

NORTH YORKSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

5 MARCH 2015

PROGRESS ON 2014/15 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 2014/15 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 2014/15 Audit Plan on the 6 March 2014. The total number of planned audit days for 2014/15 is 1,495 (plus 1,085 days for other work including counter fraud and information governance). 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 2014/15 Audit Plan is progressing.

3.0 INTERNAL AUDIT PLAN PROGRESS BY 31 JANUARY 2015

- 3.1 The internal audit performance targets for 2014/15 were set by the County Council's client officer. Progress against these performance targets, as at 31 January 2015, is detailed in **Appendix 1**.
- 3.2 Work is ongoing to complete the agreed programme of work. It is anticipated that the 93% target for the year will be exceeded by the end of April 2015 (the cut off point for 2014/15 audits). **Appendix 2** provides details of the final reports issued in the period. A further 13 audit reports have been issued but are still in draft.

Contingency and Counter Fraud Work

- 3.3 Veritau continues to handle 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, 37 cases of suspected fraud or malpractice have been referred to Veritau for investigation. A number of these investigations are still ongoing. Further details are provided as part of the fraud update which is a separate item on this agenda.

Information Governance

- 3.4 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 continues to grow with a total of 1,104 requests received between 1 April 2014 and 31 January 2015 compared with 1,054 requests received during the corresponding period in 2013/14 (a 4.7% increase). The IGT is currently exceeding the performance response target of 95% for 2014/15 with 97.6% 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 41 such requests between 1 April 2014 and 31 January 2015 compared to 49 in the same period in 2013/14.
- 3.5 Veritau is continuing to assist with the implementation of the County Council's information governance framework. As part of this, Veritau auditors are currently 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.

Variations to the 2014/15 Audit Plan

- 3.6 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. The following variations have been authorised since the last report to this committee in December 2014. The variations follow discussions with HAS directorate management and reflect current developments in this area:

Care Home / Domiciliary Care (Quality Assurance Framework)	-20 days
HAS operational systems (Liquid Logic)	+20 days
Care home visits (additional time allocation)	+10 days
HAS Client Resource Centres	+10 days
Contingency	-20 days
Net change to plan	nil

Follow Up of Agreed Actions

- 3.7 Veritau follow up all agreed actions on a regular basis, taking account of the timescales previously agreed with management for implementation. A new escalation procedure has been introduced to formalise the reporting process in the event that agreed actions are not implemented or management fail to provide adequate information to enable an assessment to be made. At this stage in the year, there are no actions which have needed to be escalated. On the basis of the follow up work undertaken during the year to date, the Head of Internal Audit is therefore satisfied with the progress that has been made by management to implement previously agreed actions necessary to address identified control weaknesses.

4.0 **RECOMMENDATION**

- 4.1 Members are asked to note the progress made in delivering the 2014/15 Internal Audit programme of work and the variations agreed by the client officer.

Report prepared and presented by Max Thomas, Head of Internal Audit

Max Thomas
Head of Internal Audit
Veritau Limited
County Hall
Northallerton

10 February 2015

Background Documents: Relevant audit reports kept by Veritau at 50 South Parade, Northallerton.

PROGRESS AGAINST 2014/15 PERFORMANCE TARGETS (AS AT 31/1/2015)

Indicator	Milestone	Position at 31/1/2015
To deliver 93% of the agreed Internal Audit Plan.	93% by 30/4/15	51.46%
To achieve a positive customer satisfaction rating of 95%	95% by 31/3/15	100.00%
To ensure 95% of Priority 1 recommendations made are agreed.	95% by 31/3/15	100.00%
To ensure 95% of FOI requests are answered within the Statutory deadline of 20 working days.	95% by 31/3/15	97.64%

FINAL 2014/15 AUDIT REPORTS ISSUED TO DATE

Audit Area	Directorate	Overall Opinion
Local Transport Body	BES	High assurance
LEP governance	BES	Substantial assurance
Waste Management - Income & Charging	BES	N/A ¹
Local authority bus subsidy grant 2013/14 certification	BES	N/A
Local Welfare Assistance scheme	CS	Substantial assurance
Capital contract (Catterick Bridge, masonry repair)	Contract	High assurance
Framework agreements	Contract	Substantial assurance
Information security compliance (Ryedale House)	Corporate	Moderate assurance
Information security compliance (Manor Road)	Corporate	Limited assurance
Information security compliance (Sandpiper House)	Corporate	Moderate assurance
Information security compliance (Dean Road)	Corporate	High assurance
Information security compliance (Crayke House)	Corporate	Substantial assurance
Information security compliance (Belle Vue Square)	Corporate	Limited assurance
Scarborough Pupil Referral Unit	CYPS	Substantial assurance
Children and families establishment (Morton on Swale)	CYPS	Substantial assurance
Children and families establishment (Woodleigh)	CYPS	High assurance
Beck House / Nidderdale Children's Resource Centre	CYPS	N/A ²
Moorside Junior School – follow up	CYPS	Substantial assurance
Fairer contributions	HAS	Substantial assurance
Public health	HAS	Substantial assurance
Care home visit (Meadow Lodge)	HAS	Substantial assurance
Care home visit (Skell Lodge)	HAS	Substantial assurance
Care home visit (Westfield, Killinghall)	HAS	Substantial assurance
Care home visit (Sabre Court, Scarborough)	HAS	High assurance
Care home visit (Beanlands, Glusburn)	HAS	High assurance
Care home visit (Spring Cottage, Norton)	HAS	Substantial assurance
Care home visit (Nydsley, Pately Bridge)	HAS	High assurance
Care home visit (The Holt, Hutton Buscel)	HAS	High assurance
Care home visit (Rosefern, Scarborough)	HAS	High assurance
Care home visits – composite report	HAS	N/A
Lagan CRM – general IT controls	ICT	Moderate assurance
My View – general IT controls	ICT	Substantial assurance
EDRMS – general IT controls	ICT	Reasonable assurance

Note 1 – review of the new charging arrangements at Waste Recycling Centres

Note 2 – review of petty cash arrangements