

NORTH YORKSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

20 SEPTEMBER 2021

PROGRESS ON 2021/22 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 2021/22 internal audit programme of work and the other services delivered to the County Council by Veritau (information governance and counter fraud). The report also highlights any issues likely to impact on the programme of work throughout the remainder of the year.

2.0 BACKGROUND

- 2.1 The total number of planned audit days for 2021/22 is 950 (plus 1,226 days for other work including counter fraud and information governance). It is important that audit resources are used effectively and continue to focus on those areas which add the most value. The plan is therefore designed to be flexible so that as new risks are identified or priorities change the audit programme can be updated. This is particularly important this year as the County Council recovers from the Covid-19 pandemic and begins the process to create a new single council for North Yorkshire.
- 2.2 This report provides details of the work completed in 2021/22 to date and the priorities for the next quarter.

3.0 INTERNAL AUDIT PROGRAMME OF WORK (TO 31 AUGUST 2021)

- 3.1 The programme of internal audit work is prepared on the basis of an initial assessment of risk and to ensure there is sufficient coverage of the framework of governance, risk management and internal control. We have defined the following as areas where assurance is required in order to provide an evidence based opinion:

- Strategic planning
- Organisational governance
- Financial governance
- Risk management
- Information governance
- Performance management and data quality
- Procurement and contract management
- People management
- Asset management

- Programme and project management
- ICT governance

3.2 The requirement for providing assurance across all of these areas is taken into account when prioritising work. The programme of work is subject to ongoing review and will be adjusted in response to changes in the County Council's activities, risks, operations, systems and controls. During the year, planned work is prioritised on the basis of:

- Do first – work of the highest value, priority, or urgency
- Do next – work to be started after current audit work is completed
- Do later – work to be scheduled for consideration later in the year

3.3 Changes in the priority of work are agreed with council officers. Individual audit assignments can also move between the categories as required. For example an audit scheduled for quarter 3 to minimise the impact on a service area may initially be classed as to “do later”, but will become “do now” as we move into quarter 3. Similarly, a project audit classed as “do now” because it represents an area of high importance to the County Council may move from “do now” to “do next” or “do later”, if the project slips or planned work cannot be undertaken until a specific point is reached. Towards the end of the year, audits classed as “do later” are likely to be deferred until the next year.

3.4 **Appendix 1** provides details of the internal audits currently in progress and the status of each audit. **Appendix 2** provides details of the work scheduled to be started next.

Counter Fraud Work

3.5 Veritau continues to investigate 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, 24 cases of suspected fraud or malpractice have been referred to Veritau for investigation compared to 11 in the corresponding period in 2020/21. For the current year, 7 of the cases relate to internal fraud, 6 relate to adult social care and 3 relate to external fraud, debt recovery, or abuse of the council's financial assistance scheme. A further 8 cases relate to applications for a school place. A number of these investigations are still ongoing.

Information Governance

3.6 Veritau's Information Governance Team (IGT) continues to handle a significant number of information requests received in accordance with the Freedom of Information Act 2000 (FOI) and Data Protection Act 2018 (DPA). The number of FOI requests received between 1 April 2021 and 31 August 2021 was 440 compared with 369 requests received during the corresponding period in 2020/21. The number of requests received in 2021/22 and answered within 20 working days is currently 91%. The IGT also coordinates the County Council's subject access requests (SARs) and has received 71 such requests between 1 April 2021 and 31 August 2021 compared to 83 requests received during the corresponding period in 2020/21.

3.7 Veritau acts as the County Council's Data Protection Officer and provides advice and support to the County Council on all aspect of data protection. The IGT also reviews compliance with the legislation and liaises with the regulator, the Information Commissioner's Office (ICO). Other work includes reviewing data protection impact assessments, preparing data sharing agreements, recording data security incidents and investigating serious data security incidents.

Follow Up of Agreed Audit Actions

3.8 Veritau follows up all agreed actions on a regular basis, taking account of the timescales previously agreed with management for implementation. An escalation process is in place for when agreed actions are not implemented or where 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 satisfied with the progress that has been made by management to implement previously agreed actions necessary to address identified control weaknesses.

4.0 RECOMMENDATION

Members are asked to note the progress made in delivering the 2021/22 Internal Audit programme of work and the other assurance related services provided by Veritau.

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

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7 September 2021

Background Documents: Relevant audit reports kept by Veritau

2021/22 INTERNAL AUDIT WORK PROGRAMME – AUDITS IN PROGRESS / COMPLETED

Audit / Activity	Status	Assurance Level
North Yorkshire Highways - Opening Balances	Final report issued	No opinion given
Developing Stronger Families June 2021 return	Final report issued	No opinion given
Learning Disability and Autism	Fieldwork in progress	
Continuing Healthcare	Fieldwork in progress	
Main Accounting System	Fieldwork in progress	
Payroll	Fieldwork in progress	
Early Years	Fieldwork in progress	
Carlton Endowed School	Fieldwork in progress	
Brompton Hall School	Fieldwork in progress	
Schools Financial Value Standard (SFVS)	Fieldwork in progress	
Other work		
Internal audit work has been undertaken in a range of other areas during the period, including those listed below:		
Review of planning processes – no opinion given		

2021/22 INTERNAL AUDIT WORK PROGRAMME – CURRENT PRIORITIES

Audit / Activity	Status		
	Complete / ongoing	Do next	Do later
Strategic, corporate & cross cutting risks			
Local Government Reorganisation (LGR) preparedness		✓	✓
Post Covid-19 recovery and response plans		✓	✓
HR and workforce planning			✓
Payroll	✓		
Performance management / data quality			✓
Risk Management		✓	
Project Management			✓
Business Continuity / Disaster Recovery		✓	
Climate change			✓
IDEA data analytics and data matching		✓	
Assurance Mapping			✓
Health and Adult Services (HAS)			
Learning Disability and Autism	✓		
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		✓	

Audit / Activity	Status		
	Complete / ongoing	Do next	Do later
Visits to Care Providers			✓
Public Health			✓
Business and Environmental Services (BES)			
Highways Maintenance new arrangements	✓		
Waste Management		✓	
Planning Services			✓
Countryside Services			✓
Central Services			
Main Accounting System	✓		
Financial Systems redesign and modernisation support review		✓	
Debt management and Income collection			✓
Registration Services		✓	
Children's and Young People Services (CYPS)			
Early Years	✓		
High Needs			✓
Developing Stronger Families	✓	✓	✓
Maintained schools themed audits x 3		✓	
Individual school audits	✓	✓	✓
Computer Audit			
Strategy and governance			✓
ICT Cyber Security			✓
ICT Information security			✓
ICT Asset Management			✓
ICT Disaster Recovery			✓

Audit / Activity	Status		
	Complete / ongoing	Do next	Do later
Procurement and Contract Audit			
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			
Pension Fund Payroll			✓
Pension Fund Income			✓
Pension Fund Investments			✓
Attendance at Pension Fund Board	✓		