

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO ACCOUNTS AND AUDIT COMMITTEE

INFORMATION

meeting date: 28 JULY 2021
title: INTERNAL AUDIT PROGRESS REPORT 2021/22
submitted by: DIRECTOR OF RESOURCES
principal author: LAWSON ODDIE

1 PURPOSE

1.1 To report to Committee internal audit work progress to the 9 July.

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 ensures 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.

3 PROGRESS TO 9 JULY

3.1 The full internal audit plan for 2021/22 is attached as Annex 1 alongside progress to date. In summary resources for the year are detailed below, together with progress to the 9 July:

Audit Area	2020/21 Planned Days	Actual Days to 9 June 2021
Fundamental Systems	232	17
Corporate Systems	65	0
Support Systems	57	0
Operational	101	17.5
Facilities	10	0
Other Items	315	181.5
	780	780

3.2 As you will see from Annex 1 that the 'Other Items' category Actual days are largely in respect of staff training and a post vacancy. However, this also includes work on administering the council's insurances and also work conducted in respect of the annual governance review 2020/21.

- 3.3 The time allocations above do not take account of work being undertaken by Mersey Internal Audit Agency (MIAA), at this stage this has notably been on fundamental systems work in respect of 2020/21.
- 3.4 As we continue to suffer from a continued staff vacancy in the role of Principal Auditor, we will continue to use the services of Mersey Internal Audit Agency (MIAA). This will help ensure adequate audit coverage in the year, which in turn will allow an audit opinion to be formed at the end of the financial year.
- 3.5 Unfortunately, it must also be reported to committee that as from 10 July (hence the 9 July reporting date used in this report) there are now two of the three posts in internal audit that are vacant, with the Internal Audit Assistant post now being vacant. It is very worrying to have these vacancies, particularly with the long term vacancy in the Principal Auditor post, not least due to the pressure this puts on other roles.
- 3.6 The Internal Audit Assistant post is currently being advertised and interviews are due to take place on 5 August 2021. With regard to the Principal Auditor post, this is currently being reviewed prior to a further attempt to recruit.
- 3.7 The situation regarding recruitment difficulties for audit roles is a long standing national one and has certainly been experienced by neighbouring authorities. The situation has also been exacerbated by the Covid-19 pandemic.
- 3.8 Once again, it is with regret that it must be reported that progress on the internal audit plan is not as had been hoped at this stage of the year and as previously referred to, additional resources are being used to help make up for this shortfall.

4 UPDATE ON RED RISKS

- 4.1 All Heads of Services are required to ensure that a review of the risks that fall in their service areas is undertaken. As members will be aware, risks are graded on a red, amber and green rating, with any red risk requiring to be reported to CMT and also to this committee.
- 4.2 This requirement is in respect of risks that are scored as red after all mitigating action and controls have been put in place.
- 4.3 At the time of writing this report there are no net red risks identified for reporting to members. In respect of Covid-19 this is on the basis that government financial support continues and that other current and future local and national controls are adhered to.

5 CONCLUSION

- 5.1 Audit coverage is unfortunately lower than that originally planned and as a result additional external resources have been engaged and will continue whilst needed.
- 5.2 There continues to be difficulty in recruiting to the post of Principal Auditor, but it is hoped to complete a review of the post soon in order to readvertise. There is also now a further vacancy in the role of Internal Audit Assistant. This post is currently being advertised and interviews are due to take place on 5 August 2021.

HEAD OF FINANCIAL SERVICES

DIRECTOR OF RESOURCES

AA-21/LO/AC
19 July 2021

INTERNAL AUDIT PROGRESS TO 9 JULY 2021

Total Planned Days for the Year 2021/22	Actual Days to 9 July 2021	Audit Areas	Status as at 9 July 2021
Financial Systems - required to be covered annually			
25		General Ledger	Not yet started
20		Sundry Debtors	Not yet started
0	2	Sundry Creditors (<i>Completion of 2020/21 Audit Plan</i>)	Work completed
20		Sundry Creditors	Not yet started
30		Payroll	Not yet started
0	14	Council Tax (<i>Completion of 2020/21 Audit Plan</i>)	Work being finalised
35		Council Tax	Not yet started
0	1	Benefits (<i>Completion of 2020/21 Audit Plan</i>)	Work completed
40		Benefits	Not yet started
35		Business Rates	Not yet started
15		Cash Receipting	Not yet started
12		Treasury Management	Not yet started
232	17	Subtotal	

Corporate			
20		Business Continuity	Not yet started
20		Civil Emergencies	Not yet started
10		Sustainability	Not yet started
10		Data Protection	Not yet started
5		Risk Management	Not yet started
65	0	Subtotal	

Support			
5		Customer Services	Not yet started

Total Planned Days for the Year 2021/22	Actual Days to 9 July 2021	Audit Areas	Status as at 9 July 2021
15		Information Technology	Not yet started
10		Health and Safety	Not yet started
3		Inventories	Not yet started
3		Records Management	Not yet started
3		Corporate Communications	Not yet started
3		Printing Services	Not yet started
15		Procurement	Not yet started
57	0	Subtotal	

Operational			
0	3.5	Building Control (<i>Completion of 2020/21 Audit Plan</i>)	Report Issued
10		Fleet and Plant Management	Not yet started
10	11	Car Parking	Report being prepared
0	3	Planning (Abortive work from 2020/21)	Work not continued as not in 2021/22 plan
5		CCTV	Not yet started
10		Outdoor Facilities (includes Concessions)	Not yet started
7		Property Maintenance	Not yet started
7		Tourism and Events	Not yet started
7		Healthy Lifestyles and Sports Development	Not yet started
5		Grounds Maintenance	Not yet started
5		Amenity Cleansing	Not yet started
5		Arts Development	Not yet started
10		Environmental Health	Not yet started
5		Economic and Community Development	Not yet started
5		Development Policy	Not yet started
10		Grants Payable and Receivable	Not yet started

Total Planned Days for the Year 2021/22	Actual Days to 9 July 2021	Audit Areas	Status as at 9 July 2021
101	17.5	Subtotal	

Facilities			
10		Ribblesdale Pool	Not yet started
10	0	Subtotal	

465	34.5	TOTAL FOR AUDIT WORK	
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Other Items			
25		Contingencies	Not yet started
15	3	Risk Management System	Continuous and ongoing work
25	23	Corporate Governance Review	Completion of the review for the 2020/21 Financial Year
40	23	Insurance Administration	Continuous and ongoing work
4	2	Controlled Stationery	Continuous and ongoing work
100	28	Training	Professional qualification training
36	8	Bank Holidays	
70	14.5	Annual Leave	
0	8	Working on Elections	Unbudgeted work on elections
0	72	Post Vacancy	Principal Auditor post Internal Audit Assistant post is vacant from 10 July 2021
315	181.5	Subtotal for Other Items	

780	216	OVERALL TOTAL DAYS	
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