

NORTH YORKSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

1 MARCH 2018

PROGRESS ON 2017/18 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 2017/18 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 2017/18 Audit Plan on the 22 June 2017. The total number of planned audit days for 2017/18 is 1,134 (plus 956 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 2017/18 Audit Plan is progressing.

3.0 INTERNAL AUDIT PLAN PROGRESS BY 31 JANUARY 2018

- 3.1 The internal audit performance targets for 2017/18 were set by the County Council's client officer. Progress against these performance targets, as at 31 January 2017, 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 2018 (the cut off point for 2017/18 audits). **Appendix 2** provides details of the final reports issued in the period. A further 10 audit reports have been issued but remain in draft and fieldwork is underway with the majority of other scheduled audits.

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, 41 cases of suspected fraud or malpractice have been referred to Veritau for investigation. 15 of these are internal fraud cases, 15 relate to social care and 4 are external fraud. A further 7 cases relate to applications for school places. A number of these investigations are still ongoing. Further details about the types of cases are provided in the annual fraud report which is also on this agenda.

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 2017 and 31 January 2018 is 1,031 compared with 1,076 requests received during the corresponding period in 2016/17. The IGT is currently exceeding the performance response target of 95% for 2017/18 with approximately 96.3% of requests so far being answered within the statutory 20 day deadline. The IGT also coordinates the County Council's subject access requests (SARs) and has received 162 such requests between 1 April 2017 and 31 January 2018.¹
- 3.5 Veritau is assisting the County Council to prepare for the implementation of the General Data Protection Regulations (GDPR) on 25 May 2018 and to ensure the overall information governance framework is effective. This work includes supporting directorates to update their information asset registers, preparing data sharing agreements, recording data security incidents, investigating serious information security breaches, and providing advice and training. As part of this, Veritau auditors also 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. Veritau will act as the County Council's Data Protection Officer following the implementation of GDPR.

Variations to the 2017/18 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 progress report. The variations follow discussions with management and reflect changes in current priorities:

Department of Transport grant (verification of data)	+8 days
Data breach investigations (additional allocation)	+10 days
P2P project (data analysis)	+5 days
Information governance (additional allocation)	+27 days
HAS bed returns	+15 days
Care providers (additional allocation)	+15 days
HAS Liquid Logic system	-20 days
Continuing health care	-20 days
Home to school transport	-8 days
Risk management (defer to 2018/19)	-12 days
Performance management (defer to 2018/19)	-20 days
Net change to plan	nil

¹ The processing of SARs was changed in 2016/17. Requests were previously answered by individual directorates.

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 2017/18 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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13 February 2018

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

PROGRESS AGAINST 2017/18 PERFORMANCE TARGETS (AS AT 31/1/2018)

Indicator	Milestone	Position at 31/1/2018
To deliver 93% of the agreed Internal Audit Plan	93% by 30/4/18	46.74%
To achieve a positive customer satisfaction rating of 95%	95% by 31/3/18	100%
To ensure 95% of Priority 1 recommendations made are agreed	95% by 31/3/18	100%
To ensure 95% of FOI requests are answered within the Statutory deadline of 20 working days	95% by 31/3/18	96.31%

FINAL 2017/18 AUDIT REPORTS ISSUED TO DATE

Audit Area	Directorate	Overall Opinion
Information security incidents x 3	Corporate	No opinion
Information security compliance (North Yorkshire House)	Corporate	Reasonable assurance
Information security compliance (White Rose House)	Corporate	Limited assurance
Information security compliance (Employment Support Services)	Corporate	High assurance
Information security compliance (North Block – County Hall)	Corporate	Reasonable assurance
Information security compliance (Racecourse Lane)	Corporate	Reasonable assurance
Information security compliance (The Lodge)	Corporate	High assurance
Transparency	Corporate	Limited assurance
IR35	Corporate	Substantial assurance
Partners in Practice	CYPS	High assurance
Developing Stronger Families x 3	CYPS	High assurance (x 3)
Local Growth Fund - grant audit (chargeable)	BES	No opinion
Growth Hub – grant audit (chargeable)	BES	No opinion
Concessionary fares	BES	Substantial assurance
Controls for residential care	HAS	Reasonable assurance
Public health	HAS	Substantial assurance
Care home visit (Scarborough Mencap)	HAS	No opinion
Care home visit (The Lodge, Scarborough)	HAS	Limited assurance
Care home visit (Moorview, Whitby)	HAS	High assurance
Care home visit (UBU Roche Avenue, Harrogate)	HAS	Substantial assurance
Foundation Housing	HAS / Procurement	No opinion
Dalewood (follow up)	HAS / Procurement	No opinion
Best Value Forms Compliance (April - September)	Procurement	No opinion