

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO ACCOUNTS AND AUDIT COMMITTEE

meeting date: 12 APRIL 2023
title: INTERNAL AUDIT PROGRESS REPORT – APRIL 2023
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 January 2023 to March 2023.
- 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 and 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 AND ISSUES

- 2.1 Since the last meeting of the Accounts and Audit Committee, the following areas for 2022/23 have been a key focus:
 - Managing Conflicts of Interest (N/A)
 - Overtime Payments (Substantial Assurance)
 - Purchase Orders (Moderate Assurance)
 - Cyber Security (Moderate Assurance)*
 - Biodiversity Net Gain Grant Claim (Conditions Met)
- 2.2 The following reviews are in progress; the findings of which will be reported as per the suggested delivery:
 - Payroll (draft report)
 - Disabled Facilities Grant (draft report)
 - Corporate Strategy (draft briefing note)
 - Corporate Health and Safety (draft report)

*subject to detailed management responses

- Key Financial Controls (fieldwork completed)
 - Follow ups (fieldwork in progress)
 - ICT Asset Management (fieldwork in progress)
 - Data Protection Impact Assessments (fieldwork in progress)
 - Section 106 Agreements (fieldwork in progress)
 - Electoral Registration (planning)
 - Land Charges (planning)
- 2.3 The reviews of Tourism and Events, Council Tax and NNDR, Housing Benefits, Commercial Waste Management will be undertaken as part of the 2023/24 Internal Audit Plan.
- 2.4 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.
- 2.5 The Internal Audit Manager was required to undertake verification work regarding a recent claim for Biodiversity Net Gain (BNG) funding. We have utilised some of the days earmarked in the plan for contingency work.

National Fraud Initiative

- 2.6 The National Fraud Initiative (NFI) is a data matching exercise that helps to detect and prevent fraud. It is conducted by the Cabinet Office under its statutory data matching powers. The Council was required to submit a data by the 2nd December 2022 with exercise matches made available on the end of January 2023. The number of matches was minimal, and the Council is in the process of following up the results in the usual manner, eliminating coincidental matches, and concentrating on potentially fraudulent cases.

CIPFA Updates

- 2.7 CIPFA recently published their revised edition of *Audit Committees: Practical Guidance for Local Authorities and Police*. The document is aimed at supporting both elected and co-opted independent members to understand the purpose of the committee and its functions and their responsibilities as members of the committee.
- 2.8 CIPFA state that the committee's effectiveness should be judged by the contribution it makes to and beneficial impact it has on the authority's business. Since it is primarily an advisory body, it can be more difficult to identify how the committee has made a difference. CIPFA has provided assessment tools to support the process, and the Internal Audit Manager will use these over the coming weeks to undertake this assessment; ultimately reporting to this committee.

Investigations

- 2.9 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 RISK ASSESSMENT

- 4.1 The approval of this report may have the following implications:
- Resources – there are no resource implications arising as a result of this report.
 - Technical, Environmental and Legal – This report fulfills the statutory requirements placed upon by the council by the Accounts and Audit (England) Regulations 2015 and Public Sector Internal Audit Standards (PSIAS). 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.

5 CONCLUSION

- 5.1 The Accounts and Audit Committee is asked to consider the report.

INTERNAL AUDIT MANAGER

DIRECTOR OF RESOURCES

AA10-23/RP/AC
12 APRIL 2023

2022/23 – Internal Audit Output Delivery

ANNEX A

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

Review	Status	Assurance Level
Economic Development & Planning		
Tourism & Events	C'fwd	
Risk Management, Follow Up & Contingency		
Risk Management	Stage 1: Final Report Stage 2: Completed	Limited Assurance N/A
Follow Up	Completed	N/A
Contingency	As required	
Planning & Reporting		
PSIAS self-assessment	Completed	Action Plan in place
Investigations	As required – no referrals in the period.	

*subject to detailed management responses