

# RIBBLE VALLEY BOROUGH COUNCIL

## REPORT TO ACCOUNTS AND AUDIT COMMITTEE

Agenda Item No 9

meeting date: 29 JUNE 2016  
 title: INTERNAL AUDIT PROGRESS REPORT 2016/17  
 submitted by: DIRECTOR OF RESOURCES  
 principal author: MICK AINSCOW

### 1 PURPOSE

1.1 To report to Committee internal audit work progress to date for 2016/17.

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 2016/17 is attached as Annex 1 alongside progress to date. In summary resources for the year have been allocated as follows:

Audit Area	2016/17 Planned Days
Fundamental (Main) Systems	245
Other Systems	68
Probity and Regularity	225
On-going checks	12
Risk Management, Performance Indicators	40
Non-Audit Duties (Insurance)	25
College	30
Contingencies/unplanned work	25
	<b>670</b>






2.4 The position with regards to audit work carried out as at the 15 June 2016 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 time has been spent completing audits on Procurement and Car Parking as well as assurance work around Corporate Governance. The annual exercise has also been carried out to verify staff driving licences and insurance certificates.





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 30 March 2016. The table below sets out the assurance opinions issued from these audits:

Date of Report	Assurance Opinion	Report Details
18.04.16	Full 	Treasury Management – control systems in place are sound and operating effectively. No recommendations arising.
09.05.16	Substantial 	Salthill Depot Stores – all areas of operation examined. Good controls in place. Recommendation agreed regarding the evaluation and disposal of obsolete stock.
24.05.16	Full 	Council Tax System – controls in place are sound and working effectively. No recommendations arising.
24.05.16	Full 	NNDR System – good controls in places, which are operating as intended by management. No recommendations 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. Any outstanding ones are currently being pursued from the officers concerned.

6 RECOMMENDATION

6.1 Progress to date with the 2016/17 audit plan is satisfactory.

PRINCIPAL AUDITOR

DIRECTOR OF RESOURCES

AA10-16/MA/AC  
13 June 2016

BACKGROUND PAPERS: None

For further information please ask for Mick Ainscow .

## Annex 1

2016/17 Planned Days	Audit	Actual days to 15/06/16	Status as at 15/06/16
<i>Fundamental (Main) Systems</i>			
25	Main Accounting	0	Not started
25	Creditors	0	Not started
25	Sundry Debtors	0	Not started
30	Payroll and HR	0	Not started
40	Council Tax	2	Completion of 15/16 audit
45	Housing Benefits/CT Support	0	Not started
40	NNDR/Business Rates Pooling	2	Completion of 15/16 audit
15	Cash Receipting	8	Testing underway
<b>245</b>		<b>12</b>	
<i>Other Systems Work</i>			
20	VAT	4	Continuance of testing from 15/16
12	Treasury Management	0	Not started
20	Procurement	20	At draft report stage
6	Stores	0	Not started
10	Asset Management	5	Additional testing to that carried out in 15/16
<b>68</b>		<b>29</b>	
<i>Probity and Regularity</i>			
5	Cemetery	0	Not started
5	Members Allowances	0	Not started
15	HR and Recruitment/Staff Expenses	9	Initial testing in progress
15	Insurance	0	Not started
5	Land Charges	0	Not started
10	Fees and Charges/Cash Collection Procedures	5	Initial testing underway
15	Business Continuity Mgmt	0	Not started
10	Car Parking	9	All testing complete
5	VIC/Platform Gallery	0	Not started
10	Trade and Domestic Refuse Collection	0	Not started
15	Externally contracted Provision of RVBC Services	0	Not started
10	Environmental Health	6	Identifying 16/17 income streams
10	Transparency/Open Data	0	Not started
5	Healthy Lifestyles	4	Reconciling register to monies paid in
5	Ribblesdale Pool	0	Not started
10	Museum/Café	0	Not started
10	Partnership Arrangements	0	Not started
10	Grants received	2	Initial testing
10	Grants paid	2	Initial testing
10	Data Protection	0	Not started
15	Section 106 Agreements/Planning Enforcement	0	Not started

2016/17 Planned Days	Audit	Actual days to 15/06/16	Status as at 15/06/16
10	Building Control	0	Not started
10	Planning Applications	0	Not started
<b>225</b>		<b>37</b>	
<i>Continuous Activity/Ongoing Checks</i>			
12	Income Monitoring	3	∞
25	Contingencies/unplanned work	5	Driving Licence/Car Insurance Check
15	Risk Management	2	∞
20	Corporate Governance	19	∞
5	Performance Indicators	0	∞
<b>40</b>		<b>21</b>	
25	Insurance	8	∞
30	Training	11	∞
	Available audit days to 31/3/2017	544	
<b>670</b>		<b>670</b>	