

NORTH YORKSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

20 DECEMBER 2019

PROGRESS ON 2019/20 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 2019/20 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 2019/20 Audit Plan on the 21 June 2019. The total number of planned audit days for 2019/20 is 1,090 (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 2019/20 Audit Plan is progressing.

3.0 INTERNAL AUDIT PLAN PROGRESS BY 30 NOVEMBER 2019

- 3.1 The internal audit performance targets for 2019/20 were set by the County Council's client officer. Progress against these performance targets, as at 30 November 2019, 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 2020 (the cut off point for 2019/20 audits). **Appendix 2** provides details of the final reports issued in the period. A further 9 audit reports have been issued but remain in draft. Fieldwork is currently underway with a number 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, 40 cases of suspected fraud or malpractice have been referred to Veritau for investigation. 11 of these are internal fraud cases, 21 relate to social care and 8 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

- 3.4 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 2019 and 30 November 2019 is 688 compared with 824 requests received during the corresponding period in 2018/19. The County Council is currently below the performance response target of 95% for 2019/20 with approximately 75% of requests so far being answered within the statutory 20 day deadline. Actions continue to be taken to improve performance in this area. The IGT also coordinates the County Council's subject access requests (SARs) and has received 213 such requests between 1 April 2019 and 30 November 2019 compared to 150 requests received during the corresponding period in 2018/19.
- 3.5 Veritau acts as the County Council's Data Protection Officer following the implementation of the General Data Protection Regulation (GDPR) and Data Protection Act 2018. The IGT provides advice and support to the County Council on data protection matters, reviews compliance with the legislation and liaises with the regulator, the Information Commissioner's Office (ICO). Other work includes preparing data sharing agreements, recording data security incidents and investigating serious data security incidents. Veritau auditors have also continued to undertake a programme of unannounced compliance visits to County Council premises in order to assess staff awareness of the need to secure personal and confidential information.

Variations to the 2019/20 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. There have been no variations in the period since the last Committee meeting.

Follow Up of Agreed Actions

- 3.7 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 2019/20 Internal Audit programme of work.

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

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5 December 2019

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

PROGRESS AGAINST 2019/20 PERFORMANCE TARGETS (AS AT 30/11/2019)

Indicator	Milestone	Position at 30/11/2019
To deliver 93% of the agreed Internal Audit Plan	93% by 30/4/20	33.73%
To achieve a positive customer satisfaction rating of 95%	95% by 31/3/20	100%
To ensure 95% of Priority 1 recommendations made are agreed	95% by 31/3/20	0%
To ensure at least 30% of investigations completed result in a positive outcome (management action, sanction or prosecution)	30% by 31/3/20	40.38%
To identify actual fraud savings of £50k (quantifiable savings)	£50k by 31/3/20	£48,248
To ensure 95% of FOI requests are answered within the Statutory deadline of 20 working days	95% by 31/3/19	75.30%

FINAL 2019/20 AUDIT REPORTS ISSUED TO DATE

Audit Area	Directorate	Overall Opinion
Information security compliance – Legal Services	Corporate	Substantial assurance
Information security compliance – White Rose House	Corporate	Limited assurance
Information security compliance – 8 St Helen's Close, Morton on Swale	Corporate	High assurance
Payroll / HR	Corporate	High assurance
Customer Complaints and Compliments	Corporate	Substantial assurance
Concessionary Fares	BES	High assurance
Visits to Care Providers - Botton Village / Avalon	HAS	No opinion
Visits to Care Providers - Castle Grange (Scarborough)	HAS	No opinion
Developing Stronger Families - June claim	CYPS	No opinion
Developing Stronger Families - September claim	CYPS	No opinion