

# RIBBLE VALLEY BOROUGH COUNCIL

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Dear Councillor

The next meeting of the **ACCOUNTS & AUDIT COMMITTEE** is at **6.30pm on WEDNESDAY, 29 MARCH 2017** in the **TOWN HALL, CHURCH STREET, CLITHEROE.**

I do hope you can be there.

Yours sincerely

## CHIEF EXECUTIVE

To: Committee Members (copy for information to all other members of the Council)  
Directors  
Grant Thornton  
Press

## AGENDA

### Part 1 – items of business to be discussed in public

1. Apologies for absence.
- ✓ 2. Minutes of the meeting held on 16 November 2016 – copy enclosed.
3. Declarations of Pecuniary and Non-Pecuniary Interests (if any).
4. Public Participation (if any).

### DECISION ITEMS

- ✓ 5. Closure of Accounts Timetable 2016/17 – report of Director of Resources – copy enclosed
- ✓ 6. Internal Audit Annual Plan 2017/18 – report of Director of Resources – copy enclosed.
- ✓ 7. Localism Act 2011 – Independent Persons – report of Chief Executive – copy enclosed.

## INFORMATION ITEMS

- ✓ 8. Grants Certification Letter 2015/16 – report of Grant Thornton - copy enclosed.
- ✓ 9. Grant Thornton Progress Report Update – report of Grant Thornton - copy enclosed.
- ✓ 10. Audit Plan 2016/17 – report of Grant Thornton – copy enclosed.
- ✓ 11. Internal Audit Progress Report 2016/17 – report of Director of Resources – copy enclosed.
- 12. Reports from Representatives on Outside Bodies (if any).

## Part II - items of business **not** to be discussed in public

- ✓ 13. Risk Management – Update on Red Risks – report of Director of Resources – copy enclosed.

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO ACCOUNTS AND AUDIT COMMITTEE

Agenda Item No 5

meeting date: 29 MARCH 2017  
title: CLOSURE OF ACCOUNTS TIMETABLE 2016/17  
submitted by: DIRECTOR OF RESOURCES  
principal author: LAWSON ODDIE

## 1 PURPOSE

- 1.1 To remind members of the current statutory requirement to closedown our accounts by 30 June 2017 and publish them including any certificate, opinion or report issued by the auditor, by 30 September 2017.
- 1.2 To inform members of the impending changes to the closedown deadlines detailed above from the closure of accounts for 2017/18 and the intention to closedown by these earlier timelines for the 2016/17 financial year.
- 1.3 To inform members of the benefits of closing down our accounts by these deadlines, in particular the good governance aspects.
- 1.4 To consider the detailed timetable to be adhered to if we are to achieve the required deadlines.

## 2 BACKGROUND

- 2.1 The Accounts and Audit Regulations 2015 set out detailed requirements in relation to duties and rights, and also introduce changes to the key deadlines for approval of the statement of accounts and completion of the audit in future years.
- 2.2 The Regulations have important implications for local authorities in terms of planning to ensure critical tasks are met and the approval of accounts carried out by set deadlines.

## 3 THE ACCOUNTS AND AUDIT REGULATIONS 2015

- 3.1 The principal matters covered by the regulations relevant to accounts preparation are:
  - the responsible financial officer must ensure that the accounting records kept by the authority are sufficient to enable the preparation of the statement of accounts
  - the statement of accounts is required to be prepared in accordance with the Regulations and proper practices in relation to accounts.
  - the responsible financial officer is required to certify that the accounts give a “true and fair view” of the financial position
  - at the point of certifying the accounts the authority must commence a 30 working day period for the exercise of public rights. For the 2015/16 statement of accounts this must also include the first 10 working days of July.
  - advertisement of the 30 working day period for the exercise of public rights must be published on the council’s website including a copy of the unaudited statement of accounts together with a declaration of the responsible financial officer as to the status of the accounts as unaudited and that they may be subject to change.

- conduct a review of the effectiveness of the system of internal control, which will feed into the preparation of the annual governance statement
- the authority is to allow access to the accounts and specified supporting documents during the period for the exercise of public rights
- following the conclusion of the period for the exercise of public rights, consider either by way of a committee or by the members meeting as a whole, the statement of accounts and approve the statement of accounts by a resolution of that committee or meeting.
- publication of the audited accounts is to be achieved by particular dates.
- as soon as reasonably practicable after conclusion of the audit publish a statement that the audit has been concluded and that the statement of accounts has been published, and the rights of inspection of the same.

The Regulations stipulate various responsibilities for the closure of accounts;

#### **Members**

- Consider the findings of the annual review of the effectiveness of the system of internal control and approve the annual governance statement
- following the conclusion of the period for the exercise of public rights and following the audit, consider the statement of accounts and approve the same and ensure that the statement of accounts is signed and dated by the person presiding at the committee at which that approval is given
- Where, following completion of an audit, the council receives any audit letter, committee must meet to consider its contents as soon as reasonably practicable.

#### **Responsible Financial Officer**

- Determining on behalf of the authority, and ensuring they are observed and kept up to date -
  - The form of its accounting records and supporting records; and
  - Its financial control systems
- Accounting records must, in particular, contain -
  - entries from day to day of all sums of money received and expended by the authority and the matters to which its income and expenditure or receipts and payments relate; and
  - a record of the assets and liabilities of the authority.
- The financial control systems must include
  - measures to ensure that the financial transactions of the authority are recorded as soon as, and as accurately as, reasonably practicable;
  - measures to enable the prevention and the detection of inaccuracies and fraud, and the reconstitution of any lost records; and
  - measures to ensure that risk is appropriately managed;
  - identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers.

- On behalf of the authority
  - sign and date the statement of accounts, and confirm that they are satisfied that it presents a true and fair view of the financial position of the authority at the end of the financial year to which it relates, and of the authority's income and expenditure for that financial year;
  - ensures that commencement of the period for the exercise of public rights takes place
- As soon as reasonably practicable after conclusion of an audit, publish on the website
  - a statement that the audit has been concluded and that the statement of accounts has been published
  - a statement of the rights of inspection conferred on local government electors and the address and hours during which, those rights may be exercised

#### 4 TRANSITIONARY PROVISIONS UNDER ACCOUNTS AND AUDIT REGULATIONS 2015

- 4.1 Under the previous Accounts and Audit Regulations there was a requirement to have the Responsible Financial Officer sign the statement of accounts as a true and fair view by the 30 June. We were also required to publish our accounts as soon as reasonably possible after the auditor had certified the audit closed and in any event no later than 30 September.
- 4.2 The Accounts and Audit Regulations 2015 now require that the Responsible Financial Officer sign the statement of accounts as a true and fair view by the **31 May** and for us to publish our accounts by no later than **31 July**.
- 4.3 However, under transitional provisions under the regulations, these new deadlines will not be implemented until we are required to produce the statement of accounts for the 2017/18 financial year.
- 4.4 However, the timetable as attached at Annex 1 for the 2016/17 statement of accounts has been produced with the aim of satisfying the deadlines set out in the regulations for 2017/18. Some progress was made last financial year (2015/16) in achieving a slightly earlier closedown and based on the planned timetable we feel hopeful of achieving the **31 May** deadline for the signing of the statement of accounts as a true and fair view by the Responsible Financial Officer
- 4.5 This highlights the need for us to strictly follow the closedown timetable attached at Annex 1 and for the closure of accounts to take even more of a priority within the accountancy team and other impacted staff within the offices.
- 4.6 DCLG has warned that it may revisit this issue in future years, to consider whether an even earlier closure timetable is possible. If so, this would likely require some fundamental changes to how we undertake the final accounts process and could potentially have an impact on staffing resources.

#### 5 GOVERNANCE ISSUES

- 5.1 The early production of the statement of accounts is an essential element of good governance, therefore enabling members to;
- Receive assurance that accounting systems have operated adequately and have been closed down satisfactorily
  - Have confidence that the budget for the current year has a secure foundation
  - Understand the corporate financial performance during the year and also the position at 31 March
  - Adopt the statement of accounts

5.2 It is important that members are aware of the comfort gained from having the statement of accounts published and also that this comfort should be provided at the earliest opportunity.

## 6 ISSUES FACING RIBBLE VALLEY

### 6.1 ***Budget Pressures***

Members will recall the setting of the 2017/18 budget and more significantly the forecast savings needed in the future based on the current medium term forecast. It is therefore imperative that the accounts for the current year are closed as soon as reasonably practicable in order to inform the budget setting process for 2018/19. We will then be in a position to consider the council's reserves and balances and areas of over/under spending.

### 6.2 ***Practical Issues***

Last year our accounts were considered by the Accounts and Audit Committee on 29 June 2016. The final accounts, following amendments suggested by our auditors (via their Audit Findings Report), were then approved by the Accounts and Audit Committee on 17 August 2016.

Subject to approval of the proposed committee meeting timetable for 2017/18, the audited statement of accounts will be presented at the proposed (subject to approval of the proposed committee meeting timetable for 2017/18) next meeting of this committee on Wednesday 26 July 2017 for approval.

**It is important that all members endeavour to attend in order to ensure that the meeting on Wednesday 26 July 2017 is quorate.**

### 6.3 ***Timetable***

Based on our past experience, the availability of our external auditors and the statutory deadlines, we have determined a timetable for the closure of our accounts, attached at Annex 1. We firmly believe it is important that all staff are aware of the importance of achieving these deadlines and understand the vital roles they also play. As you will see from the timetable, a number of tasks have already begun or been completed.

You will see this timetable is considerably detailed and clearly indicates who is responsible for which actions. We have used our experience from last year's closure to inform this year's deadlines. Again we intend to monitor when we actually achieve each individual task in order to inform future timetables.

## 7 RECOMMENDED THAT COMMITTEE

7.1 Endorse the suggested approach for the closure of the 2016/17 accounts.

HEAD OF FINANCIAL SERVICES

DIRECTOR OF RESOURCES

AA8-17/LO/AC

17 March 2017

For further information please ask for Lawson Oddie.

**Timetable for Closure of 2016/17  
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
1	Tues - Fri	03-Jan-17 to 13-Jan-17	Grant Thornton on site for Interim audit Work	Lawson Oddie			
2	Mon	09-Jan-17	Contact Valuation Office to arrange for annual desktop asset revaluations.	Lawson Oddie	Trudy Holderness		
3	Fri	13-Jan-17	Distribution of Officer and Member Interests forms with pay slips	Julie Smith Karen Anderson			
4	Fri	27-Jan-17	Deadline for return of Officer and Member Interests Form	Andrew Cook	Julie Smith/Liz Rawson		
5	Fri	10-Feb-17	Your Pensions Service – Request for pensions data check	Lawson Oddie	Karen Anderson		
6	Fri	17-Feb-17	Deadline date for confirmation of pensions data to Your Pensions Service	Lawson Oddie	Karen Anderson		
7	Mon	6-Mar-17 and on-going	Close <b>review of “open” purchase orders</b> , i.e. cancel/match up to invoice/keep under review to accrue, Ensure GRNs up to date	Louise Parrish	Amy Johnson Trudy Holderness Andrew Cook		
8	Fri	10-Mar-17	Desktop revaluations to be received from Valuation Office	Lawson Oddie	Trudy Holderness		

**Timetable for Closure of 2016/17  
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
9	Mon	13-Mar-17	Send Request for <b>all</b> utilities meter readings to be taken as at 31 March 2016	Amy Johnson	Sally Mason Adrian Harper Alan Coar		
10	Mon	13-Mar-17	Inform PAs of the deadline for receipt of holiday and lieu time records into the accounts section, in order to ensure records are up to date.	Andrew Cook	Averil Crowther Irene Williamson Lynne Calver Colin Winterbottom Helen Smith		
11	Mon	13-Mar-17	Key Financial Statements restated for 'Telling the Story' for Grant Thornton	Lawson Oddie			
12	Mon-Fri	13-Mar-17 to 17-Mar-17	Grant Thornton on site	Lawson Oddie			
13	Fri	17-Mar-17	Update Intranet pages relating to the Closure of the Accounts.	Andrew Cook	Sally Mason		
14	Fri	17-Mar-17	Circulation of <b>closure email</b> and <b>estimated creditor/debtor sheets</b>	Andrew Cook			

**Timetable for Closure of 2016/17  
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
15	Fri	17-Mar-17	All staff responsible for entering year end invoices onto Financials to have been contacted and any training required arranged.	Karen Anderson			
16	Mon	20-Mar-17	Full skeleton accounts prepared together with all restatements where applicable	Lawson Oddie			
17	Mon-Fri	20-Mar-17 to 31-Mar-17	Continually ensure that all suspense accounts are cleared to nil	Andrew Cook Trudy Holderness Amy Johnson			
18	Wed	22-Mar-17 to 29-Mar-17	Continually review credit balances on Debtors prior to final run of Creditor Payments	Karen Anderson	Liz Nash/Alison Carins		
19	Wed	22-Mar-17 to 29-Mar-17	Continually review disputed creditor invoices and debit balances prior to final run of Creditor Payments	Karen Anderson	Liz Nash/Alison Carins		
20	Wed	29-Mar-17	Last <b>payment</b> run BACS/cheque dated 31 March 2017. Payment run to include <b>ALL</b> outstanding creditor payments (excluding disputed payments)	Karen Anderson	David Saunders		

**Timetable for Closure of 2016/17  
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
21	Wed	29-Mar-17	After last payment run, send email to all staff asking them not to enter any more creditor invoices until notified	Karen Anderson			
22	Fri	31-Mar-17	Asset revaluations to be updated on Technology Forge and on Civica Financials	Trudy Holderness	Lawson Oddie		
23	Fri	31-Mar-17	Latest date for depreciation transactions to be entered on Civica Financials	Trudy Holderness	Lawson Oddie		
24	Fri	31-Mar-17	Send email to all staff asking them <b>not to use</b> the purchasing, creditors or debtors modules of the Financials system until notified.	Karen Anderson			

**Timetable for Closure of 2016/17  
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
25	Fri	31-Mar-17	<u>ALL stock takes</u> to be carried out: <ul style="list-style-type: none"> <li>• General Stores (Depot)</li> <li>• Paper</li> <li>• Canteen Stock</li> <li>• Civic Regalia</li> </ul>	Trudy Holderness	Sally Mason Helen Smith Helen Bolton Irene Williamson Olwen Heap		
26	Fri	31-Mar-17	<u>ALL stock takes</u> to be carried out: <ul style="list-style-type: none"> <li>• Pool</li> <li>• Gallery/TIC</li> </ul>	Amy Johnson	Colin Winterbottom		
27	Fri	31-Mar-17	<u>ALL stock takes</u> to be carried out: <ul style="list-style-type: none"> <li>• Pest Control</li> </ul>	Andrew Cook	Karen Kenyon		

**Timetable for Closure of 2016/17  
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
28	Fri	31-Mar-17	All relevant staff to have been contacted to notify them that all Goods Received Notes must be entered on to the Purchasing system where goods or services have been received by the end of the day on 31 March 2017	Louise Parrish	All staff responsible for purchasing		
29	Fri	31-Mar-17	Ensure All Creditor batches are <b>closed and authorised</b> and that Debtor invoices have <b>all been authorised</b>	Karen Anderson	Liz Nash/Alison Carins		
30	Fri	31-Mar-17	Ensure Creditor and Debtor Reconciliation reports balance.	Karen Anderson	Liz Nash/Alison Carins		
31	Fri	31-Mar-17	Ensure All Purchase Order requisitions are <b>approved and authorised</b>	Louise Parrish	All staff responsible for purchasing		
32	Fri	31-Mar-17	Enter final emergency schedule for the year on to Creditors	Karen Anderson	Karen Keenan/Carole Malone		
33	Fri	31-Mar-17	Ensure <b>Creditors/Debtors balance reports &amp; Aged Debtors</b> reports are set to run at overnight	Karen Anderson			

**Timetable for Closure of 2016/17  
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
34	Fri	31-Mar-17	<p>All income to be paid in to cash office (cards, cheques &amp; cash) – See later instruction for any further income received on the 31 March after this paying-in:</p> <ul style="list-style-type: none"> <li>❖ Level D reception/Planning</li> <li>❖ Pool</li> <li>❖ TIC/Gallery</li> <li>❖ Car Parks</li> </ul>	Val Taylor	Jane Tucker Colin Winterbottom Stephanie Hibbert / Helen Cresswell Heather Yates		
35	Fri	31-Mar-17 (PM)	Print Bank Statement from HSBCnet and pass to cash office to allow for processing of any items in the bank account.	Trudy Holderness Sally Mason	Michelle West Donna Bailey		
36	Fri	31-Mar-17 (PM)	Absolute deadline for return of Officer and Member Interests Forms	Andrew Cook	Julie Smith Liz Rawson Olwen Heap		

**Timetable for Closure of 2016/17  
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
37	Mon	3-Apr-17 (AM)	Send <b>REMINDER</b> email to all staff asking them not to use the purchasing, creditors or debtors modules of the Financials system until notified.	Karen Anderson			
38	Mon	3-Apr-17	Change settings on creditor and debtor transaction codes: crinv, crvat, crcrn, crcre, crcvt, dbinv, dbvat, dbrn, dbrvt	Lawson Oddie			
39	Mon	3-Apr-17	Change default year and budget settings – including funds checking budget for purchasing.	Lawson Oddie			

**Timetable for Closure of 2016/17  
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
40	Mon	3-Apr-17	All staff responsible for petty cash books/floats/receipts to have brought them to the Accounts Section.	Val Taylor	Lynne Calver Lesley Lund Irene Williamson Helen Smith Katherine Rodgers Colin Winterbottom		
41	Mon	3-Apr-17	Last date for the receipt of <b>office staff capital timesheets</b> for charging to capital schemes	Sally Mason	All capital scheme lead officers		
42	Mon	3-Apr-17	Last date for the receipt of <b>Grounds Maintenance timesheets.</b>	Sally Mason	Alan Boyer		
43	Mon	3-Apr-17	Last date for the receipt of <b>Works Administration and Vehicle Workshop timesheets.</b>	Val Taylor	Adrian Harper		
44	Mon	3-Apr-17	Roll Forward purchase order commitments to new financial year and provide reports to Accountants	Amy Johnson	Louise Parrish		
45	Mon	3-Apr-17	<b>Finalise</b> PWLB <b>interest</b> and average interest rate for investments	Trudy Holderness			

**Timetable for Closure of 2016/17  
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
46	Mon	3-Apr-17	<p>All remaining income (received after the final paying-in previously made on 31 March 2017) up to the close of 31 March 2017 to be paid in to cash office (cards, cheques &amp; cash):</p> <ul style="list-style-type: none"> <li>❖ Level D reception/Planning</li> <li>❖ Pool</li> <li>❖ TIC/Gallery</li> <li>❖ Car Parks</li> </ul>	Val Taylor	<p>Jane Tucker</p> <p>Colin Winterbottom</p> <p>Stephanie Hibbert / Helen Cresswell</p> <p>Heather Yates</p>		
47	Mon	3-Apr-17	Income analysis sheets for Pool, TIC/Gallery to be passed to Val Taylor for period up to and including 31 March 2017	Val Taylor	<p>Colin Winterbottom (Pool)</p> <p>Stephanie Hibbert / Helen Cresswell (TIC and Gallery)</p>		
48	Mon	3-Apr-17	Request information from Ribble Valley Homes for VAT shelter arrangement	Andrew Cook			

**Timetable for Closure of 2016/17  
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
49	Mon	3-Apr-17	Cash office to have processed any remaining balances on all bank statements up to 31 March 2017	Val Taylor	Michelle West Donna Bailey		
50	Mon	3-Apr-17	Receipt of <b>Council Tax and Business Rates</b> prints	Sally Mason Lawson Oddie	Mark Edmondson		
51	Mon	3-Apr-17	<b>Interest</b> allocated	Trudy Holderness			
52	Mon	3-Apr-17	Completed <b>Statement 1's &amp; 2's</b> up to & incl. 31 March 2017 to be passed to Val Taylor and thereafter on a daily basis	Val Taylor	Michelle West Donna Bailey		
53	Mon	3-Apr-17	Last date for receipt of completed and authorised <b>stock sheets</b> : <ul style="list-style-type: none"> <li>• Stores</li> <li>• Paper</li> <li>• Canteen Stock</li> <li>• Civic Regalia</li> </ul>	Trudy Holderness	Sally Mason Helen Smith Helen Bolton Irene Williamson Olwen Heap		
54	Mon	3-Apr-17	Last date for receipt of completed and authorised <b>stock sheets</b> : <ul style="list-style-type: none"> <li>• Pool</li> <li>• Gallery/TIC</li> </ul>	Amy Johnson	Colin Winterbottom		

**Timetable for Closure of 2016/17  
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
55	Mon	3-Apr-17	Last date for receipt of completed and authorised <b>stock sheets</b> : • Pest Control	Andrew Cook	Karen Kenyon		
56	Mon	3-Apr-17	Last date for receipt of <b>Council Tax and Business Rates</b> prints	Sally Mason	Mark Edmondson		
57	Mon	3-Apr-17	All <b>sundry debtor control sheets</b> for 2016/17 financial year to have been received in the Accounts Office	Karen Anderson	All staff		
58	Tues	04-Apr-17	Last date for receipt of estimated <b>debtor</b> sheets	Andrew Cook Amy Johnson Trudy Holderness	All staff		
59	Tues	04-Apr-17	Last day for receipt of holiday and lieu time records from PAs	Andrew Cook	Averil Crowther Irene Williamson Lynne Calver Colin Winterbottom Helen Smith		
60	Wed	05-Apr-17	All stores receipts/issues notes to be received in accounts section	Sally Mason	Helen Smith		
61	Thurs	06-Apr-17	Last day for <b>entering old year invoices</b> on Financials	Karen Anderson	All staff		
62	Thurs	06-Apr-17	Bank reconciliation to have been completed and authorised	Val Taylor			
63	Thurs	06-Apr-17	Entry of year end cash journals	Val Taylor			

**Timetable for Closure of 2016/17  
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
64	Fri	07-Apr-17	Completion of non-financial elements of Narrative Report	Lawson Oddie	Karen Anderson Michelle Smith Michelle Haworth		
65	Fri	07-Apr-17	Completion of all <b>system reconciliations:</b> <ul style="list-style-type: none"> <li>• Council Tax</li> <li>• NNDR</li> </ul>	Sally Mason			
66	Fri	07-Apr-17	Last day for receipt of <b>estimated creditor sheets</b>	Andrew Cook	All staff		
67	Fri	07-Apr-17	Capital accounts finished and journals entered	Lawson Oddie	Andrew Cook		
68	Fri	07-Apr-17	Decision taken on <b>assets to be added/written off</b>	Lawson Oddie			
69	Mon	10-Apr-17	Capital Financial data updated in Narrative Report	Lawson Oddie			
70	Mon	10-Apr-17	Receipt of <b>IAS19 information</b> from Lancashire County Council	Lawson Oddie			

**Timetable for Closure of 2016/17  
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
71	Thurs	13-Apr-17	General Stores to be finalised	Sally Mason	Helen Smith		
72	<i>Fri</i>	<i>14-Apr-17</i>	<i>Good Friday</i>				
73	<i>Mon</i>	<i>17-Apr-17</i>	<i>Easter Monday</i>				
74	Fri	21-Apr-17	<b>Closedown collection fund for Council Tax</b> and inform LCC, Fire and Police	Lawson Oddie			

**Timetable for Closure of 2016/17  
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
75	Fri	21-Apr-17	<p><b>Central establishment and other recharges to have been completed by:</b></p> <ul style="list-style-type: none"> <li>• Council Offices</li> <li>• Bank Charges</li> <li>• Organisation &amp; Member Development</li> <li>• Financial Services</li> <li>• IT Services</li> <li>• Chief Executives</li> <li>• Revenue Services</li> <li>• Contact Centre</li> <li>• Legal Services</li> </ul>	Trudy Holderness			
76	Fri	21-Apr-17	<p><b>Central establishment and other recharges to have been completed by:</b></p> <ul style="list-style-type: none"> <li>• Depot</li> <li>• Community Services</li> <li>• Grounds Maintenance</li> <li>• Vehicles and Plant</li> <li>• Balances on WKSAD and VEHCL</li> </ul>	Amy Johnson			

**Timetable for Closure of 2016/17  
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
77	Fri	21-Apr-17	<b>Central establishment and other recharges to have been completed by:</b> <ul style="list-style-type: none"> <li>• Use of Market Buildings</li> </ul>	Andrew Cook			
78	Fri	21-Apr-17	<b>IAS19/FRS17 adjustment journals (as required)</b> to be entered by	Lawson Oddie			
79	Fri	21-Apr-17	Update Narrative Report with Pensions data	Lawson Oddie			
80	Fri	28-Apr-17	<b>Closedown collection fund for Business Rates</b> and inform LCC and Fire	Lawson Oddie			
81	<b>Mon</b>	<b>01-May-17</b>	<b>May Day</b>				
82	<b>Thurs</b>	<b>04-May-17</b>	<b>Election Day</b>				

**Timetable for Closure of 2016/17  
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
83	Fri	05-May-17	<b>ALL Service committee accounts to be finished</b> and general fund summary account complete:				
			Policy & Finance Development Services	Trudy Holderness			
			Community Services	Amy Johnson			
			Health & Housing	Andrew Cook			
84	Mon	08-May-17	Final Income and Expenditure Cleardown Run	Lawson Oddie			
85	Wed	10-May-17	Finalise Narrative Report with revenue financial data	Lawson Oddie			
86	Fri	12-May-17	Produce all key financial statements: Expenditure & Funding Analysis, CIES, MiRS, Balance Sheet, Cash Flow Statement	Lawson Oddie			
87	Wed	17-May-17	Report <b>Annual Governance Statement and Findings of Review</b> to CMT	Salma Farooq			
88	Fri	19-May-17	<b>Annual Governance Statement</b> to Leader and CE for signing	Salma Farooq			
89	Fri	19-May-17	<b>Possible deadline for NNDR3</b>	Jane Pearson	Mark Edmondson		

**Timetable for Closure of 2016/17  
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
90	Fri	26-May-17	Finalise all notes to the accounts	Lawson Oddie	Andrew Cook Trudy Holderness Amy Johnson		
91	Fri	26-May-17	All working papers up to date and made available and checked for completeness on the shared area	Lawson Oddie	Andrew Cook Trudy Holderness Amy Johnson		
92	<b>Mon</b>	<b>29-May-17</b>	<b>Spring Bank Holiday</b>				
93	Wed	31-May-17	Accounts final sign off by Director of Resources	Jane Pearson	Lawson Oddie		
94	Wed	31-May-17	Accounts forwarded to Grant Thornton for commencement of audit	Lawson Oddie			
95	Fri	31-May-17	<b>Advertise accounts available for inspection on website</b> from 1 June 2017	Lawson Oddie	Sally Mason		
96	Mon	01-Jun-17	Period of <b>public inspection</b> starts (30 consecutive working days from sign off by Director of resources)	Lawson Oddie			
97	Mon	12-Jun-17	Grant Thornton commence final accounts audit	Grant Thornton			

**Timetable for Closure of 2016/17  
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
98	Tues	20-Jun-17	Review meeting with Grant Thornton	Lawson Oddie	Grant Thornton		
99	Tues	04-Jul-17	Review meeting with Grant Thornton	Lawson Oddie			
100	Fri	07-Jul-17	Revenue Outturn Forms to be completed by	Andrew Cook			
101	Fri	07-Jul-17	WGA Return to be completed by (Unaudited)	Andrew Cook			
102	Wed	12-Jul-17 (PM)	Clearance meeting with Grant Thornton	Jane Pearson Lawson Oddie	Grant Thornton		
103	Thurs	13-Jul-17	<b>Complete Audit Findings Report adjustments and issue final Statement of Accounts</b> to Grant Thornton	Lawson Oddie	Grant Thornton		
104	Mon	17-Jul-17	Distribution date for <b>Accounts and Audit Committee and Director of Resources (CFO) sign accounts for true and fair view</b>	Lawson Oddie			
105	Wed	26-Jul-17	<b>Accounts and Audit Committee meeting to consider the Audit Findings Report and approve Audited Final Accounts</b>	Jane Pearson	Lawson Oddie		

**Timetable for Closure of 2016/17  
Accounts**

No.		Completion Date	Task	Lead Officer	Other Key Staff	Date Actually Done	Comments
106	Thurs	27-Jul-17	<b>Receipt of Accounts opinion from Grant Thornton</b>	Lawson Oddie	Grant Thornton		
107	Fri	28-Jul-17	Accounts to be <b>published</b> on website by	Lawson Oddie	Sally Mason		
108	Fri	29-Sep-17	<b>Whole of Government Accounts return (audited)</b> to be completed by	Andrew Cook			

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

Agenda Item No 6

meeting date: 29 MARCH 2017  
 title: INTERNAL AUDIT ANNUAL PLAN 2017/18  
 submitted by: DIRECTOR OF RESOURCES  
 principal author: MICK AINSCOW

### 1 PURPOSE

1.1 To submit to committee the internal audit plan for 2017/18.

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 All local authorities are required to make proper provision for Internal Audit in line with the 1972 Local Government Act and the Accounts and Audit Regulations 2015. The Public Sector Internal Audit Standards require the proper planning of all audit activity.

### 3 RISK SCORING

3.1 Internal Audit ensures that good internal controls are inherent in all the Council's systems. All services have been identified into auditable areas and then subjected to a risk assessment process. This risk assessment scores each area against 4 key factors, based on the table shown below:

Risk Factor	Description	Scoring Methodology
<b>Financial Impact</b>	Based on the monetary value of the transactions involved	Highest score given to those areas with substantially monetary value transactions
<b>Primary Objectives</b>	Based on service links to the primary objectives in the Corporate Strategy	Highest score given to those areas that are key to the council achieving its primary objectives
<b>Audit Experience and Assurance</b>	Based on recommendations and assurance levels at past audits	Highest scores given to those areas which have a poor audit experience or low levels of assurance. (New areas automatically score high)
<b>Time since last audit</b>	Based on the time that has elapsed since an audit was last undertaken on the service area	Highest scores given to those areas which have not been audited in the past three years

3.2 Scores are given across these four factors for each auditable area to arrive at a total risk score, from which it is determined whether the area in question is high, medium or low risk. A total score of 4 to 6 is regarded as low risk, of 7 to 9 as medium, and 10 and over as high.

3.3 Using this risk based approach to scoring the Council's service areas, as shown at Annex 1, an operational audit plan is then produced which prioritises resource allocation based on those areas scored as higher risk. All high risk areas are covered annually with the medium risk areas covered at least twice over a three year period. The number of days allocated to each area is based on past experience and level of

testing required. Low risk areas are aimed to be covered over the longer term where resources allow.

#### 4 CONSULTING ON THE ANNUAL AUDIT PLAN

- 4.1 Directors and Heads of Service were also consulted, asking for any comments on proposals. They are also asked for information on any new and emerging risks that the audit team should be aware of, and for any information on service changes.
- 4.2 Importantly, there has also been consultation with our external auditors on our proposed audit plan. In undertaking their work, there are areas where the external auditors place reliance on the work of the internal audit section. Consulting with external audit also helps avoid areas of duplication in both external and internal audit work over the course of the forthcoming financial year, enabling better and more efficient planning.

#### 5 INTERNAL AUDIT ANNUAL AUDIT PLAN 2017/18

- 5.1 Using the risk scoring exercise above, we are able to construct a better informed risk based audit plan for the coming year. The proposed audit plan for 2017/18 is attached at Annex 2.
- 5.2 Within the 2017/18 year all high risk category audit areas have been included in the audit plan. As there would be available resources after inclusion of the high risk areas, all medium risk areas have also been included. Should resources allow as the year progresses, it may be possible to include some of the low risk areas.
- 5.3 With regard to risk management, internal audit will continue to have a monitoring role during 2017/18. Risk owners are asked to review all their risks periodically in accordance with agreed timescales, and we will monitor all risks to ensure this is being done with any red risks being reported to this Committee.
- 5.4 We will continue to allow a number of days in the audit plan for contingencies. This is to account for any work carried out that is unplanned e.g. possible fraud investigations, complaints from members of the public or pieces of work carried out following specific requests from Directors or Heads of Service.
- 5.5 Further work will also be programmed for computer audit reviews, however, this will fall outside the audit plan as we do not have the necessary expertise in house for this area of audit work. The Council have an earmarked reserve for use in the procurement of such external provision.

#### 6 RECOMMENDED THAT COMMITTEE

- 6.1 Approve the 2017/18 internal audit plan.

PRINCIPAL AUDITOR  
AA2-17/MA/AC

DIRECTOR OF RESOURCES

16 March 2017

For further information please ask for Mick Ainscow.

## Scoring for all Service Areas for Risk 2017/18

		RISK FACTOR					
Audit Area		Financial Impact	Primary Objectives	Audit Experience and Assurance	Time Since Last Audit	Total	
<b>Fundamental Systems</b>	Main Accounting	3	3	1	1	8	
	Creditors	3	3	1	1	8	
	Sundry Debtors	3	3	1	1	8	
	Payroll	3	3	1	1	8	
	Council Tax	3	3	1	1	8	
	Housing Benefits/CT Support	3	3	1	1	8	
	NNDR/Business Rates Pooling	3	3	1	1	8	
	Cash Receipting	3	3	1	1	8	
<b>Non-fundamental Systems</b>	VAT	3	3	1	1	8	
	Stores	2	2	1	1	6	
	Procurement	3	3	1	1	8	
	Treasury Management	3	3	1	1	8	
	Asset Management	3	3	1	1	8	
<b>Resources</b>	Car Allowances/Staff Expenses	2	1	1	1	5	
	Car Loans/Leasing	1	1	1	3	6	
	Petty Cash/Floats	1	1	1	2	5	
	Members' Allowances	2	3	1	1	7	
	HR Recruitment/Safeguarding Arrangements	2	3	1	2	8	
	Insurance	3	2	1	1	7	
<b>Chief Executives</b>	Land Charges	3	2	1	1	7	
	Clitheroe Market	2	2	1	1	6	
	Cemetery	2	2	1	1	6	
	Licences	2	2	1	1	6	
	Building Control	3	2	1	1	7	
	Business Continuity	2	3	3	3	11	
	Environmental Health	3	3	2	1	9	
<b>Community</b>	Planning Applications	3	2	1	1	7	
	Car Parking	3	2	2	1	8	
	VIC/Platform Gallery	2	3	2	1	8	
	Trade and Domestic Refuse Collection	2	3	1	1	7	
	Museum/Café	2	2	3*	3*	10	
	Healthy Lifestyles/Up and Active	3	3	1	1	8	
	Ribblesdale Pool	2	3	1	1	7	
	Joiners Arms Homeless Unit	2	3	3*	3*	11	
<b>Other Areas</b>	Data Protection	1	2	1	3	7	
	Partnership Arrangements	3	3	1	1	8	
	Grants Received	3	3	1	1	8	
	Grants Paid	3	3	2	1	9	
	Flexi-time System	1	1	2	3	7	
	Section 106 Agreements/ Planning Enforcement	3	2	3*	3*	11	
	Fees and Charges/Cash Collection Procedures	3	2	1	1	7	
	Transparency/Open Data	1	1	3*	3*	8	
	Externally Contracted Provision of RVBC Services	2	2	2	1	7	
	Health and Safety	3	2	3*	3*	11	

\* Scored high as not previously included as a separate audit area

## PROPOSED INTERNAL AUDIT ANNUAL PLAN 2017/18

Operational Audit Plan 2017/18			Days
	Number of days available		<b>780</b>
	Less:		
	Bank Hols/Statutory	36	
	Annual Leave	71	
	Non-Audit Duties (Insurance, etc.)	30	
	College	20	<b>(157)</b>
	Actual auditing days available		<b>623</b>
Risk Score	Area Of Activity		
	<i>Fundamental Systems</i>		
8	Main Accounting	25	
8	Creditors	20	
8	Sundry Debtors	20	
8	Payroll	30	
8	Council Tax	40	
8	Housing Benefits/Council Tax Support	40	
8	NNDR/Business Rates Pooling	40	
8	Cash Receipting	15	<b>230</b>
	<i>Non Fundamental Systems</i>		
8	VAT	15	
8	Treasury Management	12	
8	Procurement	15	
11	Business Continuity	20	
8	Asset Management	12	<b>74</b>

Risk Score	Area of Activity		
	<i>Probity/Regularity</i>		
7	Members Allowances	5	
8	Recruitment/Safeguarding Arrangements	15	
7	Insurance	15	
7	Land Charges	5	
7	Fees and Charges/Cash Collection Procedures	12	
11	Health and Safety	12	
8	Car Parking	10	
8	VIC/Platform Gallery	5	
7	Trade and Domestic/Refuse Collection	12	
7	Ribblesdale Pool	5	
11	Joiners Arms Homeless Unit	3	
8	Partnership Arrangements	12	
8	Grants received	12	
9	Grants paid	12	
7	Flexitime System	10	
9	Environmental Health	10	
11	Section 106 Agreements/Planning Enforcement	15	
7	Building Control	10	
7	Planning Applications	10	
7	Data Protection	12	
10	Museum/Café	5	
8	Healthy Lifestyles/Up and Active	5	
8	Transparency/Open Data	15	
7	Externally Contracted Provision of RVBC services	15	<b>242</b>
	<i>Continuous Activity/Ongoing Checks</i>		
	Income Monitoring	12	<b>12</b>

	Contingencies	25	<b>25</b>
	Risk Management	15	
	Corporate Governance	20	
	Performance Indicators	5	<b>40</b>
	Total Planned Audit Work		<b>623</b>

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

Agenda Item No. 7

meeting date: 29 MARCH 2017  
 title: REAPPOINTMENT OF INDEPENDENT PERSONS  
 submitted by: CHIEF EXECUTIVE  
 principal author: MAIR HILL

### 1 PURPOSE

1.1 To seek Committee's approval of the continuation in post of the Council's Independent Persons; and to put in place arrangements for review.

1.2 Relevance to the Council's ambitions and priorities:

- Community Objectives – Consideration of the issue will promote the Council's priority of being a well-managed Council.
- Corporate Priorities – As above.
- Other Considerations – None

### 2 BACKGROUND

2.1 The Localism Act 2011 (the "**Act**") abolished the requirement for each Council to have a Standards Committee with independent members and chair. Section 28 of the Act sets out the requirements, which took its place. Sections 28(6) & (7) state:

*"(6) A relevant authority other than a parish council must have in place-*

*(a) arrangements under which allegations can be investigated, and*

*(b) arrangements under which decisions on allegations can be made.*

*(7) Arrangements put in place under subsection (6)(b) by a relevant authority must include provision for the appointment by the authority of **at least one independent person-***

*(a) whose views are to be sought, and taken into account, by the authority before it makes its decision on an allegation that it has decided to investigate, and*

*(b) whose views may be sought-*

*(i) by the authority in relation to an allegation in circumstances not within paragraph (a);*

*(ii) by a member, or co-opted member of the authority if that person's behaviour is the subject of an allegation; and*

*(iii) by a member, or co-opted member, of a parish council if that person's behaviour is the subject of an allegation and the authority is the parish council's principal authority." **[Emphasis added]***

2.2 Having followed the required recruitment procedure, the Council appointed two Independent persons in July 2012 (Mr IB Dearing and Mr IS Taylor). They receive no allowance in respect of this.

### 3. ISSUES

3.1 There is no statutory limit on the length of service of Independent Persons, however it is thought prudent to review their position at this stage as it is almost 5 years since their appointment.

- 3.2 The need to seek the assistance of the Independent Persons has been limited since their appointment, but both have been effective in their positions, and have gained experience. They have also both confirmed that they would be willing to continue in the role.
- 3.3 Committee is therefore asked to consider whether Mr I B Dearing and Mr I S Taylor should continue as the Council's Independent persons or whether it wishes to limit their term to 5 years and to commence a recruitment process to reappoint.

#### 4 RISK ASSESSMENT

4.1 The approval of this report may have the following implications:

- Resources – Resources will need to be expended if a recruitment process is required
- Technical, Environmental and Legal – The consideration of the appointments will fulfil the requirements of the Act.
- Political – None
- Reputation – The consideration of the appointments of independent persons will enhance the reputation of the Council.
- Equality & Diversity – None

#### 5 **RECOMMENDED THAT COMMITTEE**

- 5.1 Confirm the continuation in post of the current Independent Persons; and
- 5.2 The appointment be reviewed in 3 years' time.

MAIR HILL  
SOLICITOR

MARSHAL SCOTT  
CHIEF EXECUTIVE

BACKGROUND PAPERS

For further information please ask for Mair Hill, extension 3216

REF: MJH/MJH/Account & Audit/29March 2017

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8 February 2017

Dear Jane

**Certification work for Ribble Valley Borough Council for year ended 31 March 2016**

We are required to certify the Housing Benefit subsidy claim submitted by Ribble Valley Borough Council ('the Council'). This certification typically takes place six to nine months after the claim period and represents a final but important part of the process to confirm the Council's entitlement to funding.

The Local Audit and Accountability Act 2014 gave the Secretary of State power to transfer Audit Commission responsibilities to other bodies. Public Sector Audit Appointments (PSAA) have taken on the transitional responsibilities for HB COUNT issued by the Audit Commission in February 2015

We have certified the Housing Benefit subsidy claim for the financial year 2015/16 relating to subsidy claimed of £7.429 million. Further details are set out in Appendix A.

Our initial testing identified one case where the rent figure for the individual claim had been incorrectly input into the system leading to a housing benefit underpayment. We extended our testing to a further 40 cases and found no further errors. We reported this finding to the Department for Work and Pensions as an observation on our work.

The indicative fee for 2015/16 for the Council was based on the final 2013/14 certification fees, reflecting the amount of work required by the auditor to certify the Housing Benefit subsidy claim that year. The indicative scale fee set by the Audit Commission for the Council for 2015/16 was £10,560. Due to the additional work required to address the issues we identified, we have agreed an additional fee of £1,300, subject to confirmation from PSAA. This is set out in more detail in Appendix B.

Yours sincerely

Grant Thornton UK LLP

**Appendix A - Details of claims and returns certified for 2015/16**

<b>Claim or return</b>	<b>Value</b>	<b>Amended?</b>	<b>Observations?</b>	<b>Comments</b>
Housing benefits subsidy claim	£7,429,865	No	Yes	We reported to the Department for Work and Pensions that our initial testing identified one error where the rent figure had been input incorrectly into the Housing Benefits system. As required by the arrangements under HB COUNT we extended this testing and found no further errors.

**Appendix B: Fees for 2015/16 certification work**

<b>Claim or return</b>	<b>2013/14 fee (£)</b>	<b>2015/16 indicative fee (£)</b>	<b>2015/16 actual fee (£)</b>	<b>Variance (£)</b>	<b>Explanation for variances</b>
Housing benefits subsidy claim (BEN01)	£14,080	£10,560	£11,860	£1,300	Additional testing required
Total	£14,080	£10,560	£11,860	£1,300	

Accounts and Audit Committee  
Progress and Update Report for  
Ribble Valley Borough Council  
*Year ended 31 March 2016*

29 March 2017

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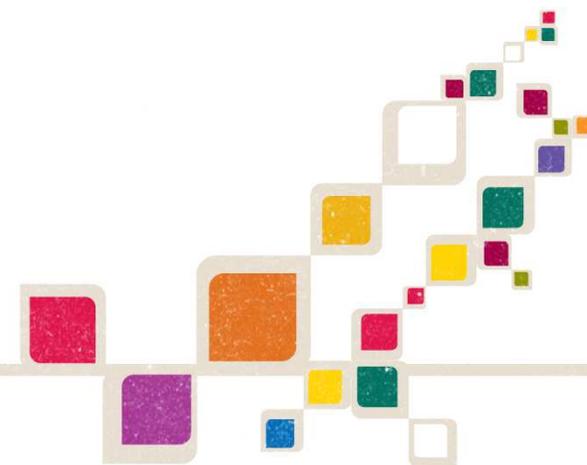
Executive

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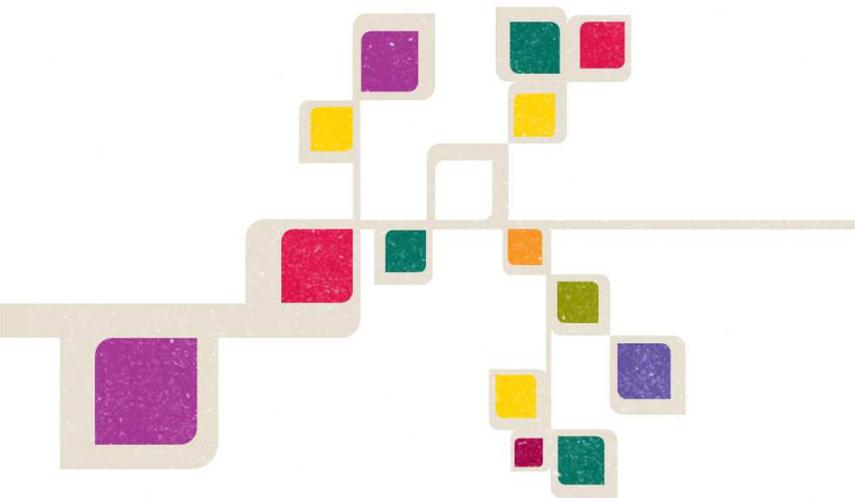
**E** amelia.l.payton@uk.gt.com



The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.



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# Introduction

This paper provides the Accounts and Audit Committee with a report on progress in delivering our responsibilities as your external auditors.

Members of the Accounts and Audit Committee can find further useful material on our website [www.grant-thornton.co.uk](http://www.grant-thornton.co.uk), where we have a section dedicated to our work in the public sector. Here you can download copies of our publications:

- CFO Insights – reviewing council's 2015/16 spend (December 2016);  
<http://www.grantthornton.co.uk/en/insights/cfo-insights-reviewing-councils-201516-spend/>
- Fraud risk, 'adequate procedures', and local authorities (December 2016);  
<http://www.grantthornton.co.uk/en/insights/fraud-risk-adequate-procedures-and-local-authorities/>
- New laws to prevent fraud may affect the public sector (November 2016);  
<http://www.grantthornton.co.uk/en/insights/new-laws-to-prevent-fraud-may-affect-the-public-sector/>
- Brexit: local government = transitioning successfully (December 2016)  
<http://www.grantthornton.co.uk/en/insights/brexit-local-government--transitioning-successfully/>

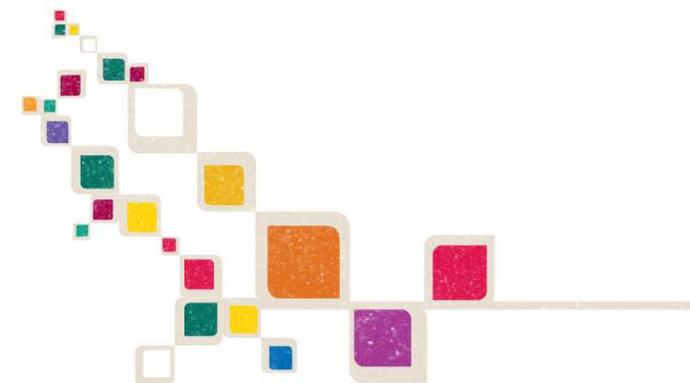
If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.



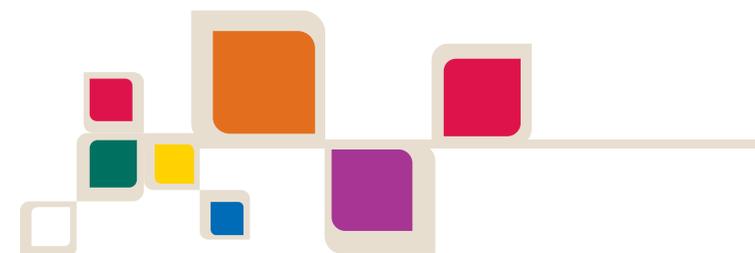
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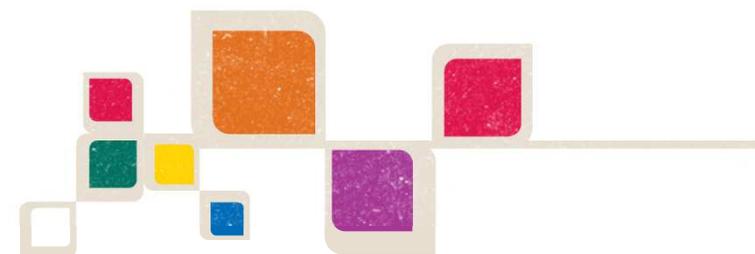


# Progress at March 2017



2016/17 work	Planned Date	Complete?	Comments
<p><b>Fee Letter</b></p> <p>We are required to issue a 'Planned fee letter for 2016/17' by the end of April 2016</p>	April 2016	Yes	We issued the fee letter for 2016/17 in April 2016, with no change to the scale fee proposed.
<p><b>Accounts Audit Plan</b></p> <p>We are required to issue a detailed accounts audit plan to the Council setting out our proposed approach in order to give an opinion on the Council's 2016/17 financial statements.</p>	March 2017	Yes	Our Audit Plan for 2016/17 is included on this agenda.
<p><b>Interim accounts audit</b></p> <p>Our interim fieldwork visit plan includes:</p> <ul style="list-style-type: none"> <li>• updated review of the Council's control environment</li> <li>• updated understanding of financial systems</li> <li>• review of Internal Audit reports on core financial systems</li> <li>• early work on emerging accounting issues</li> <li>• early substantive testing</li> <li>• Value for Money conclusion risk assessment.</li> </ul>	January to March 2017	In progress	Our interim audit started in January 2017 and we expect to complete this part of our work programme in March 2017, including early transaction testing. A summary of work completed to date is reported in our Audit Plan.
<p><b>Final accounts audit</b></p> <p>Including:</p> <ul style="list-style-type: none"> <li>• audit of the 2016/17 financial statements</li> <li>• proposed opinion on the Council's accounts</li> <li>• proposed Value for Money conclusion</li> <li>• review of the Council's disclosures in the consolidated accounts against the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17</li> </ul>	June to July 2017	Not yet started	We anticipate scheduling our work on the Council's statement of accounts in June and July 2017.

# Progress at March 2017



2016/17 work	Planned Date	Complete?	Comments
<p><b>Value for Money (VfM) conclusion</b></p> <p>The scope of our work is unchanged to 2015/16 and is set out in the final guidance issued by the National Audit Office in November 2015. The Code requires auditors to satisfy themselves that; "the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".</p> <p>The guidance confirmed the overall criterion as; "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".</p> <p>The three sub criteria for assessment to be able to give a conclusion overall are:</p> <ul style="list-style-type: none"> <li>• Informed decision making</li> <li>• Sustainable resource deployment</li> <li>• Working with partners and other third parties</li> </ul>	January to July 2017	In progress	<p>We have undertaken our risk assessment alongside our interim work and we report that we have identified no areas of significant risk to report to you in the Audit Plan.</p> <p>Between March and July we will complete any further work required from the risk assessment. We will report the final outcome of our work in our Audit Findings Report.</p>
<p><b>Annual Audit Letter</b></p> <p>Our Annual Audit Letter summarises the key findings arising from the work that we have carried out for the year ended 31 March 2017.</p>	October 2017	Not yet started	We will issue an Annual Audit Letter to the Council in line with specified deadlines after the audit of the 2016/17 financial statements.

# Technical Matters



# Telling the story – Changes in 2016/17 CIPFA Code

CIPFA has been working on the 'Telling the Story' project, which aims to streamline the financial statements and improve accessibility to the user. This has resulted in changes to CIPFA's 2016/17 Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

The main changes affect the presentation of the Comprehensive Income and Expenditure Statement ('CIES'), the Movement in Reserves Statement ('MIRS') and segmental reporting disclosures. A new Expenditure and Funding Analysis has been introduced.

The key changes are:

- the cost of services in the CIES is to be reported on basis of the local authority's organisational structure rather than the Service Reporting Code of Practice (SERCOP) headings
- an 'Expenditure & Funding Analysis' note to the financial statements provides a reconciliation between the way local authorities are funded and the accounting measures of financial performance in the CIES
- the changes will remove some of the complexities of the current segmental note
- other changes to streamline the current MIRS providing options to report Total Comprehensive Income and Expenditure (previously shown as Surplus and Deficit on the Provision of Services and Other Comprehensive Income and Expenditure lines) and removal of earmarked reserves columns.

Other amendments have been made to the Code:

- changes to reporting by pension funds in relation to the format and fair value disclosure requirements to reflect changes to the Pensions SORP
- other amendments and clarifications to reflect changes in the accounting standards.

# Delivering Good Governance

In April, CIPFA and SOLACE published 'Delivering Good Governance in Local Government: Framework (2016)' and this applies to annual governance statements prepared for the 2016/17 financial year.

The key focus of the framework is on sustainability – economic, social and environmental – and the need to focus on the longer term and the impact actions may have on future generations.

Local authorities should be:

- reviewing existing governance arrangements against the principles set out in the Framework
- developing and maintaining an up-to-date local code of governance, including arrangements for ensuring on-going effectiveness
- reporting publicly on compliance with their own code on an annual basis and on how they have monitored the effectiveness of their governance arrangements in the year and on planned changes.

The framework applies to all parts of local government and its partnerships and should be applied using the spirit and ethos of the Framework rather than just rules and procedures.

# Sector issues and developments



# Local Government Finance Settlement

The final local government settlement for 2017/18 was published on 20 February. The settlement reflects the Government's aim that all councils will become self funding, with central government grants being phased out. This is year two of the four year offer, which has been accepted by 97% of councils.

There is an expectation that councils will continue to improve efficiencies with measures including further developments in digital technology, new delivery models and innovative partnership arrangements.

## 100% business rates retention

The announcement has an increased focus on business rates, with the expectation that by the end of the current Parliament, local government will keep 100% of the income raised through business rates. The exact details of the reforms are yet to be determined. This includes confirming which additional responsibilities will be devolved to local government and funded through these retained rates. Pilots of the reforms are taking place across the country from April 2017.

The results of a recent Municipal Journal survey *2017 State of Local Government Finance* have recently been published.

[http://downloads2.dodsmonitoring.com/downloads/Misc\\_Files/LocalGovFinance.pdf](http://downloads2.dodsmonitoring.com/downloads/Misc_Files/LocalGovFinance.pdf)

Respondents expressed concern about the lack of detail in the proposals, uncertainty around equalisation measures and the scale of appeals.

Nearly 50% of Councils responding believe they will lose from the transition to 100% retention of business rates. Views were evenly split as to whether the proposals would incentivise local economic growth.

## Social Care Funding

Funding allocations reflect increased funding of social care with a stated £3.5 billion of funding for social care by 2019/2020.

In this year's settlement £240 million of new homes bonus has been redirected into the adult social care grant. In addition councils are once again be able to raise the precept by up to 3% for funding of social care.

Recognising that funding is not the only answer, further reforms are to be brought forward to support the provision of a sustainable market for social care. There is an expectation that all areas of the country move towards the integration of health and social care services by 2020.

**Paul Dossett Head of Local Government in Grant Thornton LLP** has commented on the Government proposals for social care funding (see link for full article).

"The government's changes to council tax and the social care precept, announced by the Secretary of State for DCLG as part of the latest local government finance settlement, will seem to many as nothing more than a temporary fix. There is real concern about the postcode lottery nature of these tax-raising powers that are intended to fund our ailing social care system."

"Our analysis on social care shows that the most deprived areas in the UK derive the lowest proportion of their income from council tax."

"Conversely, more affluent areas collecting more council tax will potentially receive a bigger financial benefit from these measures."

"Our analysis shows that the impact and effectiveness of the existing social care precept is not equal across authorities. So any further changes to tax raising powers for local government will

## National developments

*"Social care precept changes will not help those living in more deprived areas"*

*"The UK has a long tradition of providing care to those who need it most. If that is to continue, the government must invest in a robust social care system that can cater for all based on needs and not on geography. From a taxpayer's perspective this is a zero sum game. For every £1 not invested in social care, the cost to the NHS is considerably more"*

not tackle the crisis of social care in our most disadvantaged communities and arguably make only make a small dent in the cost demands in our more affluent communities."

Links:

<https://www.gov.uk/government/speeches/final-local-government-finance-settlement-2017-to-2018>

<http://www.grantthornton.co.uk/en/news-centre/local-government-financial-settlement-comment-social-care-precept-changes-will-not-help-those-living-in-more-deprived-areas/>

<http://www.grantthornton.co.uk/en/insights/council-tax-alone-wont-solve-the-social-care-crisis/>

# Pooling of LGPS

From 1 April 2018 £200bn of assets from 90 LGPS funds across England and Wales will be merged into six 'British Wealth Funds'. By pooling investment, costs can be reduced through economies of scale and through sharing of expertise, while the schemes can maintain overall investment performance. Pension funds will continue to be managed and maintained by the separate administering authorities. The selection of fund managers will be made by the investment pool operator on behalf of a pool of co-operating administrative authorities, while individual investment strategies, including asset allocation, will remain the responsibility of the individual administrative authority.

Potentially eight pools are to be established across the country with total assets ranging from £13bn in both the LPP and Wales pool, to £36bn in the Border to Coast pool. It is expected that assets will be transferred to the pools as soon as practicable after 1 April 2018.

Tasks to be completed by April 2018 include:

- creating legal structures for pools
- transferring staff
- creating supervisory boards/ committees
- obtaining FCA authorisations
- appointing providers
- assessing MiFID II implications
- determining pool structures for each asset type

The funds themselves will retain responsibility for:

- investment strategy
- asset allocation

- having a responsible investment strategy
- reporting to employers and members

### Governance arrangements

There is no mandatory membership of oversight structures. It is for each pool to develop the proposals they consider appropriate. The majority of decision making remains at the local level and therefore the involvement of local pension boards in those areas would not change. Scheme managers should consider how best to involve their pension boards in ensuring the effective implementation of investment and responsible investment strategies by pools, which could include representation on oversight structures.

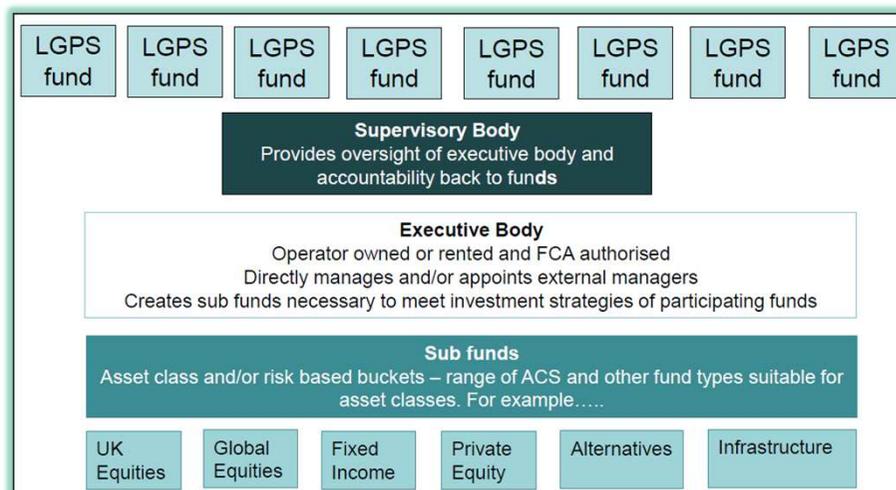
CIPFA in the recent article [Clear pools: the future of the LGPS](#) highlights the need for good governance particularly in view of the complex web of stakeholders involved in investment pooling. Robust governance will be vital to ensuring a smooth transition and continuing operation of the funds

## National developments

### Challenge question:

- Is your CFO keeping you up to date on developing arrangements in your area?

Link:  
<http://www.cipfa.org/cipfa-thinks/cipfa-thinks-articles/clear-pools-the-future-of-the-lgps/>



typical structure of LGPS Pool

# Fixing our broken housing market

DCLG published its housing White Paper on 7 February 2017. It opens with the statement:

“The housing market in this country is broken, and the cause is very simple: for too long, we haven’t built enough homes.”

It goes on to summarise three key challenges in the housing market.

1. Over 40 per cent of local planning authorities do not have a plan that meets the projected growth in households in their area.
2. The pace of development is too slow. There is a large gap between permissions granted and new homes built. More than a third of new homes that were granted planning permission between 2010/11 and 2015/16 have yet to be built.
3. The structure of the housing market makes it harder to increase supply. Housing associations have been doing well – they’re behind around a third of all new housing completed over the past five years – but the commercial developers still dominate the market.

The proposals in the White Paper set out how the Government intends to boost housing supply and, over the long term, create a more efficient housing market whose outcomes more closely match the needs and aspirations of all households and which supports wider economic prosperity.

It states that the challenge of increasing housing supply cannot be met by the government acting alone and summarises how the government will work with local authorities, private developers, local communities, housing associations and not for profit developers, lenders, and utility companies and infrastructure providers.

For local authorities, the government is:

- offering higher fees and new capacity funding to develop planning departments, simplified plan-making, and more funding for infrastructure;
- will make it easier for local authorities to take action against those who do not build out once permissions have been granted; and
- is interested in the scope for bespoke housing deals to make the most of local innovation.

The government is looking to local authorities to be as ambitious and innovative as possible to get homes built in their area. It is asking all local authorities to:

- develop an up-to-date plan with their communities that meets their housing requirement (or, if that is not possible, to work with neighbouring authorities to ensure it is met);
- decide applications for development promptly; and
- ensure the homes they have planned for are built out on time.

The White Paper states that it is crucial that local authorities hold up their end of the bargain. It goes on to say that where local authorities are not making sufficient progress on producing or reviewing their plans, the Government will intervene. It also notes that where the number of homes being built is below expectations, the new housing delivery test will ensure that action is taken.

The White Paper goes on to consider in more detail:

- Planning for the right homes in the right places
- Building homes faster
- Diversifying the market
- Helping people now

## National developments

### Challenge questions:

- Have you been briefed on the White Paper and the implications for your statutory housing function?
- Is the Council planning to respond to the consultation?

Consultation on the White Paper will begin on 7 February 2017. The consultation will run for 12 weeks and will close on 2 May 2017.

The White Paper is available at:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/590464/Fixing\\_our\\_broken\\_housing\\_market\\_-\\_print\\_ready\\_version.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/590464/Fixing_our_broken_housing_market_-_print_ready_version.pdf)

# Local Government Association

Below is a selection of reports issued recently which may be of interest to accounts and audit committee members. They are available on the website:

<http://www.local.gov.uk/publications>



## Provisional LG Finance Settlement for 2017/18

**12 January 2017**

The LGA has published its responses to the DCLG consultation on proposals for the local government finance settlement for 2017 to 2018 and for the approach to future local government finance settlements.

<http://www.local.gov.uk/documents/10180/8150261/Local+Government+Finance+Settlement+1718+LGA+response.pdf/dd8d32e1-ec9f-4314-8121-7aae2195f89f>



## A councillor's workbook on neighbourhood and community engagement

**11 January 2017**

Neighbourhood and community engagement has a rightful place as one of the key processes involved in planning and decision making. As such, it should not be viewed as an additional task, but as a core part of the business



## Building our homes, communities and future: The LGA housing commission final report

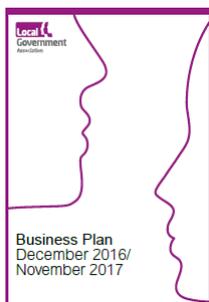
**22 December 2016**

The Local Government Association (LGA) Housing Commission was established to help councils deliver their ambition for places. It has been supported by a panel of advisers and has engaged with over 100 partners; hearing from councils, developers, charities, health partners, and many others. All partners agree that there is no silver bullet, and all emphasise the pivotal role of councils in helping provide strong leadership, collaborative working, and longer-term certainty for places and the people that live there.

# Local Government Association

Below is a selection of reports issued recently which may be of interest to audit committee members. These are available on the LGA website:

<http://www.local.gov.uk/publications>



## **Business Plan December 2016/November 2017**

**30 December 2016**

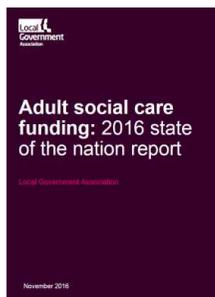
Britain's exit from the EU means that we are reshaping the way our country is run. Our vision is one of a rejuvenated local democracy, where power from Westminster and from the EU is significantly devolved to local level and citizens feel they have a meaningful vote and real reason to participate in civic life and their communities.



## **Stronger together: shared management in local government**

**29 November 2016**

Around 45 councils across England share a chief executive and senior management team in about 20 different partnerships. Most also share at least some services. These councils have already delivered savings of at least £60 million through greater efficiencies and the other benefits of collaboration, with more savings planned



## **Adult social care funding: 2016 state of the nation report**

**2 November 2016**

Adult social care is an absolutely vital public service that supports some of our most vulnerable people and promotes the wellbeing and independence of many more

Grant Thornton



# Apprentice Levy-Are you prepared?

## Grant Thornton update

### What is the levy?

The UK has been struggling on productivity, now estimated to be 20% behind the G7 average. Developing apprenticeships is set to play a key part in tackling this and bridging the skills gap.

Announced by government in July 2015, the levy is to encourage employers to offer apprenticeships in meeting their skill, workforce and training needs, developing talent internally. The levy is designed to give more control to employers, through direct access to training funds and creation of apprenticeships through the Trailblazer process.

### What is the levy?

From April 2017, the way the government funds apprenticeships in England is changing. Some employers will be required to pay a new apprenticeship levy, and there will be changes to the funding for apprenticeship training for all employers.

All employers will receive an allowance of £15,000 to offset against payment of the levy. This effectively means that the levy will only be payable on paybill in excess of £3 million per year.

The levy will be payable through Pay As You Earn (PAYE) and will be payable alongside income tax and National Insurance.

Each employer will receive one allowance to offset against their levy payment. There will be a connected persons rule, similar the Employment Allowance connected persons rule, so employers who operate multiple payrolls will only be able to claim one allowance.

Employers in England are also able to get 'more out than they put in', through an additional government top-up of 10% to their levy contribution.

When employers want to spend above their total levy amount, government will fund 90% of the cost for training and assessment within the funding bands.

The existing funding model will continue until the levy comes into effect May 2017. The levy will apply to employers across all sectors.

Paybill will be calculated based on total employee earnings subject to Class1 National Insurance Contributions. It will not include other payments such as benefits in kind. It will apply to total employee earnings in respect of all employees.

### What will the levy mean in practice

Employer of 250 employees, each with a gross salary of £20,000:

Paybill:  $250 \times £20,000 = £5,000,000$

Levy sum:  $0.5\% \times = £25,000$

Allowance:  $£25,000 - £15,000 = £10,000$  annual levy

### How can I spend my levy funds?

The funding can only be used to fund training and assessment under approved apprenticeship schemes. It cannot be used on other costs associated with apprentices, including wages and remuneration, or training spend for the wider-team.

Through the Digital Apprenticeship Service (DAS), set up by government, employers will have access to their funding in the form of digital vouchers to spend on training.

Training can be designed to suit the needs of your organisation and the requirements of the individual in that role, in addition to specified training for that apprenticeship. Training providers must all be registered with the Skills Funding Agency (SFA).

### What do I need to start thinking about now?

- How much is the levy going to cost and have we budgeted for it?
- How do we ensure compliance with the new system?
- Which parts of my current spend on training are applicable to apprenticeships?
- Are there opportunities to mitigate additional cost presented by the levy?
- How is training in my organisation structured?
- How do we develop and align to our workforce development strategy

# Off-payroll working and salary sacrifice in the public sector

## Off-payroll working

The Chancellor's Autumn Statement 2016 speech delivered a number of changes that will impact the UK business environment and raise considerations for you as an employer.

In particular, the Chancellor announced that the measures that were proposed in Budget 2016 that could affect services supplied through personal service companies (PSCs) to the public sector will be implemented.

At present, the so-called IR35 rules require the worker to decide whether PAYE and NIC are due on the payments made by a PSC following an engagement with a public sector body. The onus will be moved to the payer from April 2017. This might be the public sector body itself, but is more likely to be an intermediary, or, if there is a supply chain, to the party closest to the PSC.

The public sector body (or the party closest to the PSC) will need to account for the tax and NIC and include details in their RTI submission.

The existing IR35 rules will continue outside of public sector engagements.

**HMRC Digital Tool** – will aid with determining whether or not the intermediary rules apply to ensure of “*consistency, certainty and simplicity*”.

When the proposals were originally made, the public sector was defined as “those bodies that are subject to the Freedom of Information rules”. It is not known at present whether this will be the final definition. Establishing what bodies are caught is likely to be difficult however the public sector is defined.

A further change will be that the 5% tax free allowance that is given to PSCs will be removed for those providing services to the public sector.

This will increase costs, move responsibility to the engager and increase risks for the engager

## Salary sacrifice

The Chancellor's Autumn Statement 2016 speech also introduced changes to salary sacrifice arrangements. In particular, the proposals from earlier this year to limit the tax and NIC advantages from salary sacrifice arrangements in conjunction with benefits will be implemented from April 2017.

Although we await the details, it appears that there is a partial concession to calls made by Grant Thornton UK and others to exempt the provision of cars from the new rules (to protect the car industry). Therefore, the changes will apply to all benefits other than pensions (including advice), childcare, Cycle to Work schemes and ultra-low emission cars.

Arrangements in place before April 2017 for cars, accommodation and school fees will be protected until April 2021, with others being protected until April 2018.

These changes will be implemented from April 2017.

As you can see, there is a limited opportunity to continue with salary sacrifice arrangements and a need also to consider the choice between keeping such arrangements in place – which may still be beneficial – or withdrawing from them.

## Grant Thornton update

### Issues to consider

- Interim and temporary staff engaged through an intermediary or PSC
- Where using agencies ensure they're UK based and operating PAYE
- Update on-boarding / procurement systems, processes and controls
- Additional take on checks and staff training / communications
- Review of existing PSC contractor population before April 2017
- Consider moving long term engagements onto payroll
- Review the benefits you offer - particularly if you have a flex renewal coming up
- Consider your overall Reward and Benefit strategy
- Consider your Employee communications



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# The Audit Plan for Ribble Valley Borough Council

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**Year ended 31 March 2017**

March 2017

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Dear Members of the Audit Committee

### **Audit Plan for Ribble Valley Borough Council for the year ending 31 March 2017**

This Audit Plan sets out for the benefit of those charged with governance (in the case of Ribble Valley Borough Council, the Accounts and Audit Committee), an overview of the planned scope and timing of the audit, as required by International Standard on Auditing (UK & Ireland) 260. This document is to help you understand the consequences of our work, discuss issues of risk and the concept of materiality with us, and identify any areas where you may request us to undertake additional procedures. It also helps us gain a better understanding of the Council and your environment. The contents of the Plan have been discussed with management.

We are required to perform our audit in line with Local Audit and Accountability Act 2014 and in accordance with the Code of Practice issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General in April 2015. Our responsibilities under the Code are to:

- give an opinion on the Council's financial statements
- satisfy ourselves the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

As auditors we are responsible for performing the audit, in accordance with International Standards on Auditing (UK & Ireland), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements which give a true and fair view.

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change. In particular we cannot be held responsible to you for reporting all of the risks which may affect the Council or all weaknesses in your internal controls. This report has been prepared solely for your benefit. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We look forward to working with you during the course of the audit.

Yours sincerely

Karen Murray

Engagement Lead

#### **Chartered Accountants**

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Communication of audit matters with those charged with governance

# Understanding your business and key developments

## Developments and challenges

### Working with partners

The Council is working with other Councils in the Lancashire area towards establishing a combined authority for the area. Currently there is a shadow combined authority in place which is developing the plan for Lancashire.

### Business rates pool

2016/17 will be the first year of the business rates pool for which Ribble Valley Borough Council is acting as the lead authority. In 2016/17 the pool includes Lancashire CC, Burnley BC, Chorley BC, Hyndburn BC, Pendle BC, Rossendale BC, South Ribble BC, West Lancashire BC and Wyre BC. As the lead authority, Ribble Valley has responsibility for the accounting and administration of the pool. Each pool member who would otherwise have paid a levy to DCLG will retain 90% of their levy. The other 10% will be paid to Lancashire County Council.

Ribble Valley Borough Council has estimated that by participating in the business rates pool in 2017/18 the Council will benefit from additional income of £450k.

### Medium term Financial Strategy

The Council has refreshed its medium term financial strategy (MTFS) which covers the period from 2017/18 to 2020/21.

The Council was notified in November 2016 that they had been included in the four year settlement from central government. This has been reflected in the MTFS which forecasts a use of general fund balances of £250k per year from 2017/18 and requires saving of £414k in 2018/9, £544k in 2019/20 and £674k in 2020/21.

The Council is forecasting a general fund balance of £1.671m at 31 March 2021.

## Financial reporting changes

### CIPFA Code of Practice 2016/17 (the Code)

Changes to the Code in 2016/17 reflect aims of the 'Telling the Story' project, to streamline the financial statements to be more in line with internal organisational reporting and improve accessibility to the reader of the financial statements.

The changes affect the presentation of the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statements, segmental reporting disclosures and a new Expenditure and Funding Analysis note has been introduced. The Code also requires these amendments to be reflected in the 2015/16 comparatives by way of a prior period adjustment.

### Earlier closedown

The Accounts and Audit Regulations 2015 require councils to bring forward the approval and audit of financial statements to 31 July by the 2017/2018 financial year,

We have agreed with your officers to treat this year as a "dry run" towards these deadlines and have arranged to complete our fieldwork to report to the Accounts and Audit Committee in July 2017.

## Our response

- We aim to complete all our substantive audit work of your financial statements by 26 July 2017.
- As part of our opinion on your financial statements, we will consider whether your financial statements accurately reflect the financial reporting changes in the 2016/17 Code
- We will review the Council's progress in working with partners, as part of our work in reaching our VFM conclusion..
- We will keep you informed of changes to the financial reporting requirements for 2016/17 through on-going discussions and invitations to our technical update workshops.

# Materiality

In performing our audit, we apply the concept of materiality, following the requirements of International Standard on Auditing (UK & Ireland) (ISA) 320: Materiality in planning and performing an audit. The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law. An item does not necessarily have to be large to be considered to have a material effect on the financial statements. An item may be considered to be material by nature, for example, when greater precision is required (e.g. senior manager salaries and allowances).

We determine planning materiality (materiality for the financial statements as a whole determined at the planning stage of the audit) in order to estimate the tolerable level of misstatement in the financial statements, assist in establishing the scope of our audit engagement and audit tests, calculate sample sizes and assist in evaluating the effect of known and likely misstatements in the financial statements.

We have determined planning materiality based upon professional judgement in the context of our knowledge of the Council. In line with previous years, we have calculated financial statements materiality based on a proportion of the gross revenue expenditure of the Council. For purposes of planning the audit we have determined overall materiality to be £414k (being 2% of gross revenue expenditure). In the previous year, we determined materiality to be £400k (being 2% of gross revenue expenditure). Our assessment of materiality is kept under review throughout the audit process and we will advise you if we revise this during the audit.

Under ISA 450, auditors also set an amount below which misstatements would be clearly trivial and would not need to be accumulated or reported to those charged with governance because we would not expect that the accumulation of such amounts would have a material effect on the financial statements. "Trivial" matters are clearly inconsequential, whether taken individually or in aggregate and whether judged by any criteria of size, nature or circumstances. We have defined the amount below which misstatements would be clearly trivial to be £21k.

ISA 320 also requires auditors to determine separate, lower, materiality levels where there are 'particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users'. We have identified the following items where separate materiality levels are appropriate:

Balance/transaction/disclosure	Explanation	Materiality level
Disclosures of officers' remuneration, salary bandings and exit packages in the notes to the financial statements	Due to public interest in these disclosures and the statutory requirement for them to be made.	£5k
Disclosure of related party transactions in the notes to the financial statements	Due to public interest in these disclosures.	£20,000 (Individual misstatements will also be evaluated with reference to how material they are to the other party.)

Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements; Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered. (ISA (UK and Ireland) 320)

# Significant risks identified

An audit is focused on risks. Significant risks are defined by ISAs (UK and Ireland) as risks that, in the judgment of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Significant risk	Description	Audit procedures
<p><b>The revenue cycle includes fraudulent transactions</b></p>	<p>Under ISA (UK and Ireland) 240 there is a presumed risk that revenue streams may be misstated due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p>	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at Ribble Valley Borough Council, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> <li>• there is little incentive to manipulate revenue recognition</li> <li>• opportunities to manipulate revenue recognition are very limited</li> <li>• The culture and ethical frameworks of local authorities, including Ribble Valley Borough Council, mean that all forms of fraud are seen as unacceptable</li> </ul> <p>Therefore, we do not consider this to be a significant risk for Ribble Valley Borough Council.</p>
<p><b>Management over-ride of controls</b></p>	<p>Under ISA (UK and Ireland) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.</p>	<p><b>Work completed to date:</b></p> <ul style="list-style-type: none"> <li>• Review of journal entry process and walkthrough of controls in place</li> </ul> <p><b>Further work planned:</b></p> <ul style="list-style-type: none"> <li>• Review of accounting estimates, judgments and decisions made by management</li> <li>• Selection of unusual journal entries for testing back to supporting documentation</li> <li>• Review of unusual significant transactions</li> </ul>

"Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, due to either size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty." (ISA (UK and Ireland) 315) . In making the review of unusual significant transactions "the auditor shall treat identified significant related party transactions outside the entity's normal course of business as giving rise to significant risks." (ISA (UK and Ireland) 550)

## Significant risks identified (continued)

We have also identified the following significant risks of material misstatement from our understanding of the entity. We set out below the work we have completed to date and the work we plan to address these risks.

Significant risk	Description	Audit procedures
<p><b>The Council is the lead authority for the Lancashire business rates pool. There is a risk the values included in the financial statements and related disclosure notes in relation the pool are not correct.</b></p>	<p>The Council are acting as the Lead Authority on the Lancashire Business Rates Pool. The pooling arrangement took effect from 1 April 2016. This is a new accounting requirement for 2016/17.</p>	<p><b>Work planned:</b></p> <ul style="list-style-type: none"> <li>• We will gain an understanding of the controls put in place by management to ensure the values in relation to the Lancashire Business Rates Pool are not materially misstated</li> <li>• We will review the toolkit used to calculate the Business Rates Pool values</li> <li>• We will carry out testing of the transactions to ensure they are consistent with our understanding</li> <li>• We will ensure that accounting entries in the financial statements are consistent with our understanding of supporting documentation and with the requirements of the CIPFA Code of Practice.</li> </ul>
<p><b>Valuation of pension fund net liability</b></p>	<p>The Council's pension fund asset and liability as reflected in its balance sheet represent a significant estimate in the financial statements.</p>	<p><b>Work planned:</b></p> <ul style="list-style-type: none"> <li>• We will identify the controls put in place by management to ensure that the pension fund liability is not materially misstated. We will also assess whether these controls were implemented as expected and whether they are sufficient to mitigate the risk of material misstatement.</li> <li>• We will review the competence, expertise and objectivity of the actuary who carried out your pension fund valuation. We will gain an understanding of the basis on which the valuation is carried out.</li> <li>• We will undertake procedures to confirm the reasonableness of the actuarial assumptions made.</li> <li>• We will review the consistency of the pension fund asset and liability and disclosures in notes to the financial statements with the actuarial report from your actuary.</li> </ul>

# Other risks identified

Reasonably possible risks (RPRs) are, in the auditor's judgment, other risk areas which the auditor has identified as an area where the likelihood of material misstatement cannot be reduced to remote, without the need for gaining an understanding of the associated control environment, along with the performance of an appropriate level of substantive work. The risk of misstatement for an RPR or other risk is lower than that for a significant risk, and they are not considered to be areas that are highly judgmental, or unusual in relation to the day to day activities of the business.

Reasonably possible risks	Description of risk	Audit procedures
Operating expenses	Year end creditors and accruals are understated or not recorded in the correct period.	<p><b>Work completed to date:</b></p> <ul style="list-style-type: none"> <li>• Identification of controls and walkthrough of the operating expenses system.</li> </ul> <p><b>Further work planned:</b></p> <ul style="list-style-type: none"> <li>• Review of management's processes to raise accruals and ensure the accruals recognised are materially complete</li> <li>• Substantive testing of a sample of creditor balances and accruals recognised in the year end balance sheet</li> <li>• Testing of cash payments made after the year-end to identify potential unrecorded liabilities and gain assurance over the completeness of the payables balance in the accounts</li> </ul>
Employee remuneration	Employee remuneration accruals are understated	<p><b>Work completed to date:</b></p> <ul style="list-style-type: none"> <li>• Identification of controls and walkthrough of the payroll system</li> <li>• Trend analysis and risk identification for monthly payroll costs completed to month 9</li> </ul> <p><b>Further work planned:</b></p> <ul style="list-style-type: none"> <li>• Completing our trend analysis and risk identification for monthly payroll costs to cover the full financial year</li> <li>• Review of the reconciliation of payroll expenditure recorded in the general ledger to the subsidiary systems and interfaces</li> </ul>

"In respect of some risks, the auditor may judge that it is not possible or practicable to obtain sufficient appropriate audit evidence only from substantive procedures. Such risks may relate to the inaccurate or incomplete recording of routine and significant classes of transactions or account balances, the characteristics of which often permit highly automated processing with little or no manual intervention. In such cases, the entity's controls over such risks are relevant to the audit and the auditor shall obtain an understanding of them." (ISA (UK and Ireland) 315)

## Other risks identified (continued)

Other risks	Description of risk	Audit procedures
<p>Changes to the presentation of local authority financial statements</p>	<p>CIPFA has been working on the 'Telling the Story' project, for which the aim was to streamline the financial statements and improve accessibility to the user and this has resulted in changes to the 2016/17 Code of Practice.</p> <p>The changes affect the presentation of income and expenditure in the financial statements and associated disclosure notes. A prior period adjustment (PPA) to restate the 2015/16 comparative figures is also required.</p>	<p><b>Planned work:</b></p> <ul style="list-style-type: none"> <li>• We will document and evaluate the process for the recording the required financial reporting changes to the 2016/17 financial statements.</li> <li>• We will review the re-classification of the Comprehensive Income and Expenditure Statement (CIES) comparatives to ensure they are in line with the Authority's internal reporting structure.</li> <li>• We will review the appropriateness of the revised grouping of entries within the Movement In Reserves Statement (MIRS).</li> <li>• We will test the classification of income and expenditure for 2016/17 recorded within the Cost of Services section of the CIES.</li> <li>• We will test the completeness of income and expenditure by reviewing the reconciliation of the CIES to the general ledger.</li> <li>• We will test the classification of income and expenditure reported within the new Expenditure and Funding Analysis (EFA) note to the financial statements.</li> <li>• We will review the new segmental reporting disclosures within the 2016/17 financial statements to ensure compliance with the CIPFA Code of Practice.</li> </ul>

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# Other risks identified (continued)

## Going concern

As auditors, we are required to “obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern” (ISA (UK and Ireland) 570). We will review the management's assessment of the going concern assumption and the disclosures in the financial statements.

## Other material balances and transactions

Under International Standards on Auditing, "irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure". All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in the previous sections but will include:

- Heritage assets
- Cash and cash equivalents
- Trade and other receivables
- Provisions
- Useable and unusable reserves
- Statement of cash flows and associated notes
- Financing and investment income and expenditure
- Taxation and non-specific grants
- Officers' remuneration note
- Leases note
- Related party transactions note
- Capital expenditure and capital financing note
- Financial instruments note
- Collection Fund and associated notes

# Value for Money

## Background

The Code requires us to consider whether the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the Value for Money (VfM) conclusion.

The National Audit Office (NAO) issued its guidance for auditors on value for money work for 2016/17 in November 2016. The guidance states that for local government bodies, auditors are required to give a conclusion on whether the Council has proper arrangements in place.

The guidance identifies one single criterion for auditors to evaluate:

*In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.*

This is supported by three sub-criteria as set out opposite:

Sub-criteria	Detail
Informed decision making	<ul style="list-style-type: none"> <li>Acting in the public interest, through demonstrating and applying the principles and values of sound governance</li> <li>Understanding and using appropriate cost and performance information (including, where relevant, information from regulatory/monitoring bodies) to support informed decision making and performance management</li> <li>Reliable and timely financial reporting that supports the delivery of strategic priorities</li> <li>Managing risks effectively and maintaining a sound system of internal control</li> </ul>
Sustainable resource deployment	<ul style="list-style-type: none"> <li>Planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions</li> <li>Managing and utilising assets effectively to support the delivery of strategic priorities</li> <li>Planning, organising and developing the workforce effectively to deliver strategic priorities.</li> </ul>
Working with partners and other third parties	<ul style="list-style-type: none"> <li>Working with third parties effectively to deliver strategic priorities</li> <li>Commissioning services effectively to support the delivery of strategic priorities</li> <li>Procuring supplies and services effectively to support the delivery of strategic priorities.</li> </ul>

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# Value for Money (continued)

## **Risk assessment**

We have carried out an initial risk assessment based on the NAO's auditor's guidance note (AGN03). In our initial risk assessment, we considered:

- our cumulative knowledge of the Council, including work performed in previous years in respect of the VfM conclusion and the opinion on the financial statements.
- the findings of other inspectorates and review agencies.
- any illustrative significant risks identified and communicated by the NAO in its Supporting Information.
- any other evidence which we consider necessary to conclude on your arrangements.

We have not identified any significant risks from our initial risk assessment. We will continue our review of your arrangements, including reviewing your Annual Governance Statement, before we issue our auditor's report.

## **Reporting**

The results of our VfM audit work and the key messages arising will be reported in our Audit Findings Report and in the Annual Audit Letter. We will include our conclusion in our auditor's report on your financial statements.

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# Other audit responsibilities

In addition to our responsibilities under the Code of Practice in relation to your financial statements and arrangements for economy, efficiency and effectiveness we have a number of other audit responsibilities, as follows:

- We will undertake work to satisfy ourselves that the disclosures made in your Annual Governance Statement are in line with CIPFA/SOLACE guidance and consistent with our knowledge of the Council.
- We will read your Narrative Statement and check that it is consistent with the financial statements on which we give an opinion and that the disclosures included in it are in line with the requirements of the CIPFA Code of Practice.
- We will carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO instructions to auditors.
- We consider our other duties under the Act and the Code, as and when required, including:
  - We will give electors the opportunity to raise questions about your financial statements and consider and decide upon any objections received in relation to the financial statements;
  - issue of a report in the public interest; and
  - making a written recommendation to the Council, copied to the Secretary of State
- We certify completion of our audit.

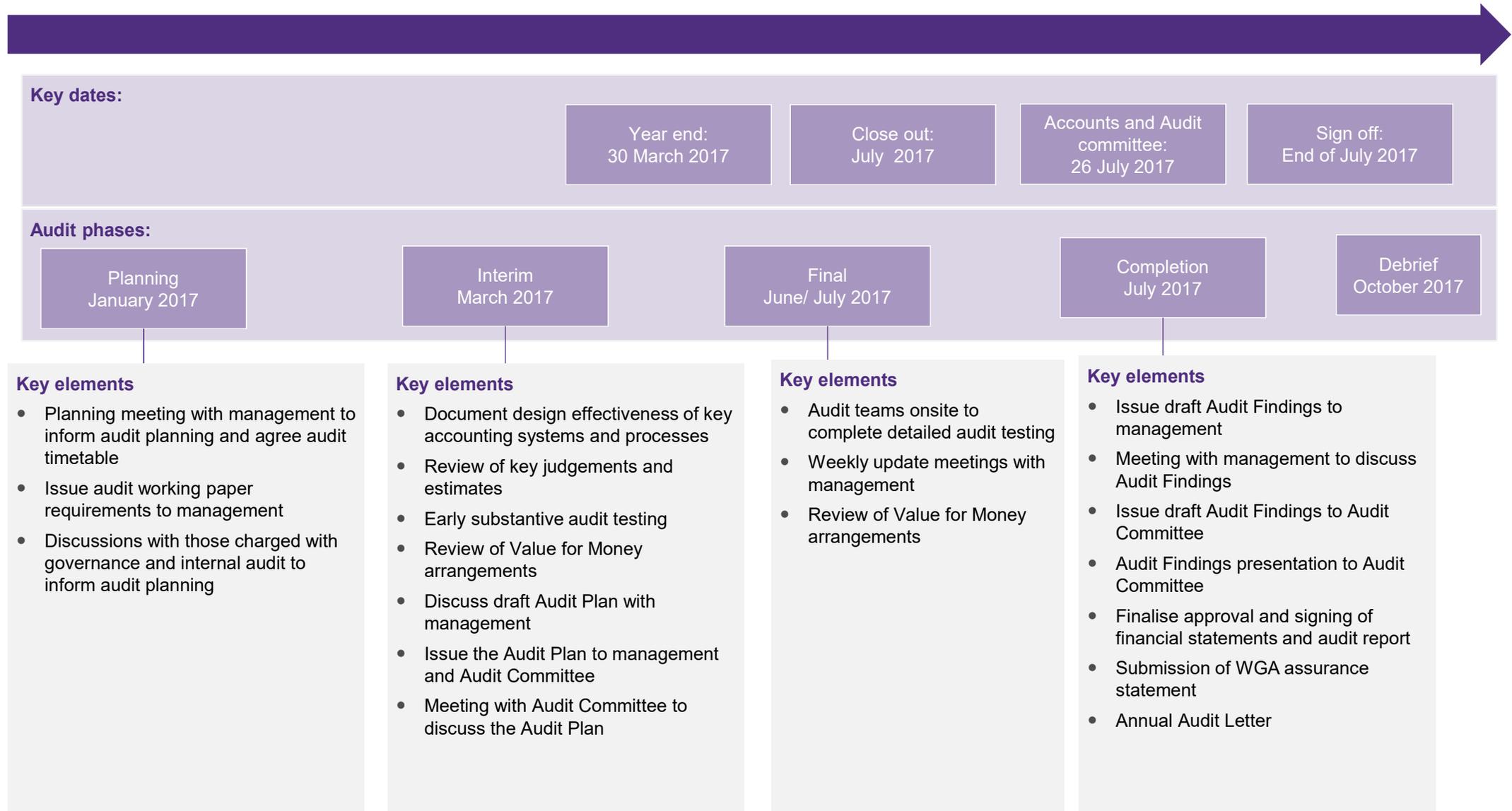
# Results of interim audit work

The findings of our interim audit work, and the impact of our findings on the accounts audit approach, are summarised in the table below:

	Work performed	Conclusion
<b>Internal audit</b>	We have completed a high level review of internal audit's overall arrangements.	Overall, internal audit provides an independent and satisfactory service to the Council.  Our work has not identified any issues which we wish to bring to your attention.
<b>Entity level controls</b>	We have obtained an understanding of the overall control environment relevant to the preparation of the financial statements including: <ul style="list-style-type: none"> <li>• Communication and enforcement of integrity and ethical values</li> <li>• Commitment to competence</li> <li>• Participation by those charged with governance</li> <li>• Management's philosophy and operating style</li> <li>• Organisational structure</li> <li>• Assignment of authority and responsibility</li> <li>• Human resource policies and practices</li> </ul>	Our work has identified no material weaknesses which are likely to adversely impact on the Council's financial statements.
<b>Walkthrough testing</b>	We have completed walkthrough tests of the Council's controls operating in areas where we consider that there is a risk of material misstatement to the financial statements.  Internal controls have been implemented by the Council in accordance with our documented understanding.	Our work has not identified any issues which we wish to bring to your attention.  Our work has not identified any weaknesses which impact on our audit approach.
<b>Journal entry controls</b>	We have reviewed the Council's journal entry policies and procedures as part of determining our journal entry testing strategy. We have not identified any material weaknesses which are likely to adversely impact on the Council's control environment or financial statements.	Our work has not identified any issues which we wish to bring to your attention.  Our work has not identified any weaknesses which impact on our audit approach.

# The audit cycle

## The audit timeline



# Audit Fees

## Fees

	£
Council audit	40,202
Grant Certification	6,690
<b>Total audit fees (excluding VAT)</b>	<b>46,892</b>

## Our fee assumptions include:

- Supporting schedules to all figures in the accounts are supplied by the agreed dates and in accordance with the agreed upon information request list
- The scope of the audit, and the Council and its activities, have not changed significantly
- The Council will make available management and accounting staff to help us locate information and to provide explanations
- The accounts presented for audit are materially accurate, supporting working papers and evidence agree to the accounts, and all audit queries are resolved promptly.

## Grant certification

- Our fees for grant certification cover only housing benefit subsidy certification, which falls under the remit of Public Sector Audit Appointments Limited
- Fees in respect of other grant work, such as reasonable assurance reports, are shown under 'Fees for other services'.

## Fees for other services

Fees for other services detailed on the following page, reflect those agreed at the time of issuing our Audit Plan. Any changes will be reported in our Audit Findings Report and Annual Audit Letter.

### What is included within our fees

- A reliable and risk-focused audit appropriate for your business
- Feed back on your systems and processes
- Invitations to events hosted by Grant Thornton in your sector, as well as the wider finance community
- Regular sector updates
- Ad-hoc telephone calls and queries
- Technical briefings and updates
- Regular contact to discuss strategy and other important areas
- Review of accounting policies for appropriateness and consistency
- Annual technical updates for members of your finance team
- Regular Audit Committee Progress Reports

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# Independence and non-audit services

Ethical Standards and ISA (UK and Ireland) 260 require us to give you timely disclosure of matters relating to our independence. In this context, we confirm there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Auditing Practices Board's Ethical Standards and we confirm that we are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Auditing Practices Board's Ethical Standards.

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to Ribble Valley Borough Council. There are no fees that we need to report to you.

# Communication of audit matters with those charged with governance

International Standard on Auditing (UK and Ireland) (ISA) 260, as well as other ISAs (UK and Ireland) prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table opposite.

This document, The Audit Plan, outlines our audit strategy and plan to deliver the audit, while The Audit Findings will be issued prior to approval of the financial statements and will present key issues and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via a report to the Council.

## Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK and Ireland), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

This plan has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by Public Sector Audit Appointments Limited (<http://www.psa.co.uk/appointing-auditors/terms-of-appointment/>)

We have been appointed as the Council's independent external auditors by the Audit Commission, the body responsible for appointing external auditors to local public bodies in England at the time of our appointment. As external auditors, we have a broad remit covering finance and governance matters.

Our annual work programme is set in accordance with the Code of Audit Practice ('the Code') issued by the NAO and includes nationally prescribed and locally determined work (<https://www.nao.org.uk/code-audit-practice/about-code/>). Our work considers the Council's key risks when reaching our conclusions under the Code.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

	Audit Plan	Audit Findings
<b>Our communication plan</b>		
Respective responsibilities of auditor and management/those charged with governance	✓	
Overview of the planned scope and timing of the audit. Form, timing and expected general content of communications	✓	
Views about the qualitative aspects of the entity's accounting and financial reporting practices, significant matters and issues arising during the audit and written representations that have been sought		✓
Confirmation of independence and objectivity	✓	✓
A statement that we have complied with relevant ethical requirements regarding independence, relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	✓	✓
Material weaknesses in internal control identified during the audit		✓
Identification or suspicion of fraud involving management and/or others which results in material misstatement of the financial statements		✓
Non compliance with laws and regulations		✓
Expected modifications to the auditor's report, or emphasis of matter		✓
Uncorrected misstatements		✓
Significant matters arising in connection with related parties		✓
Significant matters in relation to going concern	✓	✓



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# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO ACCOUNTS AND AUDIT COMMITTEE

Agenda Item No 11

meeting date: 29 MARCH 2017  
 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 up to 15 March 2017 is included within Annex 1 and shows completed audits, audits in progress and continuous activity.

## 3 ISSUES

3.1 During the year we aim to review all of the Council's main fundamental systems. Reviews have taken place in relation to all fundamental systems in 2016/17 with assurance levels consistently high across all systems.

- 3.2 This also applies to the Main Accounting system audit which whilst at draft report stage, full reliance can be placed on the levels of control in operation. Therefore the report will be issued giving an assurance level of Full.
- 3.3 In addition to our systems work we continue to carry out a series of on-going checks to prevent/detect fraud and corruption.
- 3.4 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 16 November 2016. The table below sets out the assurance opinions issued from these audits:

Date of Report	Assurance Opinion	Report Details
13.12.16	Full 	Trade and Domestic Refuse Collection – looking at all areas of collection to ensure all processes are operating as intended. No issues arising with all systems being well managed.
21.12.16	Full 	Payroll Systems and Procedures – system controls were sound and working effectively reflecting a good standard of work from the staff involved.
09.01.17	Full 	Treasury Management – control systems in place were sound and operating effectively. No recommendations arising.

Date of Report	Assurance Opinion	Report Details
16.02.17	Substantial ✓✓	Partnerships – looked at sample of partnership arrangements across the authority. Good audit trail of supporting paperwork for each partnership examined. Minor recommendation regarding banking of cash.
21.02.17	Full ✓✓✓	Creditors Systems and Processes – levels of control were effective. No recommendations arising.
24.02.17	Full ✓✓✓	Sundry Debtors Systems and Processes – control systems in place are sound and effective. No recommendations arising.
24.02.17	Substantial ✓✓	Salthill Depot Stores – all areas of operation examined. Good controls in place. Recommendation agreed in relation to the disposal of obsolete stock.
15.03.17	Full ✓✓✓	Council Tax System – controls in place are sound and working effectively. No recommendations arising.
15.03.17	Full ✓✓✓	NNDR System – good controls in place, 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. Summary results are shown at Annex 2 for the latest returned questionnaires. Any outstanding ones are being pursued.

## 6 CONCLUSION

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

PRINCIPAL AUDITOR

DIRECTOR OF RESOURCES

AA6-17/MA/AC  
16 March 2017

For further information please ask for Mick Ainscow .

## Annex 1

2016/17 Planned Days	Audit	Actual days to 15/03/17	Status as at 15/03/2017
<i>Fundamental (Main) Systems</i>			
25	Main Accounting	25	At draft report stage
25	Creditors	25	✓
25	Sundry Debtors	26	✓
30	Payroll and HR	30	✓
40	Council Tax	42	✓
45	Housing Benefits/CT Support	45	✓
40	NNDR/Business Rates Pooling	40	✓
15	Cash Receipting	16	✓
<b>245</b>		<b>249</b>	
<i>Other Systems Work</i>			
20	VAT	19	Testing completed
12	Treasury Management	14	✓
20	Procurement	22	✓
6	Stores	5	✓
10	Asset Management	11	✓
<b>68</b>		<b>71</b>	
<i>Probity and Regularity</i>			
5	Cemetery	5	✓
5	Members Allowances	6	✓
15	HR and Recruitment/Staff Expenses	16	✓
15	Insurance	15	Testing completed
5	Land Charges	5	✓
10	Fees and Charges/Cash Collection Procedures	10	✓
15	Business Continuity Mgmt	9	Testing underway
10	Car Parking	10	✓
5	VIC/Platform Gallery	7	✓
10	Trade and Domestic Refuse Collection	10	✓
15	Externally contracted Provision of RVBC Services	9	Testing underway
10	Environmental Health	6	Identifying income streams
10	Transparency/Open Data	0	Not started
5	Healthy Lifestyles	6	✓
5	Ribblesdale Pool	6	✓
10	Museum/Café	3	Identifying income streams
10	Partnership Arrangements	10	✓
10	Grants received	11	✓

2016/17 Planned Days	Audit	Actual days to 15/03/17	Status as at 15/03/2017
10	Grants paid	11	✓
10	Data Protection	10	Testing complete
15	Section 106 Agreements/Planning Enforcement	3	Initial testing
10	Building Control	10	Testing complete
10	Planning Applications	4	Testing underway
<b>225</b>		<b>182</b>	
<i>Continuous Activity/Ongoing Checks</i>			
12	Income Monitoring	12	∞
25	Contingencies/unplanned work	25	Driving Licence/Car Insurance Check, Election Duties and Jury Service
15	Risk Management	6	∞
20	Corporate Governance	20	∞
5	Performance Indicators	6	∞
<b>40</b>		<b>32</b>	
25	Insurance	27	∞
30	Training	36	∞
	Available audit days to 31/3/2017	36	
<b>670</b>		<b>670</b>	

**Key:**

∞ Continuous Activity

✓ Completed

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

## Annex 2

Question	Audit Carried Out								
	Platform Gallery	Clitheroe Cemetery	Members Allowances	Countryside Grants	Creditors System	Treasury Management	Payroll System	Land Charges	Ribblesdale Pool
Sufficient notice given to arrange the visit (not applicable for unannounced visits)	5	5	3	3	5	5	5	5	5
A briefing sheet sent prior to audit commencing and any comments/ requests were taken into account during the audit	5	5	4	3	5	5	5	5	5
The auditors understanding of your systems and any operational issues	3	5	3	2	5	4	5	3	4
The audit carried out efficiently with minimum disruption	5	5	4	2	4	4	4	4	3
The level of consultation during the audit	4	4	3	3	5	3	5	4	3
The audit was carried out professionally and objectively	5	5	3	2	5	4	5	4	4
The draft report addressed the key issues and was soundly based	4	5	4	2	5	5	5	5	5
Your opportunity to comment on findings	5	5	4	3	5	5	5	5	5
The final report in terms of clarity and conciseness	4	5	4	2	5	5	5	5	5
The prompt issue of final report	5	5	4	3	4	5	4	4	4
The recommendations will improve control and/or performance	4	5	3	3	4	4	4	4	3
Audit was constructive and added value overall	4	3	3	3	4	4	4	4	3
<b>Average</b>	<b>4.4</b>	<b>4.7</b>	<b>3.5</b>	<b>2.6</b>	<b>4.7</b>	<b>4.4</b>	<b>4.7</b>	<b>4.3</b>	<b>4.1</b>

**5 = Very good 4 = Good 3 = Satisfactory 2 = Just adequate 1 = Poor**