

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO ACCOUNTS AND AUDIT COMMITTEE

meeting date: 22 NOVEMBER 2023  
title: INTERNAL AUDIT PROGRESS REPORT – NOVEMBER 2023  
submitted by: DIRECTOR OF RESOURCES AND DEPUTY CHIEF EXECUTIVE  
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 2023/24 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 September 2023 to October 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 & 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 have been a key focus:

Review Title	<b>Changing Places Grant claim</b>
Assurance Opinion	<b>N/A</b>
Overall Objective	<p>The Chief Finance Officer of each lead authority was required to sign and return a declaration no later than the 30 September 2023 to provide reasonable assurance regarding the eligibility of expenditure for the period.</p> <p>Over 250,000 people in the UK need personal assistance to use the toilet, including people with profound and multiple learning disabilities, spinal injuries and people living with stroke. Changing Places Funding aims to have larger facilities, including a changing bench and a hoist, designed to support disabled people who need assistance. In March 2023, the Council were awarded £204,000 to</p>

	install such facilities in three locations; Edisford Bridge, Ribchester and the Castle grounds.			
Recommendations/ Risk Rating	Critical	High	Medium	Low
	N/A	N/A	N/A	N/A
Findings Summary	<p>The review allowed us to provide assurance that “to the best of our knowledge and belief, and having carried out appropriate investigations and checks, in all significant respects, the conditions of the Changing Places Fund Grant Determination no 31/6222 have been complied with and that the funds have been administered in line with the principles of propriety, regularity, feasibility and value for money”. We were informed however of risks regarding delivery by the March 2024 deadline and additional capital costs may be incurred over and above the £204,000 awarded. These risks were being managed by the service and will be reported through the Council’s governance arrangements. To this end, the service sought Member approval and a subsequent Project Change Request to the Department for Levelling Up, Housing and Communities (DLUHC) was submitted to reduce the number of approved units from three to two. A further application for funding for the remaining unit will be made in a future bidding round when/ if this is announced.</p>			

Review Title	<b>Treasury Management</b>			
Assurance Opinion	<b>High Assurance</b>			
Overall Objective	The overall objective of the review was to provide assurance that the Treasury Management function is operating effectively to manage the cash flow requirements of the Council.			
Recommendations/ Risk Rating	Critical	High	Medium	Low
	0	0	0	0
Findings Summary	<p>The Treasury Management Policy was approved by the Policy and Finance (P&amp;F) Committee in March 2023. The policy is in line with the CIPFA Treasury Management Code of Practice (2021), and the P&amp;F Committee are provided with regular reports that reflect these CIPFA regulatory requirements. These are provided in a timely manner and are thoroughly broken down for Members. Processes for investments (from initial requests through to maturity) are documented thoroughly with the appropriate authorisation in place and were evidenced through detailed testing. From the sample tested, all had the relevant evidence, demonstrated by a clear audit trail and were made in line with authorised limits and institutions.</p>			

2.2 Annex A provides a summary of the profiled delivery of the 2023/24 Internal Audit Plan. The following reviews are in progress; the findings of which will be reported as per the suggested delivery:

- Council Tax – draft report
- National Non-Domestic Rate (NNDR) – draft report
- Member Allowances – draft report
- Flexi-Time System and Sickness Absence Management – fieldwork
- Emergency Preparedness – fieldwork
- Commercial Waste Management – fieldwork
- Housing Benefits – fieldwork

### **Public Sector Internal Audit Standards (PSIAS) self-assessment**

2.3 Public Sector Internal Audit Standards (PSIAS) require the Internal Audit Service to ‘develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity.’ This programme must include internal and external assessments. Internal assessments must include ongoing monitoring of the performance of the internal audit activity and periodic self-assessments. External Quality Assessments (EQA) must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation.

2.4 Seven recommendations were raised as part of the previous EQA; one of which reflected non-compliance with Standards 1312 and 1320 (the requirement for the 5-yearly external assessment). This was commissioned with immediate effect and the action plan reported back to the Accounts & Audit Committee in June 2022. Six of the seven actions raised are now considered fully implemented.

2.5 The self-assessment has been undertaken by the Internal Audit Manager throughout October 2023. For the 2023/24, one recommendation has been raised. As this recommendation will enhance practice and does not currently impact compliance with PSIAS and the CIPFA Local Government Application Note, it is now considered that the Internal Audit Service conforms with the International Standards for the Professional Practice of Internal Auditing based on the self-assessment. A table of conformance and summary of actions are documented at Annex B.

### **Investigations**

2.6 There has been one referral made within the period which remains an open investigation.

## **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 Committee is asked to consider the report.

INTERNAL AUDIT MANAGER

DIRECTOR OF RESOURCES AND  
DEPUTY CHIEF EXECUTIVE

AA23-23/RP/AC  
22 NOVEMBER 2023

## 2023/24 – Internal Audit Output Delivery

ANNEX A

Review	Status/ Scheduled	Assurance Level
<b>2022/23 c'fwd reviews (contributing to the 2023/24 Opinion)</b>		
Disabled Facilities Grant	Final Report	Substantial
Key Financial Systems	Final Report	Substantial
Payroll	Final Report	Substantial
Electoral Registration	Planning	
<b>2023/24 reviews</b>		
<b>Chief Executive's</b>		
Emergency Preparedness	Fieldwork	
Key Performance Indicators	Planning	
Records Retention Management	Q4	
Climate Change	Q4	
<b>Community Services</b>		
Commercial Waste Management	Fieldwork	
Safeguarding	Planning	
Car Parking & Enforcement	Q3	
Markets	Q3	
Ribblesdale Pool	Q4	
<b>Resources</b>		
Housing Benefits	Fieldwork	
Council Tax	Draft Report	
National Non-Domestic Rates (NNDR)	Draft Report	
Flexi-Time System and Sickness Absence Management	Fieldwork	
ICT Audit – <i>scope tbd</i>	Q3	
Member Allowances	Draft Report	
Treasury Management	Final Report	High
Mandatory Training	Q3	
Procurement	Q3	
Biodiversity Net Gain (BNG)	Completed	Conditions Met
Changing Places	Completed	Conditions Met*
UK Shared Prosperity Fund (UKSPF)	Q3/ Q4	Ongoing
Budgetary Control	Q4	
Key Financial Controls	Q4	

\*project delivery risks reported as part of the briefing note

<b>Review</b>	<b>Status/ Scheduled</b>	<b>Assurance Level</b>
Economic Development & Planning		
Tourism & Events	Q4	
Governance, Risk Management, Follow Up & Contingency		
Risk Management	Q1 – Q4	Continuous
Follow Up	Q2/ Q4	Q2 completed
Contingency	As required	
Planning & Reporting		
PSIAS self-assessment	Completed	N/A
Investigations	As required – one open investigation.	

## PSIAS Self-Assessment: Summary of Conformance

ANNEX B

The following table provides a summary of conformance against each of the PSIAS based on the self-assessment conducted by the Internal Audit Manager in October 2023.

Standard / Areas Assessed	Level of Conformance
Mission Statement	Fully Conforms
Core Principles	Fully Conforms
Code of Ethics	Fully Conforms
Attribute Standard 1000	Fully Conforms
Attribute Standard 1100	Fully Conforms
Attribute Standard 1200	Fully Conforms
Attribute Standard 1300	Fully Conforms
Performance Standards 2000	Fully Conforms
Performance Standards 2100	Fully Conforms
Performance Standards 2200	Fully Conforms
Performance Standards 2300	Fully Conforms
Performance Standards 2400	Fully Conforms
Performance Standards 2500	Fully Conforms
Performance Standards 2600	Fully Conforms
<b>Overall Rating</b>	<b>Fully Conforms</b>

The following PSIAS Quality Assurance & Improvement Plan (QAIP) outlines recommendations that would enhance practice and do not currently impact compliance with PSIAS and the CIPFA Local Government Application Note.

### Quality Assurance & Improvement Plan

PSIAS requirement	Corrective Action
<b>2330:</b> The chief audit executive must develop retention requirements for engagement records, regardless of the medium in which each record is stored. These retention requirements must be consistent with the organisation's guidelines and any pertinent regulatory or other requirements.	The Council operates a Document Retention Policy with which the Internal Audit Service complies. However, there is a council-wide review and subject to any changes, the Internal Audit Manual will be reviewed and updated.