

NORTH YORKSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

3 MARCH 2016

PROGRESS ON 2015/16 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 2015/16 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 2015/16 Audit Plan on the 25 June 2015. The total number of planned audit days for 2015/16 is 1,308 (plus 1,010 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 2015/16 Audit Plan is progressing.

3.0 INTERNAL AUDIT PLAN PROGRESS BY 31 JANUARY 2016

- 3.1 The internal audit performance targets for 2015/16 were set by the County Council's client officer. Progress against these performance targets, as at 31 January 2016, 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 2016 (the cut off point for 2015/16 audits). **Appendix 2** provides details of the final reports issued in the period. A further four 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, 42 cases of suspected fraud or malpractice have been referred to Veritau for investigation. 15 of these are internal fraud cases, 13 social care and 11 external fraud. A further 3 cases relate to applications for school places. A number of these investigations are still ongoing. Work is also progressing with the North Yorkshire and York counter fraud initiative which has been grant funded by the Department for Communities and Local Government (DCLG). The project involves proactive data matching designed to identify and prevent fraud losses within high risks areas such as social care, council

tax, NNDR and procurement. To date the project has helped to recover fraud totalling £120.7k.

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 between 1 April 2015 and 31 January 2016 is 1,002 compared with 1,104 requests received during the corresponding period in 2014/15. The IGT is currently exceeding the performance response target of 95% for 2015/16 with 97.4% 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 46 such requests between 1 April 2015 and 31 January 2016 compared to 41 in the same period in 2014/15.
- 3.5 Veritau is continuing to assist with the implementation of the County Council's information governance framework. As part of this, Veritau auditors continue to undertake 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 2015/16 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 meeting of the Committee on 3 December 2015. The variations follow discussions with management and reflect changes in current priorities:

| | |
|--|------------|
| BES Integrated Passenger Transport (additional) | +5 days |
| CYPS Disabled Children's Service (additional) | +15 days |
| CYPS data matching (new) | +5 days |
| HAS amenity funds (additional) | +10 days |
| HAS community support budget – data quality (new) | +10 days |
| CYPS Special Educational Needs (deferred to 2016/17) | - 20 days |
| HAS Liquid Logic / ContrOCC post implementation review (deferred to 2016/17) | - 10 days |
| HAS Domiciliary Care Contracting (reduction) | - 10 days |
| Contingency (20 days remaining) | - 5 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 2015/16 Internal Audit programme of work and the variations agreed by the client officer.

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

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5 February 2016

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

PROGRESS AGAINST 2015/16 PERFORMANCE TARGETS (AS AT 31/1/2016)

| Indicator | Milestone | Position at 31/1/2016 |
|---|----------------|-----------------------|
| To deliver 93% of the agreed Internal Audit Plan | 93% by 30/4/16 | 56.60% |
| To achieve a positive customer satisfaction rating of 95% | 95% by 31/3/16 | 100.00% |
| To ensure 95% of Priority 1 recommendations made are agreed | 95% by 31/3/16 | 100.00% |
| To ensure 95% of FOI requests are answered within the Statutory deadline of 20 working days | 95% by 31/3/16 | 97.41% |

FINAL 2015/16 AUDIT REPORTS ISSUED TO DATE

| Audit Area | Directorate | Overall Opinion |
|---|--------------------|------------------------|
| Information security incidents x 2 | Corporate | N/A |
| Information security compliance (North Block) | Corporate | Reasonable assurance |
| Information security compliance (South Block) | Corporate | Limited assurance |
| Information security compliance (Belle Vue Square, Skipton) | Corporate | High assurance |
| Information security compliance (Manor Road, Knaresborough) | Corporate | Limited assurance |
| Information security compliance (Jesmond House, Harrogate) | Corporate | Limited assurance |
| Care home visit (Anley Hall, Settle) | HAS | Substantial assurance |
| Care home visit (Eden House, Filey) | HAS | Substantial assurance |
| Care home visit (Newhaven, Boroughbridge) | HAS | Substantial assurance |
| Care home visit (Pennyghael, Selby) | HAS | Substantial assurance |
| Care home visit (Dunollie, Scarborough) | HAS | Substantial assurance |
| Care home visit (Ellershaw House, Grewelthorpe) | HAS | High assurance |
| Care home visit (Combehay, Scarborough) | HAS | High assurance |
| Public health | HAS | Substantial assurance |
| Community support budget (data quality review) | HAS | N/A |
| New system interfaces | CS | Substantial assurance |
| Blue badges – review of security arrangements | CS | N/A |
| North Yorkshire 2020 – customer portal project | ICT | Reasonable assurance |
| Symology - general IT controls | ICT | Substantial assurance |
| Wireless networking security | ICT | Reasonable assurance |
| IT in-house system development | ICT | Substantial assurance |
| IT risk management | ICT | Substantial assurance |
| Lagan CRM system (follow up) | ICT | Substantial assurance |
| IT programme management (follow up) | ICT | High assurance |
| Action for Children contract review (follow up) | Contract | N/A |