

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO ACCOUNTS AND AUDIT COMMITTEE

INFORMATION

meeting date: 2 FEBRUARY 2022
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 21 January 2022.

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 21 JANUARY 2022

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 21 January 2022:

Audit Area	2020/21 Planned Days	Actual Days to 21 January 2022
Fundamental Systems	232	17
Corporate Systems	65	0
Support Systems	57	24
Operational	111	24.5
Facilities	10	21
Staff Vacancies	0	249
Other Items	315	300.5
	790	636

- 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.
- 3.6 The post of Internal Audit Manager is currently being advertised, with the closing date being 28 January 2022. Interviews for the post are planned for 11 February 2022. This is the first time that the post has been advertised using the new pay line that was introduced across the council.

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 MIAA work is currently ongoing or is planned for the coming months in respect of the 2021/22 financial covering the following areas:

- General Ledger - MIAA to Undertake in Quarter 1 of 2022/23
- Sundry Debtors - MIAA to Undertake in Quarter 1 of 2022/23
- Sundry Creditors - MIAA to Undertake in Quarter 1 of 2022/23
- Payroll - MIAA Undertaking Planning Work
- Council Tax - MIAA Undertaking Fieldwork
- Benefits - MIAA Undertaking Planning Work
- Business Rates - MIAA Undertaking Fieldwork
- Cash Receipting - MIAA to Undertake in Quarter 1 of 2022/23
- Treasury Management - MIAA Undertaking Fieldwork
- Fleet and Plant Management - Terms of Reference Being Agreed with MIAA
- Tourism and Events - Terms of Reference Being Agreed with MIAA
- Grounds Maintenance - Terms of Reference Being Agreed with MIAA
- Amenity Cleansing - Terms of Reference Being Agreed with MIAA

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.
- 6.4 The Internal Audit Manager post is currently being advertised, with a closing date of 28 January 2022 and interviews planned for 11 February 2022.

HEAD OF FINANCIAL SERVICES

DIRECTOR OF RESOURCES

AA2-22/LO/AC
25 January 2022

INTERNAL AUDIT PROGRESS TO 21 JANUARY 2022

Total Planned Days for the Year 2021/22	Actual Days to 21 January 2022	Audit Areas	Status as at 21 January 2022
Financial Systems - required to be covered annually			
25		General Ledger	MIAA to Undertake Q1 2022/23
20		Sundry Debtors	MIAA to Undertake Q1 2022/23
0	2	Sundry Creditors (2020/21 Audit Plan)	Work completed
20		Sundry Creditors	MIAA to Undertake Q1 2022/23
30		Payroll	MIAA Undertaking Planning
0	14	Council Tax (2020/21 Audit Plan)	Work completed
35		Council Tax	MIAA Undertaking Fieldwork
0	1	Benefits (2020/21 Audit Plan)	Work completed
40		Benefits	MIAA Undertaking Planning
35		Business Rates	MIAA Undertaking Fieldwork
15		Cash Receipting	MIAA to Undertake Q1 2022/23
12		Treasury Management	MIAA Undertaking Fieldwork
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 21 January 2022	Audit Areas	Status as at 21 January 2022
10	19	Health and Safety	REASONABLE ASSURANCE
3	5	Inventories	Draft Report Being Prepared
3		Records Management	Not yet started
3		Corporate Communications	Not yet started
3		Printing Services	Not yet started
15		Procurement	Not yet started
57	24	Subtotal	

Operational			
10	3.5	Building Control (<i>Completion of 2020/21 Audit Plan</i>)	Report Issued
10		Fleet and Plant Management	Terms of Reference Being Agreed with MIAA
10	18	Car Parking	REASONABLE ASSURANCE
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	Terms of Reference Being Agreed with MIAA
7		Healthy Lifestyles and Sports Development	Not yet started
5		Grounds Maintenance	Terms of Reference Being Agreed with MIAA
5		Amenity Cleansing	Terms of Reference Being Agreed with 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
111	24.5	Subtotal	

Total Planned Days for the Year 2021/22	Actual Days to 21 January 2022	Audit Areas	Status as at 21 January 2022
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Facilities			
10	21	Ribblesdale Pool	Draft Report Being Prepared
10	21	Subtotal	

475 86.5 TOTAL FOR AUDIT WORK

Other Items			
25	4	Contingencies	
15	15	Risk Management System	Continuous and ongoing work
25	25	Corporate Governance Review	Completion of the review for the 2020/21 Financial Year
40	61	Insurance Administration	Continuous and ongoing work
4	7	Controlled Stationery	Continuous and ongoing work
100	110	Training	Professional qualification training
36	24	Bank Holidays	
70	36	Annual Leave	
0	8.5	Working on Elections	Unbudgeted work on elections
	6	Self Isolation	
	4	Sickness	
0	249	Post Vacancy	Internal Audit Manager post, plus the Internal Audit Assistant post was vacant from 10 July 2021 and filled Sept 2021)
315	549.5	TOTAL FOR OTHER ITEMS	

790 636 OVERALL TOTAL DAYS