

NORTH YORKSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

27 SEPTEMBER 2012

PROGRESS ON 2012/13 INTERNAL AUDIT PLAN

Report of the Head of Internal Audit

1.0 PURPOSE OF THE REPORT

- 1.1 To inform Members of the progress made to date in delivering the 2012/13 Internal Audit Plan and any developments likely to impact on the Plan throughout the remainder of the financial year.

2.0 BACKGROUND

- 2.1 Members approved the 2012/13 Audit Plan at their meeting on the 19 April 2012. The total number of planned audit days for 2012/13 is 2,920 (of which 120 relate to external clients). The performance target for Veritau is to deliver 93% of the agreed Audit Plan.
- 2.2 This report provides details of how work on the 2012/13 Plan is progressing.

3.0 INTERNAL AUDIT PLAN PROGRESS BY 31 AUGUST 2012

- 3.1 The internal audit performance targets for 2012/13 have been set by the County Council's client officer. Progress against these performance targets, as at 31 August 2012, is detailed in **Appendix 1**.
- 3.2 **Appendix 2** provides details of all the 2012/13 audits which have been issued as a final report so far this year.

Computer Audit

- 3.3 The 2012/13 IT Audit Plan allows for 60 days of specialist IT audit work to be undertaken by PriceWaterhouseCoopers (PwC) in areas identified as high risk to the County Council. Planning for the 2012/13 programme of audits has commenced. PwC have now finalised the IT audit work for 2011/12 with all the audits in the 2011/12 Plan issued in final. Details of the work undertaken by PwC are provided in a separate report on this agenda.

Contingency and Counter Fraud Work

- 3.4 Veritau continues to investigate cases of suspected fraud or malpractice. Such assignments are carried out in response to issues raised by staff or members of the public via the Whistleblower Hotline, or as a result of management raising concerns. Since the start of the current financial year, 8 cases of suspected fraud have been referred to Veritau for investigation. In addition, Veritau has investigated a number of cases of possible malpractice and assisted the Data Security Officer to investigate a number of potential e-mail abuse cases.

Information Governance

- 3.5 Veritau's Information Governance Team (IGT) continues to handle a significant number of information requests submitted under the Freedom of Information and Data Protection Acts. The number of FOI requests received has however fallen recently, with a total of 398 requests received between 1 April and 31 August 2012 compared with 439 requests received during the corresponding period in 2011/12 (a 9.3% decrease). This decrease may reflect a recent initiative by the IGT to treat as many requests as possible as 'business as usual'. The IGT is currently exceeding the performance response target of 95% for 2012/13 with over 98% of requests so far being answered within the statutory 20 day deadline. The IGT also coordinates the County Council's subject access requests (excluding social care) and has received 31 such requests between 1 April and 31 August 2012.
- 3.6 Veritau is also assisting with the implementation of the County Council's Information Governance Framework. The Council's Corporate Information Governance Group (CIGG2) continues to meet frequently to discuss policy development and implementation. Veritau's Client Relationship Manager and Information Governance Officer both attend these meetings. Encouraging progress continues to be made to address information governance matters at both a corporate and directorate level. Veritau auditors are also undertaking a programme of unannounced audit visits to County Council premises in order to assess staff awareness of the need to secure personal and sensitive information. The results of these compliance visits are promptly reported back to CIGG2.

Variations to the 2012/13 Audit Plan

- 3.7 All proposed variations to the agreed Audit Plan arising as the result of emerging issues and/or requests from directorates are subject to a Change Control process. Where the variation exceeds 5 days then the change must be authorised by the client officer (Assistant Director – Central Finance). Any significant variations will then be communicated to the Audit Committee for information.

3.8 The following variations have been agreed with management:

Corporate Audits (-13 days)

IT Asset Register (reduced scope) (-13)

Audit Work within BES (+30 days)

Waste Management (+20)

IPT Fuel Rebate Claims (+10)

Audit work within HAS Directorate (+20 days)

Special Assignment (Botton) (+10)

Special Assignment (EDT) (+10)

Swift Financials (-20)

Payments and Charges for Residential Care (-35)

Payments for Residential Care (+20)

Charges for Residential Care (+20)

Court of Protection (+15)

Audit work within CYPS Directorate (+1 day)

Special Assignment Forest Moor School (+1)

Early years settings (-10)

Nursery Schools (+10)

Special Assignments (-38)

No net reduction in the Audit Plan NIL

4.0 **RECOMMENDATION**

4.1 Members are asked to note the progress made by Veritau Ltd in delivering the 2012/13 Internal Audit Plan.

Report prepared by Roman Pronyszyn, Client Relationship Manager, Veritau Ltd and presented by Max Thomas, Head of Internal Audit

Max Thomas
Head of Internal Audit
Veritau Limited
County Hall
Northallerton

18 September 2012

Background Documents: None

PROGRESS AGAINST 2012/13 PERFORMANCE TARGETS AS AT 31/08/2012

<i>Indicator</i>	<i>Milestone</i>	<i>Position at 31/08/2012</i>
To deliver 93% of the agreed Internal Audit Plan.	93% by 30/4/13	25.6%
To achieve a positive customer satisfaction rating of 95%	95% by 31/3/13	100%
To ensure 95% of Priority 1 recommendations made are agreed.	95% by 31/3/13	100%
To ensure 95% of FOI requests are answered within the Statutory deadline of 20 working days.	95% by 31/3/13	98.45% ¹

¹ Based on FOI requests received during the period 1/4/12 to 31/7/12

FINAL 2012/13 AUDIT REPORTS ISSUED TO DATE

Audit Area	Directorate	Overall Opinion
Smallholdings	F&CS	Moderate
Revenue Contracts	CYPS	Limited
Revenue Contracts	HAS	Moderate
Special Educational Needs	CYPS	High
On Street Parking (Scarborough)	BES	Substantial
Minerals and Waste Development	BES	Substantial
Financial Procedures – Springhill Close	HAS	Substantial
Grants Register	BES	Substantial
Start up Funding for LEP	Corporate	N/A
CRC Energy Efficiency Scheme	Corporate	Substantial
Pension Fund Governance	F&CS	N/A
Payments and Charges for Residential Care (PoA)	HAS	Limited

In addition, 1 secondary school, 4 primary school and 4 nursery school reports have been issued in final.