

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO ACCOUNTS AND AUDIT COMMITTEE

meeting date: 12 APRIL 2023
title: STRATEGIC INTERNAL AUDIT PLAN 2023/24 – 2025/26
submitted by: DIRECTOR OF RESOURCES
principal author: INTERNAL AUDIT MANAGER

1 PURPOSE

1.1 The purpose of this report is to present the 3-year Strategic Internal Audit Plan for 2023/24 to 2025/26 for consideration and approval by this Committee.

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 – 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 BACKGROUND AND KEY ISSUES

2.1 The plan defines the scope and rationale behind each of the individual assignments and the resource requirements to deliver it. It also provides assurance to the Chief Executive, s151 Officer, senior managers and other stakeholders regarding the effectiveness of controls and the management of risk. The Accounts & Audit Committee has the responsibility to ‘monitor internal audit progress with the Annual Audit Plan, evaluating the effectiveness of Internal Audit, the use of audit resources and where necessary, recommending adjustments to the Internal Audit Plan’. The plan further provides the Accounts & Audit Committee with that relevant, independent assurance.

2.2 The anticipated audit resources are considered sufficient to deliver an effective 3-Year Strategic Internal Audit Plan. In 2023/24, the estimated resource for the Internal Audit Service is 500 days.

2.3 The plan is risk-based and is supported by a strong risk assessment underpinning the arrangements in place at the Council. It has focused on the Council's strategic risk register as this represents their own assessment of the risks to achieving the Corporate Strategy (2019 to 2023). The plan has been developed through:

- A detailed risk assessment.
- Core system requirements in compliance with the PSIAS.
- Consultations (both verbally and through the Director Assurance Statements) with senior management, Directors and Heads of Service; with formal approval sought from the Corporate Management Team (CMT).

3 RISK ASSESSMENT

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

- Resources – There may be some additional expert resources needed in respect of the ICT audit work, however this could potentially be funded from the existing Audit Earmarked Reserve.
- Technical, Environmental and Legal – This report fulfills the statutory requirements placed upon by the council by the Accounts & Audit (England) Regulations 2015. This report is a key contributor to the Annual Governance Statement, which assesses the effectiveness of the Council's own management of its objectives.
- Political – There are no political implications arising from this report.
- Reputation – There are no reputational implications arising from this report.
- Equality and Diversity – There are no equality or diversity implications arising as a result of this report.

4 RECOMMENDATION

- 4.1 The Accounts & Audit Committee is asked to consider and approve the Strategic Internal Audit Plan 2023/24 to 2025/26 as attached in Appendix A.

INTERNAL AUDIT MANAGER

DIRECTOR OF RESOURCES

AA7-23/RP/AC
12 APRIL 2023

DRAFT

Internal Audit Plan

2023/24



Ribble Valley
Borough Council

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1. Executive Summary

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*”.

To support this, the Chief Audit Executive (Internal Audit Manager) is required to develop a risk-based Internal Audit Plan considering the requirements of the Annual Internal Audit Opinion.

The plan defines the scope and rationale behind each of the individual assignments and the resource requirements to deliver it. It also provides assurance to the Chief Executive, Section 151 Officer, senior managers and other stakeholders regarding the effectiveness of controls and the management of risk. The Accounts & Audit Committee has the responsibility to ‘*monitor internal audit progress with the Annual Audit Plan, evaluating the effectiveness of Internal Audit, the use of audit resources and where necessary, recommending adjustments to the Internal Audit Plan*’. The plan further provides the Accounts & Audit Committee with that relevant, independent assurance.

2. Internal Audit Risk Assessment

The plan is risk-based and is supported by a strong risk assessment underpinning the arrangements in place at the Council. It has focused on the Council’s Strategic Risk Register as this represents their own assessment of the risks to achieving the Corporate Strategy (2019 to 2023). The plan has been developed through:

- A detailed risk assessment.
- Mandated/ core system requirements in compliance with the PSIAS.
- Consultations (both verbally and through the Director Assurance Statements) with senior management, Directors and Heads of Service; with formal approval sought from the Corporate Management Team (CMT).

3. Resource Availability

The anticipated audit resources are considered sufficient to deliver the effective 3-Year Strategic Internal Audit Plan. In 2023/24, the estimated available resource for the Internal Audit Service is 500 days. The following provides a detailed summary:

	Internal Audit Manager	Internal Auditor	Internal Audit Assistant	Total
Total working days	251	251	251	753
Annual Leave	24	34	30	88
Professional Training/ Personal Development	6	6	50	62
Planning, Management, Reporting & Meetings	18	0	0	18
Insurance	10	0	75	85
NET AVAILABLE DAYS – RISK-BASED PLAN	193	211	96	500

The plan considers risks in respect of ICT and cyber security. The Internal Audit Manager will seek to commission external expertise through the Lancashire County Council (LCC) Framework to undertake this work. Further costings regarding this will be presented to CMT and Accounts & Audit Committee for approval, however members should note that funds for such works have previously been set aside in Reserves.

4. Internal Audit Plan – 2023/24

The Internal Audit Plan (Appendix A) considers core, mandated, national and regional risks as identified in the Council's risk register. This draft plan outlines the coverage and remains flexible to respond to emerging risks the Council may face. Each audit has been assigned an Audit Sponsor (a member of CMT) who are the key lead for the review and responsible for implementing any actions raised.

Appendix B further outlines the Council's 3-year Strategic Plan and will be continuously reviewed. It is acknowledged that a new Corporate Strategy will be produced when the new Council is formed (post the May 2023 elections), therefore a formal reassessment will be undertaken. This will be done through effective engagement with senior management and members of the Council.

The Internal Audit Service should demonstrate independence and effectiveness in line with the PSIAS. A number of key performance indicators are in place and reported to senior management/ Accounts & Audit Committee on a regular basis; these are outlined in Appendix C.

INTERNAL AUDIT PLAN 2023/24 – (incorporating the risk assessment)**APPENDIX A: Internal Audit Plan – 2023/24 (incorporating the risk assessment)**

Review & Scope	Rationale/ Risk-based (inherent risk score from the Strategic Risk Register (SRR))	Qtly Delivery	Days	Audit Sponsor
Chief Executives				
Emergency Preparedness and Business Continuity – to ensure the Council has adequate plans in place to help prevent, control and manage emergencies, in line with the requirements of the Civil Contingencies Act 2004.	SRR006 (20) / SRR008 (20)	Q1	25	Chief Executive
Key Performance Indicators – to provide assurance that the system for managing performance and accompanying targets/ measures are supported to ensure valid, accurate and timely reporting.	Core system review	Q3	20	
Records Retention Management – to ensure that the Council's retention arrangements are compliant and meet legislative requirements and best practice.	Management request	Q4	15	
Climate Change - to provide assurance that the Council is taking appropriate measures to comply with its statutory obligations in addressing climate change and that progress is being monitored.	SRR010 (16)	Q4	15	
Community Services				
Safeguarding – to examine the procedures in place for the Council to comply with its statutory obligations.	SRR004 (15)	Q3	15	Director of Community Services

INTERNAL AUDIT PLAN 2023/24 – (incorporating the risk assessment)

Review & Scope	Rationale/ Risk-based (inherent risk score from the Strategic Risk Register (SRR))	Qtly Delivery	Days	Audit Sponsor
Car Parking & Enforcement – to ensure that all income received is banked accurately, the contract for taking payments by phone is operating effectively and the appeals process for PCNs is being carried out effectively and independently.	Service review	Q3	15	
Ribblesdale Pool – to ensure that all income due to the Council is banked timely, accurately and in accordance with the agreed Fees and Charges.	Service review	Q4	15	
Commercial Waste Management – to ensure that waste is being collected promptly and efficiently, is disposed of appropriately and income is correctly accounted for (c'fwd).	C'fwd	Q2	15	
Markets - to ensure that all income due to the Council is banked timely, accurately and in accordance with the agreed Fees and Charges.	Service review	Q3	15	
Resources				
Key Financial Controls – to provide assurance that the most significant key controls are appropriately designed and operating effectively in practice.	Core system review	Q4	25	Director of Resources
Housing Benefits – to ensure that the system for benefits aligns to the appropriate regulations, are processed timely, supported by detailed evidence and recouped when necessary (c'fwd).		Q1	16	

INTERNAL AUDIT PLAN 2023/24 – (incorporating the risk assessment)

Review & Scope	Rationale/ Risk-based (inherent risk score from the Strategic Risk Register (SRR))	Qtly Delivery	Days	Audit Sponsor
Council Tax & NNDR – to evaluate the effectiveness of the processes in place for Council Tax & National Non-Domestic collection (c’fwd).		Q1	22	
Procurement - to ensure the key controls in relation to procurement processes are in accordance with national guidelines.	Core system review	Q3	15	
Budgetary Control – to provide assurance that budgets have been set in accordance with agreed policy, uploaded accurately, monitored regularly and reported through the agreed governance arrangements.	SRR002 (15)	Q4	15	
Grants – to ensure payments are valid, accurate, timely and meet the conditions of the funding (to be determined)	Head of Internal Audit sign-off required	Q3	30	
Staff and Member Allowances – to ensure that claims are completed in full, in accordance with the Scheme, paid accurately and timely, and published appropriately.	Core system review	Q2	15	
Treasury Management – to provide assurance that the treasury management function is operating effectively to manage the cash flow requirements of the Council.	SRR002 (15)	Q2	15	
Mandatory Training – to ensure that employees of the Council are adequately trained to fulfil their role effectively.	SRR009 (16) / SRR013 (16)	Q2	15	

INTERNAL AUDIT PLAN 2023/24 – (incorporating the risk assessment)

Review & Scope	Rationale/ Risk-based (inherent risk score from the Strategic Risk Register (SRR))	Qtly Delivery	Days	Audit Sponsor
Flexi-Time System and Sickness Absence Management – to provide assurance that both the flexible working policy sickness absence policy are applied consistently across the Council.	SRR009 (16)	Q2	15	
ICT Audit – scope to be determined.	SRR001 (20)	Q2	15	
Economic Development & Planning				
Tourism & Events - to provide assurance that the Council has robust arrangements in place to monitor performance in respect of functions carried out by the formed partnership with the Ribble Valley Tourism Association (c'fwd).	C'fwd	Q1	15	Director of Economic Development & Planning
Risk Management, Follow Up & Contingency				
Risk Management – to support the organisation through training, development and reporting in relation to risk management processes.	Core system support	Q1 – Q4	15	Corporate Management Team
Follow Up	PSIAS requirement		12	
Contingency			5	
2023/23 Carry forward – days in relation to audits commenced, contributing to the 2022/23 Head of Internal Audit Opinion; yet to be finalised.		Q1	50	
Planning & Reporting				

INTERNAL AUDIT PLAN 2023/24 – (incorporating the risk assessment)

Review & Scope	Rationale/ Risk-based (inherent risk score from the Strategic Risk Register (SRR))	Qtly Delivery	Days	Audit Sponsor
PSIAS self-assessment – the Internal Audit Service's annual self-assessment against the PSIAS.	PSIAS requirement	Q1	10	Director of Resources
CIPFA Position Statement: Audit Committee Self-Assessment/ Effectiveness Review – in line with recent guidance.		Q1	5	
Investigations (reactive and proactive) – core service support, NFI and proactive anti-fraud programme.		Q1 – Q4	15	
Annual Governance Statement/ Local Code of Corporate Governance	Mandated review	Q1	20	
Annual Governance Statement – in year follow up		Q3	5	
TOTAL DAYS			500	

3 YEAR STRATEGIC PLAN

Appendix B: 3-Year Strategic Plan

We have mapped the key Corporate Ambitions and Objectives within the Corporate Strategy (2019-2023) to the 3-Year Strategic Internal Audit Plan. This will be reviewed as part of our risk assessment process to ensure that it remains focused on the Council’s key risks and challenges and adds value where necessary. It is acknowledged that a new Corporate Strategy will be produced when the new Council is formed (post the May 2023 elections), therefore a formal reassessment will be undertaken.

Strategic Objective	2023/24	2024/25	2025/26
<i>Ambition 1 – To ensure a well-managed Council providing efficient services based on identified customer need.</i>			
To maintain critical financial management and controls, and ensure the authority provides council taxpayers with value for money, within current financial constraints.	Key Financial Controls Grants Levelling Up Funding (UK Shared Prosperity Fund) Housing Benefits Council Tax/ NNDR		
	ICT Strategy Staff & Member Allowances Budgetary Control Data Retention Policy EPRR/ Business Continuity Treasury Management Procurement	Critical Application VAT Capital Programme	Asset Management Management of Freedom of Information requests

INTERNAL AUDIT PLAN 2023/24
3 YEAR STRATEGIC PLAN

Strategic Objective	2023/24	2024/25	2025/26
To treat everyone equally and ensure that access to services is available to all, including our most vulnerable citizens.	Sickness Absence Mandatory Training	Equality Act 2010	
To engage with all our communities to ensure we deliver services to meet customer needs and expectations.	Key Performance Indicators	Complaints Management Building Controls	Public Engagement Local Plan
Ambition 2 – To sustain a strong and prosperous Ribble Valley			
To encourage economic development throughout the borough with specific focus on tourism, the delivery of sufficient land for business development, and supporting high growth business opportunities.	Tourism & Events	Economic Plan	
To work with our partners to ensure that the infrastructure in the Ribble Valley is improved.		Partnership Working	
To promote stronger, more confident and more active communities throughout the borough.			
Ambition 3 – To help make people’s lives safer and healthier			
To improve the health and wellbeing of people living and working in our area.		Cemeteries	Parks & Open Spaces Environmental Health
To improve the opportunity for people to participate in cultural, recreational and sporting activity.	Edisford Pool Markets	3G Pitches Platform Gallery	

3 YEAR STRATEGIC PLAN

Strategic Objective	2023/24	2024/25	2025/26
To ensure that Ribble Valley remains a safe place to live.	Safeguarding	Use of Volunteers	Community Safety Partnership
<i>Ambition 4 – To protect and enhance the existing environmental quality of our area</i>			
To retain weekly collections of residual waste.	Commercial Waste Management		Waste Management
To be an environmentally sustainable area, prepared for the future.	Car Parking/ Enforcement		
To aspire to be a carbon neutral borough by 2030.	Climate Change Strategy		
<i>Ambition 5 – To match the supply of homes in our area with identified housing needs.</i>			
To meet the housing needs of all sections of the Community.		Homelessness	Empty Properties
To provide an adequate mix of additional affordable homes throughout the Ribble Valley.			Housing Mix
To develop the right housing in the right places.			

APPENDIX C: Internal Audit Key Performance Indicators

The following operational key performance indicators have been proposed. These set clear expectations on the Internal Audit Service and enable the team to demonstrate the impact, effectiveness and compliance with PSIAS. These will be reported to CMT and the Accounts & Audit Committee in line with the reporting timescales.

Indicator	Target
Post Audit Evaluation Questionnaire issued following completion of every audit assignment.	100%
Recommendations raised agreed by management.	100%
Recommendations which are implemented within agreed timescales.	90%
Management responses received within 10 workings days of the Draft Report.	90%
Final Reports issued within 5 working days from receiving management responses.	90%
Audits completed within budgeted timescales.	75%