

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO ACCOUNTS AND AUDIT COMMITTEE

meeting date: 17 APRIL 2024
title: STRATEGIC DRAFT INTERNAL AUDIT PLAN – 2024/25
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 present the 3-year Strategic Internal Audit Plan for 2024/25 to 2026/27 for consideration and approval by this Committee.

1.2 Relevance to the Council's ambitions and priorities:

Corporate priorities – to maintain critical financial management and controls, ensuring the Council provides value for money withing current financial constraints.

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, elected members 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 2024/25, the estimated resource for the Internal Audit Service is 480 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 and has considered the new objectives in achieving the Corporate Plan (2023/27). 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 2024/25 to 2026/27 as attached in Appendix A.

INTERNAL AUDIT MANAGER

DIRECTOR OF RESOURCES AND DEPUTY
CHIEF EXECUTIVE

AA6-24/RP/AC
17 APRIL 2024

DRAFT

Internal Audit Plan

2024/25



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, elected members 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 (2023 to 2027). 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 2024/25, the estimated available resource for the Internal Audit Service is 480 days. The following provides a detailed summary:

	Internal Audit Manager	Internal Auditor	Internal Audit Assistant	Total
Total working days	250	250	250	750
Annual Leave	24	27	28	79
Professional Training/ Personal Development	12	12	62	86
Planning, Management, Reporting & Meetings	20	0	0	20
Insurance	10	0	75	85
NET AVAILABLE DAYS – RISK-BASED PLAN	184	211	85	480

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 – 2024/25

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 Corporate Plan (2023/27) and will be continuously reviewed.

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 2024/25 – (incorporating the risk assessment)

APPENDIX A: Internal Audit Plan – 2024/25 (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				
Flexible Working Scheme – to review the controls in operation across the whole council in applying the Flexible Working Scheme, including the fulfilment of employees and managers in their role.	Management request	Q2	15	Chief Executive
Recruitment & Selection - to consider whether all services are complying with procedures relating to recruitment and document retention, and that recruitment is being undertaken in the most efficient manner.		Q3	15	
Environmental Health – scope to be determined.	Core system review	Q4	15	
Community Services				
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.	C'fwd	Q3	15	Director of Community Services
Ribblesdale Pool – to ensure that all income due to the Council is banked timely, accurately and in accordance with the agreed Fees and Charges.	C'fwd	Q4	15	

INTERNAL AUDIT PLAN 2024/25 – (incorporating the risk assessment)

Review & Scope	Rationale/ Risk-based (inherent risk score from the Strategic Risk Register (SRR))	Qtly Delivery	Days	Audit Sponsor
Resources				
Key Financial Controls – to provide assurance that the most significant key controls are appropriately designed and operating effectively in practice.	General ledger, accounts payable and accounts receivable.	Q4	40	Director of Resources
Capital Programme - to assess the adequacy and appropriateness of the governance arrangements and decision-making systems to deliver agreed capital projects.	Core system review	Q3	15	
Use of Volunteers – to ensure there are effective policies and procedures in place for recruiting volunteers and ensuring they abide by such procedures.		Q3	15	
Procurement - to ensure the key controls in relation to procurement processes are in accordance with national guidelines.	Core system review	Q2	15	
Grants – to ensure payments are valid, accurate, timely and meet the conditions of the funding in respect of UKSPF and REPF; however, there may be other grants awarded that require audit sign-off.	Head of Internal Audit sign-off required	Q1 – Q4	40	
Council Tax & NNDR – to evaluate the effectiveness of the processes in place for Council Tax and National Non-Domestic collection.	Core system review	Q4	25	
Compulsory Training – to ensure that employees of the Council are adequately trained to fulfil their role effectively.	C'fwd	Q2	15	

INTERNAL AUDIT PLAN 2024/25 – (incorporating the risk assessment)

Review & Scope	Rationale/ Risk-based (inherent risk score from the Strategic Risk Register (SRR))	Qtly Delivery	Days	Audit Sponsor
ICT Audit – scope to be determined.	C’fwd	Q2	15	
Economic Development & Planning				
Building Controls – to ensure that applications at both plan and inspection stages are dealt with efficiently.	Core system review	Q2	15	Director of 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	Q2	15	
Homelessness & Emergency Housing- to ensure that key aspects of the 2022- 2025 Homelessness Strategy are being delivered.	SR011 (12)	Q2	15	
Partnership Working - to provide assurance to management that there are adequate corporate arrangements in place to manage key partnership risks and that for individual partnership arrangements	SR015 (16)	Q4	15	
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	10	Corporate Management Team
Follow Up	PSIAS requirement		15	

INTERNAL AUDIT PLAN 2024/25 – (incorporating the risk assessment)

Review & Scope	Rationale/ Risk-based (inherent risk score from the Strategic Risk Register (SRR))	Qtly Delivery	Days	Audit Sponsor
Contingency			5	
2023/24 Carry forward – days in relation to audits commenced, contributing to the 2023/24 Head of Internal Audit Opinion; yet to be finalised.		Q1	75	
Planning & Reporting				
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	20	
Annual Governance Statement/ Local Code of Corporate Governance	Mandated review	Q1	20	
Annual Governance Statement – in year follow up		Q3	5	
TOTAL DAYS			480	

Appendix B: 3-Year Strategic Plan

We have mapped the key Corporate Ambitions and Objectives within the Corporate Strategy (2023/27) 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.

Strategic Goals	2024/25 (days)	2025/26 (days)	2026/27 (days)
<i>Residents, their health & wellbeing: Creating flourishing, healthy and happy communities</i>			
<ul style="list-style-type: none"> Improve the health and wellbeing of everyone living in the borough. Working with Town and Parish Councils we will bring together our villages and towns so that everyone can achieve their full potential. Maximise opportunities for residents to be physically and mentally active. Promote our leisure services and facilities meeting with the needs of residents. 	Ribblesdale Pool (15) Environmental Health (15)	Parks & Open Spaces (15)	3G Pitches (15) Platform Gallery (15)
<i>Valuing our place and our environment: Making the Ribble Valley a place we want to be by creating a safer, stronger, greener and cleaner Borough</i>			
<ul style="list-style-type: none"> Aspire to be a carbon neutral council by 2030, and work with others in the borough to be more environmentally sustainable. Provide an economic, efficient and effective waste collection service. 	Car Parking/ Enforcement (15) Tourism & Events (15)	Climate Change Strategy (15) Environmental Health (15)	Waste Management (15) Community Safety Partnership (15)

3 YEAR STRATEGIC PLAN

Strategic Goals	2024/25 (days)	2025/26 (days)	2026/27 (days)
<ul style="list-style-type: none"> Promote and support the installation of low carbon energy. Protect and preserve the distinctive character of local towns and villages. Support our communities to manage the impact and be more resilient to climate change. Being a safe and clean place to love and visit, by promoting pride in the area and the environment. Continue to monitor air quality within the borough. 			
<p><i>Building a strong economy: Sustaining a strong and prosperous Ribble Valley</i></p>			
<ul style="list-style-type: none"> Deliver good quality, affordable and sustainable housing that meets the needs of our communities throughout the Ribble Valley. Encourage economic development. Support our business community and attract new investment. Support employment opportunities within the borough. 	<p>Partnership Working (15)</p> <p>Homelessness (15)</p>	<p>Together an Active Future (TaAF) (15)</p> <p>Empty Properties (15)</p>	<p>Economic Plan (15)</p> <p>Housing Mix (15)</p>

Strategic Goals	2024/25 (days)	2025/26 (days)	2026/27 (days)
<ul style="list-style-type: none"> Work with partners to improve transport networks, especially to our rural areas. Promote active travel across the borough. 			
Continue to be a well-managed Council: Providing efficient services based on identified customer needs			
<ul style="list-style-type: none"> Maintain critical financial management and controls, ensuring the Council provides value for money, within current financial constraints. Explore all viable options for income generation and financial savings in order to protect front line services. Ensure that our services are accessible to all and that we deliver services to meet customer needs. To have a well-supported, diverse, inclusive and valued workforce. Continue to meet the needs of those who live, work, study and visit the borough. 	<p>Key Financials - GL/ AP/ AR (40)</p> <p>Grants (incl. UK SPF & REPF) (40)</p> <p>Housing Benefits (15)</p> <p>Council Tax/ NNDR (15)</p>	<p>Key Financials - GL/ AP/ AR (40)</p> <p>Grants (incl. UK SPF & REPF) (40)</p> <p>Housing Benefits (15)</p> <p>Council Tax/ NNDR (15)</p> <p>Procurement (15)</p> <p>Treasury Management (15)</p>	<p>Key Financials - GL/ AP/ AR (40)</p> <p>Grants (incl. UK SPF & REPF) (40)</p> <p>Housing Benefits (15)</p> <p>Council Tax/ NNDR (15)</p> <p>Payroll (15)</p>
	<p>Capital Programme (15)</p> <p>Compulsory Training (15)</p> <p>Recruitment & Selection (15)</p> <p>Flexible Working (15)</p> <p>Building Controls (15)</p> <p>Use of Volunteers (15)</p>	<p>Treasury Management (15)</p> <p>Asset Management (15)</p> <p>Management of Freedom of Information requests (15)</p> <p>Casual employees (15)</p> <p>Local Plan (15)</p>	<p>Critical Application (15)</p> <p>VAT (15)</p> <p>Public Engagement (15)</p> <p>Insurance (15)</p>

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%