

NORTH YORKSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

1 DECEMBER 2016

PROGRESS ON 2016/17 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 2016/17 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 2016/17 Audit Plan on the 23 June 2016. The total number of planned audit days for 2016/17 is 1,290 (plus 912 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 2016/17 Audit Plan is progressing.

3.0 INTERNAL AUDIT PLAN PROGRESS BY 31 OCTOBER 2016

- 3.1 The internal audit performance targets for 2016/17 were set by the County Council's client officer. Progress against these performance targets, as at 31 October 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 2017 (the cut off point for 2016/17 audits). **Appendix 2** provides details of the final reports issued in the period. A further 6 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, 40 cases of suspected fraud or malpractice have been referred to Veritau for investigation. 12 of these are internal fraud cases, 9 social care and 4 external fraud. A further 15 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 £493k.

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 2016 and 31 October 2016 is 734 compared with 710 requests received during the corresponding period in 2015/16. The IGT is currently exceeding the performance response target of 95% for 2016/17 with 97.3% of requests so far being answered within the statutory 20 day deadline. The IGT also coordinates the County Council's subject access requests and has received 136 such requests between 1 April 2016 and 31 October 2016 (note this figure has increased on previous years because we are now able to report on all subject access requests received by the Council rather than just those managed by Veritau).
- 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 2016/17 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 plan was approved. The variations follow discussions with management and reflect changes in current priorities:

Add compliance visits to Wilf Ward Trust establishments	+12 days
Add review of bed returns / payments to residential and nursing homes	+20 days
Additional time for Continuing Healthcare audit	+5 days
Provide support to the Assessment, Billing and Contracts project	+15 days
Reduce time allocation for review of LiquidLogic/ContrOCC	-15 days
Defer post implementation review of LiquidLogic/ContrOCC (to 2017/18)	-15 days
Reduce time allocation for review of financial assessments	-7 days
Delete Best Practice and Benchmarking review	-20 days
Contingency (15 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 2016/17 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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14 November 2016

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

PROGRESS AGAINST 2016/17 PERFORMANCE TARGETS (AS AT 31/10/2016)

Indicator	Milestone	Position at 31/10/2016
To deliver 93% of the agreed Internal Audit Plan	93% by 30/4/17	36.45%
To achieve a positive customer satisfaction rating of 95%	95% by 31/3/17	100%
To ensure 95% of Priority 1 recommendations made are agreed	95% by 31/3/17	100%
To ensure 95% of FOI requests are answered within the Statutory deadline of 20 working days	95% by 31/3/17	97.28% ¹

¹ Performance to 30/9/16

FINAL 2016/17 AUDIT REPORTS ISSUED TO DATE

Audit Area	Directorate	Overall Opinion
Information security incidents x 4	Corporate	N/A
Information security compliance (Jesmond House, Harrogate)	Corporate	Limited assurance
Information security compliance (Manor Road, Knaresborough)	Corporate	Limited assurance
Contracts with Dalewood Trust	Contract	N/A
Best Value Forms compliance	Contract	N/A
Care home visit (The Orchards, Wistow)	HAS	Substantial assurance
Care home visit (Craegmore Priory)	HAS	High assurance
Care home visit (Henshaws, Harrogate)	HAS	Substantial assurance
Care home visit (Conroy Close, Easingwold)	HAS	High assurance
Wilf Ward Trust (Winton Road)	HAS	Substantial assurance
Wilf Ward Trust (Newsham Way)	HAS	Substantial assurance
Local Welfare Assistance Scheme	CS	Substantial assurance
IT schools IT data centre (Highfield House)	ICT	Limited assurance