

NORTH YORKSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

18 APRIL 2013

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.

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 28 FEBRUARY 2013

- 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 28 February 2013, is detailed below:

Indicator	Milestone	Position at 28/2/2013
To deliver 93% of the agreed Internal Audit Plan.	93% by 30/4/13	62.8%
To achieve a positive customer satisfaction rating of 95%	95% by 31/3/13	98.3%
To ensure 95% of Priority 1 recommendations made are agreed.	95% by 31/3/13	100.0%
To ensure 95% of FOI requests are answered within the Statutory deadline of 20 working days.	95% by 31/3/13	98.2% ¹

- 3.2 **Appendix 1** provides details of all the 2012/13 audits which have been issued as a final report so far this year.

¹ Based on FOI requests received during the period 1/4/12 to 31/01/13

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. Work on the 2012/13 programme of audits is ongoing. Two final reports and a further two draft reports have been issued. The final two audits are scheduled to be completed by 30 April.

Corporate Audits

- 3.4 Corporate audits are key to providing the appropriate assurance to the County Council that its overall governance and control arrangements remain effective. The scope of each corporate audit is agreed with the relevant officers to ensure that Internal Audit resources are focused on those areas of highest risk.
- 3.5 To date, seven corporate audit reports have been issued in final. The only report which has identified significant weaknesses relates to information security where the opinion given was 'limited assurance'. The findings of this audit have been reported to the Corporate Information Governance Group (CIGG2). Details of the potential risks were also provided to this Committee on 6 December 2012 as part of the report on Information Governance.
- 3.6 In addition, work is ongoing to complete assurance maps for three of the One Council work-streams. This will enable the Committee to review the various sources of assurance, take a view on the reliability of those assurances and identify any potential gaps. A verbal update on the progress made will be provided at the meeting.

Contingency and Counter Fraud Work

- 3.7 Veritau continues to investigate cases of suspected fraud, misconduct 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. During the 12 month period to 31 March 2013, 26 cases of suspected fraud and 9 cases of suspected misconduct have been investigated by Veritau. A number of these investigations are still ongoing. In addition, Veritau has continued to investigate a number of cases of possible malpractice and assisted the County Council's Data Security Officer to investigate a number of potential e-mail abuse cases. Further details of counter fraud activities were provided to the Committee at the last meeting on 7 March 2013.

Information Governance

- 3.8 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 1028 requests received between 1 April and 31 March 2013 compared with 1105 requests received during the corresponding period in 2011/12 (a 7.0% decrease). 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 has also coordinated 78 requests for personal information (excluding social care) between 1 April and 31 March 2013.

- 3.9 As reported to the meeting in December 2012, Veritau is continuing to assist with the implementation of the County Council's information governance framework. The Council's Corporate Information Governance Group (CIGG2) has responsibility for coordinating the development and implementation of the policy framework, as well as assessing any new or emerging information governance risks. CIGG2 is chaired by the Corporate Director – Strategic Resources and the group continues to meet on a regular basis.

Variations to the 2012/13 Audit Plan

- 3.10 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. Any significant variations will then be communicated to the Audit Committee for information.
- 3.11 Since the last meeting of the Committee on 7 March 2013, no further variations have been agreed with the client officer.

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 and presented by Max Thomas, Head of Internal Audit

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4 April 2013

FINAL 2012/13 AUDIT REPORTS ISSUED TO DATE

Audit Area	Directorate	Overall Opinion
On street parking (Scarborough)	BES	Substantial
Minerals and waste development	BES	Substantial
Grants register	BES	Substantial
Waste management	BES	High
Fuel rebates	BES	N/A
Revenue contracts	Contract /CYPS	Limited
Revenue contracts	Contract/HAS	Moderate
Revenue contracts	Contract/CS	High
VAT	Corporate	High
Information security (compliance)	Corporate	Limited
Complaints handling	Corporate	High
Internal and external venue costs	Corporate	Substantial
Start up funding for LEP	Corporate	N/A
CRC Energy Efficiency Scheme	Corporate	Substantial
Payroll	Corporate	Substantial
Special educational needs – costs to schools	CYPS	High
Schools year end balances	CYPS	High
Young People in Custody	CYPS	High
Feeder systems	CS	High
Smallholdings	CS	Moderate
Pension Fund Governance	CS	N/A
Payments and charges for residential care	HAS	Limited
Respite Care	HAS	Moderate
Direct payments follow up	HAS	Moderate
Financial Procedures - Avalon	HAS	Substantial
Financial Procedures – Springhill Close	HAS	Substantial
Financial Procedures – Milestone House	HAS	Substantial

In addition, 15 secondary school, 47 primary school and nursery school and 4 special reports have been issued in final.