

AA8-13/MA/AC  
13 June 2013

BACKGROUND PAPERS: None

For further information please ask for Mick Ainscow, extension 4540.

## Annex 1

2013/14 Planned Days	Audit	Actual days to 31/05/13	Status as at 31/05/13
<i>Fundamental (Main) Systems</i>			
45	Main Accounting	7	
25	Creditors	0	Not started
25	Sundry Debtors	0	Not started
30	Payroll and HR	3	
45	Council Tax	8	
45	Housing Benefits	6	
30	NNDR	0	Not started
20	Cash Receipting	2	
<b>265</b>		<b>26</b>	
<i>Other Systems Work</i>			
20	VAT	1	
5	Stores	0	Not started
10	Treasury Management	1	Hazard Identification
20	Procurement	0	Not started
<b>55</b>		<b>2</b>	
<i>Probity and Regularity</i>			
10	Asset Mgmt/Register	0	Not started
10	HR and Recruitment	0	Not started
10	Insurance	0	Not started
10	Licences	2	
10	Business Continuity Mgmt	0	Not started
5	Car Parking	2	
10	VIC/Platform Gallery	0	Not started
10	Trade Refuse	0	Not started
10	Recycling	0	Not started
10	Partnership Arrangements	0	Not started
10	Grants received	0	Not started
10	Grants paid	0	Not started
10	Sustainability	0	Not started
10	Section 106 Agreements	0	Not started
5	Ribblesdale Pool	0	Not started
5	Building Regulations	0	Not started
5	Planning Applications	0	Not started
<b>150</b>		<b>4</b>	
<i>Continuous Activity/Ongoing Checks</i>			
10	Cash Collections Procedures	1	
5	Fees and Charges	5	
12	Income Monitoring	2	
<b>27</b>		<b>8</b>	

2013/14 Planned Days	Audit	Actual days to 31/05/13	Status as at 31/05/13
25	Contingencies/unplanned work	2	∞
<b>25</b>		<b>2</b>	
40	Risk Management	3	∞
20	Corporate Governance	17	∞
5	Performance Indicators	3	∞
<b>65</b>		<b>23</b>	
30	Insurance	18	∞
<b>30</b>		<b>18</b>	
38	Training	7	∞
<b>38</b>		<b>7</b>	
0	Vacant post	14	
<b>0</b>		<b>14</b>	
	Available audit days to 31/3/2014	551	
<b>655</b>		<b>655</b>	

**Key:**



In Progress



Continuous Activity