

# RIBBLE VALLEY BOROUGH COUNCIL

## REPORT TO ACCOUNTS AND AUDIT COMMITTEE

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meeting date: 28 SEPTEMBER 2022  
title: INTERNAL AUDIT PROGRESS REPORT – SEPTEMBER 2022  
submitted by: DIRECTOR OF RESOURCES  
principal author: INTERNAL AUDIT MANAGER

### 1 PURPOSE

1.1 The purpose of this report is to provide an update to the Accounts and Audit Committee in respect of progress made in delivery against 2022/23 Internal Audit Plan. It brings to your attention, matters relevant as members of the Committee and provides a summary of internal audit activity which is a requirement of the Public Sector Internal Audit Standards (PSIAS).

1.2 Detailed reports and relevant findings, recommendations and agreed actions have been provided to lead officers within the Council and are available to committee members upon request. This report covers the period June 2022 to August 2022.

1.3 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 – As defined in the Public Sector Internal Audit Standards (PSIAS) and the Accounts & Audit Regulations 2015, the Council “must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal audit standards”.

### 2 KEY MESSAGES & ISSUES

2.1 Since the last meeting of the Accounts and Audit Committee, the following areas for 2022/23 have been a key focus:

- Risk Management – Limited Assurance
- Payroll – Substantial Assurance
- Housing Benefits – High Assurance
- Contain Outbreak Management Fund (COMF) – Conditions met
- Test & Trace Support Payments (TTSP) – Conditions met

2.2 The following reviews are in progress; the findings of which will be reported as per the suggested delivery as per Annex A:

- Amenity Cleansing (Draft report)
- Inventory (Draft report)
- Procurement (Draft report)
- Civic Suite (Draft report)

- Disabled Facilities Grant (Fieldwork completed)
  - Cash & Receipting (Fieldwork completed)
  - Managing Conflicts of Interest (Fieldwork in progress)
  - Cyber Security (Fieldwork in progress)
  - Corporate Strategy (Planning)
- 2.3 Annex A further sets out the overview of delivery for the Internal Audit Plan as agreed by Accounts and Audit Committee; the outputs of which will contribute to the 2022/23 Annual Internal Audit Opinion. If due to circumstances beyond our control we are unable to achieve sufficient depth or coverage, we may need to caveat opinions and explain the impact of this and what will be done to retrieve the position in future.
- 2.4 Accounts and Audit Committee approval will be requested for any amendments to the original plan and highlighted separately to facilitate the monitoring process. The Internal Audit Team were required to undertake detailed testing with regards the Test & Trace Support Payment Grant (TTSP). This required both Chief Executive and Internal Audit sign-off by the 30<sup>th</sup> June 2022. This work was undertaken and completed alongside the Contain Outbreak Management Fund (COMF) grant work and utilised one day of the contingency allocation. There have been no further proposed changes to the plan.
- 2.5 The Internal Audit Team has successfully recruited to the post of Internal Auditor with the new postholder due to commence in October 2022.
- 2.6 Annex B provides a summary of internal audit recommendations that have been raised and due for implementation as at August 2022. Evidence has been gathered to support the status of implementation.
- 2.7 As August 2022, 80 recommendations were due for implementation. Of these, 67 are considered either implemented, partially implemented or superseded (84%). Of the 13 still outstanding, 10 were originally assessed as high risk. Where agreed actions have not been implemented in line with timescales, discussions have taken place with management to substantiate these explanations and assess whether extensions to implementation dates are considered reasonable.
- 2.8 The Annual Internal Audit Opinion is driven by outputs from the work undertaken. The Internal Audit Team strive to deliver an effective and efficient service which should be underpinned by several key performance indicators. Annex C illustrates performance within the period.
- 2.9 The Quality Assurance & Improvement Programme (QAIP) was presented to Members at the July 2022 meeting, covering all aspects of the internal audit activity. Its intention was to assist in raising standards across the service and ensuring consistency in improvement. This involved an annual self-review of conformance with the Public Sector Internal Audit Standards (PSIAS).
- 2.10 It found that in general, there was conformance against these requirements. Seven recommendations were raised; four of which were not due for implementation at the time of writing, two implemented, and one partially implemented. This recommendation relates to the external assessment, which has been commissioned, and is in progress. The findings will be presented in due course. A summary of progress is highlighted in Annex D.
- 2.11 There have been no referrals made within the period, and there are no open investigations.

### 3 LIMITATIONS

- 3.1 The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regards to the advice and information contained herein.
- 3.2 Our work does not provide absolute assurance that material errors, loss or fraud do not exist. Responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity.
- 3.3 Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system. Reports are prepared for your sole use and no responsibility is taken by the auditors to any director or officer in their individual capacity. No responsibility to any third party is accepted as the report has not been prepared for, and is not intended for, any other purpose.

### 4 CONCLUSION

- 4.1 The Accounts and Audit Committee is asked to note the content of the Progress Report

INTERNAL AUDIT MANAGER

DIRECTOR OF RESOURCES

AA22-22/RP/AC  
16 SEPTEMBER 2022

## 2022/23 – Internal Audit Output Delivery

ANNEX A

Review	Status	Assurance Level
<b>2021/22 c'fwd reviews (contributing to the 2022/23 Opinion)</b>		
Payroll	Final Report	Substantial Assurance
Inventory	Draft Report	
Housing Benefits	Final Report	High Assurance
Amenity Cleansing	Draft Report	
Procurement	Draft Report	
Cash & Receipting	Fieldwork completed	
<b>2022/23 reviews</b>		
<b>Chief Executive's</b>		
Civic Centre	Draft Report	
Management of Conflicts of Interest	Fieldwork in progress	
Corporate Strategy	Planning	
Corporate Health & Safety	Planning	
Section 106 Agreements	Planning	
Data Protection Impact Assessments (DPIA)	Planning	
Electoral Registration	Planning	
Land Charges	Q4	
<b>Community Services</b>		
Commercial Waste Management	Q4	
<b>Resources</b>		
Key Financial Controls	Q4	
Housing Benefits	Q4	
Council Tax & NNDR	Q4	
Insurance	Planning	
Contain Outbreak Management Fund (COMF)	Final Briefing Note	Conditions met
Test & Trace Support Payments (TTSP)	Final Briefing Note	Conditions met
Disabled Facilities Grant (DFG)	Fieldwork completed	
Overtime Payments	Planning	
Payroll	Q4	
Cyber Security	Fieldwork in progress	
ICT Asset Management	Planning	
<b>Economic Development &amp; Planning</b>		
Tourism & Events	Planning	

Review	Status	Assurance Level
Risk Management, Follow Up & Contingency		
Risk Management	Stage 1: Final Report Stage 2: In progress	Limited Assurance -
Follow Up	Q2 - Completed	N/A
	Q4 - In progress	
Contingency	As required	
Planning & Reporting		
PSIAS self-assessment	Completed	Update provided
Investigations	As required – no referrals in the period.	

## Internal Audit Recommendations - Follow Up Position (August 2022)

ANNEX B

Review	Year	Assurance Opinion	Actions not yet due	Actions due	Implemented	Partially Implemented	Not Implemented	Superseded
Housing Benefits	2020/21	Substantial	-	2	2	-	-	-
Collection of Income	2020/21	Substantial	-	6	5	-	1	-
Payroll	2020/21	Substantial	-	5	4	-	1	-
Creditors	2020/21	Substantial	-	6	5	1	-	-
Ribblesdale Pool	2021/22	Reasonable	7	13	7	3	3	-
Health & Safety	2021/22	Reasonable	-	16	6	8	1	1
Car Parking	2021/22	Reasonable	-	14	8	3	3	-
Edisford 3G Pitches*	2021/22	Limited	-	11	6*	2	3	-
Treasury Management	2021/22	High	1	1	1	-	-	-
Council Tax	2021/22	Substantial	1	-	-	-	-	-
NNDR	2021/22	Substantial	1	-	-	-	-	-
Grounds Maintenance	2021/22	Moderate	4	-	-	-	-	-
Fleet Management	2021/22	Substantial	2	1	1	-	-	-
Accounts Payable	2021/22	Moderate	-	2	1	-	1	-
Accounts Receivable	2021/22	High	2	-	-	-	-	-
General Ledger	2021/22	Substantial	-	3	-	3	-	-
Payroll	2021/22	Substantial	5	-	-	-	-	-
Risk Management	2022/23	Limited	9	-	-	-	-	-
<b>TOTAL</b>			<b>32</b>	<b>80</b>	<b>46</b>	<b>20</b>	<b>13</b>	<b>1</b>

\*Implemented; subject to ongoing detailed testing. \*\*The review of cash and receipting (2020/21) is in the process of being followed up as part of the annual review.

## Internal Audit - Performance Indicators

ANNEX C
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Indicator	Target	Actual
Post Audit Evaluation Questionnaire issued following completion of every audit assignment.	100%	100%
Post Audit Evaluation Questionnaire responses receiving either a good, very good or excellent rating.	100%	100%
Recommendations raised and agreed by management (in the period).	100%	100%
Recommendations which are implemented within agreed timescales.	90%	84%
Management responses received within 10 workings days of the Draft Report (for reports finalised within the period).	90%	100%
Final Reports issued within 5 working days from receiving management responses (in the period).	90%	100%
Audits completed within budget (in the period).	75%	100%

## Summary PSIAS Quality Assurance Improvement Plan - Progress

ANNEX D

Standard	Conformance		
	Compliant	Partially Compliant	Non-Compliant
1000 – Purpose, Authority and Responsibility	✓		
1100 – Independence and Objectivity	✓		
1200 – Proficiency and Due Professional Care		✓	
1300 – Quality Assurance and Improvement Programme		✓	
2000 – Managing the Internal Audit Activity		✓	
2100 – Nature of Work	✓		
2200 – Engagement Planning	✓		
2300 – Performing the Engagement		✓	
2400 – Communicating Results	✓		
2500 – Monitoring Progress	✓		
2600 – Communicating the Acceptance of risks	✓		

### Updated Position

Seven recommendations were raised as part of the self-assessment undertaken by the Internal Audit Manager. Of these, four were not yet due for implementation at the time of writing, two considered implemented and one partially implemented. This relates to the external assessment which has been commissioned (in line with the Contract Procedure Rules) and is in progress. The outputs of which will be reported to this Committee.