

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO ACCOUNTS AND AUDIT COMMITTEE

INFORMATION

meeting date: 17 NOVEMBER 2021
title: INTERNAL AUDIT PROGRESS REPORT 2021/22
submitted by: DIRECTOR OF RESOURCES
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1 PURPOSE

1.1 To report to Committee internal audit work progress to the end of October 2021.

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 THE END OF OCTOBER 2021

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 end of October 2021:

Audit Area	2020/21 Planned Days	Actual Days to end of October 2021
Fundamental Systems	232	17
Corporate Systems	65	0
Support Systems	57	17.5
Operational	101	23.5
Facilities	10	0
Staff Vacancies	0	189
Other Items	315	209
	780	456

- 3.2 As you will see from Annex 1, the 'Other Items' category includes work on administering the council's insurances, work conducted in respect of the annual governance review 2020/21 and staff training. The time lost due to staff vacancies has been separately identified in the table above.
- 3.3 The service continues to be adversely affected by staffing issues. As members will be aware from past reports, due to the staffing issues that are being experienced we have engaged the services of Mersey Internal Audit Agency (MIAA) to ensure adequate audit plan coverage.
- 3.4 The time allocations above and at Annex 1 do not take account of work being undertaken by Mersey Internal Audit Agency (MIAA). The work undertaken by MIAA is referred to in the next section of the report and proposed work is also identified at Annex 1.
- 3.5 It is anticipated at this stage that all originally planned audits will not be able to be covered this financial year, but there will be adequate coverage together with the work of MIAA to be able to provide Members with an informed Audit Opinion at the end of the year.

4 MERSEY INTERNAL AUDIT AGENCY (MIAA)

- 4.1 Work undertaken to date by Mersey Internal Audit Agency has been focused on ensuring adequate audit coverage in respect of the 2020/21 financial year. This has been in respect of the following areas:

- Treasury Management
- Debtors
- Payroll
- Business Rates
- Cash and Bank

- 4.2 This has helped to ensure that audit work has been undertaken on most of the Financial Systems in respect of 2020/21.

- 4.3 We are satisfied with the work that has been completed to date and as such we will be continuing to engage their services for further audit work in respect of 2021/22 covering the following areas:

- General Ledger
- Sundry Debtors
- Sundry Creditors
- Payroll
- Council Tax
- Benefits
- Business Rates
- Cash Receipting
- Treasury Management
- Fleet and Plant Management
- Tourism and Events
- Grounds Maintenance
- Amenity Cleansing

5 UPDATE ON RED RISKS

- 5.1 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.
- 5.2 This requirement is in respect of risks that are scored as red after all mitigating action and controls have been put in place.
- 5.3 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 where needed and that other current and future local and national controls are adhered to.

6 CONCLUSION

- 6.1 Audit coverage is unfortunately lower than that originally planned and as a result additional external resources have been engaged and will continue whilst needed.
- 6.2 Staff vacancies have had an impact on coverage. As a result the services of Mersey Internal Audit Agency (MIAA) will continue to be used to help ensure adequate audit coverage.
- 6.3 It is anticipated at this stage that all originally planned audits will not be able to be covered, but there will be adequate coverage together with the work of MIAA to be able to provide Members with an informed Audit Opinion at the end of the year.

HEAD OF FINANCIAL SERVICES

DIRECTOR OF RESOURCES

AA21-21/LO/AC
10 November 2021

INTERNAL AUDIT PROGRESS TO END OF OCTOBER 2021

Total Planned Days for the Year 2021/22	Actual Days to end of October 2021	Audit Areas	Status as at end of October 2021
Financial Systems - required to be covered annually			
25		General Ledger	To be undertaken by MIAA
20		Sundry Debtors	To be undertaken by MIAA
0	2	Sundry Creditors (2020/21 Audit Plan)	Work completed
20		Sundry Creditors	To be undertaken by MIAA
30		Payroll	To be undertaken by MIAA
0	14	Council Tax (2020/21 Audit Plan)	
35		Council Tax	To be undertaken by MIAA
0	1	Benefits (2020/21 Audit Plan)	Work completed
40		Benefits	To be undertaken by MIAA
35		Business Rates	To be undertaken by MIAA
15		Cash Receipting	To be undertaken by MIAA
12		Treasury Management	To be undertaken by MIAA
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
15		Information Technology	Not yet started

Total Planned Days for the Year 2021/22	Actual Days to end of October 2021	Audit Areas	Status as at end of October 2021
10	16	Health and Safety	REASONABLE ASSURANCE <i>Draft Report</i>
3	1.5	Inventories	Work 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	17.5	Subtotal	

Operational			
0	3.5	Building Control (<i>Completion of 2020/21 Audit Plan</i>)	Report Issued
10		Fleet and Plant Management	To be undertaken by MIAA
10	17	Car Parking	REASONABLE ASSURANCE <i>Draft Report</i>
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	To be undertaken by MIAA
7		Healthy Lifestyles and Sports Development	Not yet started
5		Grounds Maintenance	To be undertaken by MIAA
5		Amenity Cleansing	To be undertaken by MIAA
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
101	23.5	Subtotal	

Total Planned Days for the Year 2021/22	Actual Days to end of October 2021	Audit Areas	Status as at end of October 2021
Facilities			
10		Ribblesdale Pool	Initial scoping work
10	0	Subtotal	

465 58 TOTAL FOR AUDIT WORK

Other Items			
25		Contingencies	
15	9.5	Risk Management System	Continuous and ongoing work
25	25	Corporate Governance Review	Completion of the review for the 2020/21 Financial Year
40	37	Insurance Administration	Continuous and ongoing work
4	3	Controlled Stationery	Continuous and ongoing work
100	77.5	Training	Professional qualification training
36	9	Bank Holidays	
70	31.5	Annual Leave	
0	8.5	Working on Elections	Unbudgeted work on elections
	6	Self Isolation	
	2	Sickness	
0	189	Post Vacancy	Internal Audit Manager post, plus the Internal Audit Assistant post was vacant from 10 July 2021 and filled Sept 2021)
315	398	Subtotal for Other Items	

780 456 OVERALL TOTAL DAYS