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To: Audit and Governance Committee
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Lead Officer: Karen Iveson; Chief Finance Officer (s151 Officer)

Title: Internal audit, counter fraud and information governance work programmes 2021/22

Summary:

The purpose of this report is to present the proposed internal audit, counter fraud and information governance work programmes for 2021/22.

Recommendations:

It is recommended that the internal audit work programme 2021/22 be approved and that the counter fraud and information governance work programmes be noted.

Reasons for recommendation

Internal audit work programmes are required to be reported to the audit and governance committee for approval. Veritau provides the council with specialist counter fraud and information governance services. For transparency and information purposes we have included work programmes for these services alongside the internal audit work programme within this report. These work programmes do not need committee approval but are presented for information.

1. Introduction and background

- 1.1 This document sets out the planned 2021/22 programme of work for internal audit, counter fraud, risk management and information governance services provided by Veritau for Selby District Council.
- 1.2 The work of internal audit is governed by the Public Sector Internal Audit Standards (PSIAS) and the Council's audit charter. In accordance with PSIAS, internal audit work must be risk-based and take into account the requirement to produce an evidence-based annual internal audit opinion.

Planned work should be reviewed and adjusted in response to changes in the business, risks, operations, programmes, systems and internal controls.

- 1.3 The Head of Internal Audit's annual opinion is formed following an independent and objective assessment of the effectiveness of the framework of risk management, governance and internal control. Our planned audit work includes coverage of all three areas to develop a wider understanding of the assurance framework of the Council, and to produce a fully informed body of work which allows us to provide that opinion
- 1.4 Responsibility for effective risk management, governance and internal control arrangements remains with the Council. The Head of Internal Audit cannot be expected to prevent or detect all weaknesses or failures in internal control nor can audit work cover all areas of risk across the organisation.

2. Internal audit work programme

- 2.1 There is a currently a significant amount of uncertainty for Selby District Council arising from the environment in which it operates. The impact of Covid-19 on all aspects of the Council, the socioeconomic and regulatory uncertainty for post-Brexit UK, and the significant potential impact of Local Government Reorganisation are just three reasons why it is difficult to accurately predict key organisational risks for 2021/22. Risks relating to these issues, and the actions needed to manage and mitigate them, are likely to change and evolve over the next 12 months.
- 2.2 To meet professional aims and objectives, good practice for internal audit requires us to adopt flexible planning processes. This helps to ensure that internal audit work undertaken during the year is adapted on an ongoing basis to reflect changing and emerging risks within the Council.
- 2.3 The work programme for 2021/22 (appendix 1) represents a summary of the overall areas where we expect to undertake work over the next year, based on our current assessment of risk. This assessment involves giving careful consideration to:
 - where the volume and value of transactions processed are significant, or the impact if risks materialise is very high, making the continued operation of regular controls essential;
 - areas of known concern, where a review of risks and controls will add value to operations;
 - areas of significant change which may include providing direct support / challenge to projects, reviewing project management arrangements, or consideration of the impact of those changes on the control environment, for example where the reduction in resources may result in fewer controls.

Despite the significant uncertainties facing the Council, the areas listed above remain the core principles and appropriate criteria in identifying and prioritising areas for internal audit attention.

- 2.4 The identification of risks included in the assessment has been informed in a number of ways. This includes review of the organisational risk management processes, sector-wide risk information, understanding the Council's strategies and objectives, other known risk areas (for example areas of concern highlighted by management), the results of recent audit work and other changes in Council services and systems. The proposed areas of coverage have been subject to consultation with the Extended Leadership Team.
- 2.5 In delivering the programme we will prioritise work in the short term and regularly review and update its content (i.e. to reflect the actual work to be undertaken) on an ongoing basis throughout the year.
- 2.6 We will also regularly discuss the scope and timings of work with officers and management to help ensure that we provide assurance in the right areas and at the right time. Further meetings will be held in April to plan and confirm the scope and timings of some 2021 work. We will also provide regular updates to the Audit and Governance Committee throughout 2021/22 on the coverage, scope and findings of our work.
- 2.7 Where possible, internal audit work during 2021/22 will include shorter, more focussed assignments and an increased use of data analytics to support the provision of continuous assurance to the Council.
- 2.8 Total planned days for 2021/22 are 375.

3. Counter Fraud work programme

- 3.1 Appendix 2 sets out the proposed counter fraud work programme. Areas of activity are guided by the Council's counter fraud strategy and counter fraud risk assessment (presented in January 2021).
- 3.2 Total planned days for 2021/22 are 105.

4. Information Governance work programme

- 4.1 The information governance work programme (appendix 3) sets out proposed areas of information governance work for 2021/22. The total planned days for 2021/22 are 60.

5. Implications

- 5.1 There are no legal, financial, policy & risk, corporate plan, resource or other implications from this report.

6. Conclusion

- 6.1 The Internal Audit, Counter Fraud and Information Governance work programmes have been drafted in consultation with the Chief Finance Officer (s151) and other senior officers.
- 6.2 They represent work programmes which utilise resources effectively and are informed by the Council's main strategic risks. The work programmes support the overall aims and priorities of the council by promoting probity, integrity and accountability and by helping to make the council a more effective organisation.

7. Background Documents

Counter Fraud and Corruption Strategy Action Plan (January 2021)
Counter Fraud Risk Assessment (January 2021)

8. Appendices

Appendix 1 – Internal Audit work programme 2021/22

Appendix 2 – Counter Fraud work programme 2021/22

Appendix 3 – Information Governance work programme 2021/22

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