

NORTH YORKSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

26 JUNE 2021

2021/22 INTERNAL AUDIT PLAN

Report of the Head of Internal Audit

1.0 PURPOSE OF THE REPORT

1.1 To seek approval of the internal audit programme of work for 2021/22.

2.0 BACKGROUND

2.1 In accordance with professional standards¹ and the County Council's Audit Charter, internal audit work must be risk based and take into account the requirement to produce an evidence based annual internal audit opinion. Audit work should be reviewed and adjusted in response to changes in the business, risks, operations, programmes, systems and controls.

2.2 The Head of Internal Audit's annual opinion is based on an objective assessment of the effectiveness of the framework of risk management, governance and internal control. Our programme of work for 2021/22 will therefore cover all three areas so that we can develop a wider understanding of the Council's assurance framework and provide an evidence based opinion.

2.3 Responsibility for effective governance, risk management and 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.

3.0 INTERNAL AUDIT PLAN 2021/22

3.1 The draft internal audit work programme was previously presented to this Committee on 22 March 2021. The internal audit plan is now attached at **Appendix 1** and requires approval by the Committee. The Plan also includes details of the other services provided to the County Council by Veritau (counter fraud and information governance).

¹ As set out in the Public Sector Internal Audit Standards and specific guidance on the application of those standards for local government, issued by CIPFA.

- 3.2 The internal audit plan has been prepared on the basis of a risk assessment. This is intended to ensure that limited audit resources are prioritised towards those areas which are considered to be carry the most risk and/or which contribute the most to the achievement of the County Council's strategic priorities and objectives.
- 3.3 The identification of risks has been informed in a number of ways; including 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 the Council. The impact of the Covid-19 pandemic has also been considered as well as the possible consequences of Local Government Reorganisation.
- 3.4 The programme of work was subject to consultation with senior officers. Officers have highlighted a number of change projects (for example involving key financial processes) where they are keen for internal audit to add value and be positively involved in developing and improving organisational arrangements.
- 3.5 To meet professional aims and objectives, good practice for internal audit requires us to adopt a flexible planning process. This helps to ensure that audit work undertaken during the year is adapted on an ongoing basis to reflect changing risks within the organisation. The programme of work therefore represents a summary of the overall areas where we expect to undertake work in the current year, based on our current assessment of risk. We will prioritise work in the short term and regularly review and update plans for actual work to be undertaken throughout the year. The Plan should therefore be viewed as a relatively flexible document.

4.0 **RECOMMENDATION**

- 4.1 Members are requested to approve the Internal Audit Plan for 2021/22.

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

Max Thomas
Head of Internal Audit
Veritau Limited
County Hall
Northallerton

10 June 2021

Background Documents: None



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Area	Days	Potential audits / activity
Strategic, Corporate & cross cutting risks	150	Local Government Reorganisation (LGR) preparedness Post Covid 19 recovery and response plans HR and workforce planning Performance management and data quality Risk Management Project Management Partnerships Business Continuity and Disaster Recovery Climate change IDEA data analytics and data matching Assurance Mapping
Health and Adult Services (HAS)	170	Partnership working with the NHS Income from health (CCGs) S117 aftercare (Mental Health Act 1983) and Transferring of Care Programme Continuing Healthcare (CHC) Court of Protection Online financial assessments Deferred Payment Agreements Brokerage Visits to Care Providers Public Health
Business and Environmental Services (BES)	90	Highways Maintenance new arrangements Waste Management Planning Services Countryside Services
Central Services	100	Financial Systems redesign and modernisation support review

Area	Days	Potential audits / activity
		Debt management and Income collection Registration Services
Children's and Young People Services (CYPS)	170	Early Years High Needs Developing Stronger Families Maintained schools themed audits x 3
Computer Audit	50	Strategy and governance ICT Cyber Security ICT information security ICT Asset Management ICT Disaster Recovery
Procurement and Contract Audit	50	Targeted contract management and procurement reviews Supporting new procurement and contract management arrangements Transparency in supply chains Public Procurement and Health Procurement Regulations
North Yorkshire Pension Fund	50	Pension Fund Payroll Pension Fund Income Pension Fund Investments Attendance at Pension Fund Board
Contingency	20	New or emerging risks
Follow-ups	40	Follow-up of previous actions

Area	Days	Potential audits / activity
Liaison, reporting and other chargeable audit work	60	Liaison, support and advice Committee reporting Audit planning and resourcing External audit liaison
Internal Audit Total	950	
Other services provided by Veritau:		
Counter Fraud and Corruption	335	Policy framework updates Fraud risk assessment Investigations NFI Training and fraud awareness Advice and guidance
Information Governance	891	Data Protection Officer (including monitoring compliance with policy framework and data protection legislation, review of data protection impact assessments and investigation of serious data breaches) Co-ordination of responses to Data Protection and Freedom of Information requests Advice and guidance
TOTAL	2,176	

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RESOURCE ALLOCATION 2018 TO 2022

Area	2021/ 22	2020/ 21	2019/ 20	2018/ 19
Corporate / Cross cutting	150	90	150	200
Health and Adult Services	170	180	220	180
Business & Environmental Services	90	100	100	80
Central Services	100	110	110	130
Children & Young People's Services	170	180	212	212
Computer Audit	50	60	70	70
Procurement and Contract Audit	50	60	60	60
Pension Fund	50	50	50	50
Other Chargeable Audit Work	120	120	118	118
Internal audit - total	950	950	1,090	1,100
Other services:				
Counter Fraud & Corruption	335	335	350	350
Information Governance	891	891	606	606
TOTAL DAYS	2,176	2,176	2,046	2,056