

**CITY OF YORK COUNCIL
INTERNAL AUDIT AND COUNTER FRAUD PLAN 2016/17**





City of York Council's Internal Audit and Counter Fraud Service

Annual Plan 2016/17

CONTENTS

- 1 Introduction
- 2 2016/17 Audit Plan
- 3 Corporate & Cross Cutting Audits
- 4 Main Financial Systems
- 5 Directorate Audits
- 6 Counter Fraud & Corruption
- 7 Information Governance
- 8 Other Chargeable Audit Work



City of York Council's Internal Audit and Counter Fraud Service

Annual Plan 2016/17

1. INTRODUCTION

- 1.1 This plan sets out the proposed 2016/17 programme of work for the internal audit and counter fraud services provided by Veritau for the City of York Council.
- 1.2 In accordance with proper practice¹, internal audit is required to prepare an indicative annual audit plan. The plan is based on a risk assessment model that is maintained by internal audit. The council's own risk management systems are also considered in forming a view on what audits to undertake. The audit plan is a working document, and changes are made throughout the year to reflect changes in risk and any issues that arise.
- 1.3 The content of the audit plan is subject to consultation with directors and other senior council officers, and is formally approved by the Audit and Governance Committee. The committee is responsible for monitoring progress against the plan. Changes to the plan are agreed through the council's client management arrangements and are notified to the committee. Proposed audit work is also discussed with the council's external auditors, to ensure that there is no duplication of effort. Further details about the approach to audit planning can be found in the Audit Charter (latest version approved by the Audit and Governance Committee in December 2014).

2. 2016/17 AUDIT PLAN

- 2.1 The ongoing financial pressures faced by the council and the consequent need to review and adapt services are major factors affecting systems and controls. Veritau's priority for the immediate future continues to be to help support the council maintain an effective control environment in these challenging times. The approach to audit planning for 2016/17 follows that adopted over the last few years by providing a balance between regularity audits in areas such as the main financial systems where the volume and value of transactions processed are significant and regular audit is essential; and other

¹ Proper practice is set out in the Public Sector Internal Audit Standards and specific guidance on these standards for local government, issued by Cipfa. This includes a requirement for engagement with senior managers and members in the audit planning process.



City of York Council's Internal Audit and Counter Fraud Service

Annual Plan 2016/17

reviews targeted towards areas of increased risk due to change. This includes:

- direct support to change projects - to provide advice and challenge on controls being implemented or changed, and project governance
- emphasis in other audit work on the appropriateness of control systems in the current climate, and key objectives to meet current needs (e.g. progress with savings plans).

2.2 Details of the 2016/17 plan are set out in sections 3 – 8 below.



City of York Council's Internal Audit and Counter Fraud Service

Annual Plan 2016/17

3. CORPORATE & CROSS CUTTING AUDITS

	<u>Days</u>
Annual Governance Statement & Governance Support Advice and support on corporate governance matters and support in preparing the council's annual governance statement.	6
Asset Disposals An allocation of time to review the council's Asset Disposals policy.	5
Asset Management A review of the arrangements for managing the council's fixed assets and systems for accounting for assets. This will include an assessment of whether the council's assets are being used effectively.	25
Business Continuity and Emergency Planning An audit of the council's business continuity and emergency planning arrangements.	25
Data Quality An audit of systems for capturing key performance data, to ensure information used for management of the organisation is robust. This will focus on indicators produced by individual directorates.	40
Document Management A review of the council's document management processes following the recent Information Commissioner's Office (ICO) report.	25
Freedom of Information A review of the arrangements in place to respond to requests made under the Freedom of Information Act.	20
Health & Safety A review of council arrangements for managing health and safety. The specific areas to be covered will be determined in consultation with officers.	20



City of York Council's Internal Audit and Counter Fraud Service

Annual Plan 2016/17

Health and Wellbeing Board	15
A review of the governance arrangements of the Health and Wellbeing Board. This will include examining how the Board functions and the reports it receives.	
Information Security	40
An allocation of time for a series of unannounced audit visits to council offices to ascertain the extent to which staff are recognising the need to protect sensitive and personal data and information assets. In addition, there is provision for an audit to assess understanding and compliance with Information Governance policies and procedures.	
Office Security	20
A review of the adequacy of security arrangements within West Offices.	
Overtime	25
A review of procedures across the council for the allocation, authorisation and record keeping relating to additional hours and overtime.	
Performance Management	25
A review of the effectiveness of the council's performance management framework.	
Procurement and Contract Management	40
A review of the arrangements within the council for procuring goods and services. This will encompass a number of separate audits including reviews of specific procurement exercises and contract related issues. Priorities for audit will be determined in consultation with council officers during the year.	
Project Management	40
An allocation of time for the review of Project Management arrangements within the council as well as support and advice for specific projects. This will include the ongoing Older Peoples' Home (OPH) project.	



City of York Council's Internal Audit and Counter Fraud Service

Annual Plan 2016/17

Training	20
A review of the effectiveness of the arrangements to deliver the training aims and objectives of the council.	
Use of Social Media	20
A review of the council's effectiveness in using social media to communicate with its residents.	
Ward Committee Budget Decision Making	15
A review of the robustness of decision making within ward committees.	
TOTAL – Corporate & Cross Cutting Audits	426



City of York Council's Internal Audit and Counter Fraud Service

Annual Plan 2016/17

4. MAIN FINANCIAL SYSTEMS

Days
20

Budget Savings

The audit will consider the controls in place related to the planning, monitoring and achievement of agreed budget savings, and the effectiveness of arrangements to manage risks relating to the budget.

Cashiers and Income Management

A review of overall income management arrangements and the administrative systems for processing payments (including cash handling controls and security).

20

Council Tax & NNDR

A review of the systems for calculating Council Tax and NNDR liabilities, and the collection, recording and processing of payments.

20

Council Tax Support and Housing Benefits

A review of the arrangements for paying Housing Benefits and for administering the council tax support scheme.

20

Housing Rents

Reviews of the systems to collect, record, reconcile and monitor housing rents. The audit will also examine the arrangements for debt recovery.

20



City of York Council's Internal Audit and Counter Fraud Service

Annual Plan 2016/17

Main Accounting System	20
A review of the arrangements for managing and maintaining the financial ledger. The audit will include a review of:	
<ul style="list-style-type: none">• access and back up arrangements• the integrity and timeliness of data• the processing of journals and virements• reconciling control and suspense accounts• the creation and maintenance of the coding structure• feeder systems and year end processes.	
Ordering and Creditor Payments	20
A review of the systems for ordering goods and services and processing creditor invoices.	
Payroll	20
A review of payroll controls and processing.	
VAT Accounting	20
A review of key controls to ensure compliance with VAT accounting requirements.	
York Financial Assistance Scheme	15
A review of the arrangements in place for making awards under the revised York Financial Assistance Scheme (YFAS).	
TOTAL – Main Financial Systems	195



City of York Council's Internal Audit and Counter Fraud Service

Annual Plan 2016/17

5. DIRECTORATE AUDITS

Days

Adult Social Services (AS)

Better Care Fund

20

An allocation of time to build on audit work carried out in 2015/16. This may include a review of governance arrangements, risk management processes and performance management.

Deprivation of Liberty Assessments

20

A review of the arrangements in place to carry out Deprivation of Liberty Assessments.

Safeguarding

25

A review of controls and governance arrangements in place to manage the key risks relating to adult safeguarding. This will follow-up on the action plan previously agreed.

City and Environmental Services (CES)

Blue Badge Scheme

15

An audit of the processes to administer Blue Badges to residents.

Fleet Management

25

An audit of the zero-based budgeting model in operation, including how services are costed and recharged to other services.

Highways Regulation

25

An audit of the arrangements in place to forecast income and resources and how this process is managed.

Section 106 Agreements

25

This review will build on the audit carried out in 2015/16 and will focus on ensuring that funding is used for its intended purpose.



City of York Council's Internal Audit and Counter Fraud Service

Annual Plan 2016/17

Children's Services, Education and Skills (CSES)

Contributions to Care 25
An audit of the arrangements in place to ensure the council and its partners are making the correct contributions.

Free Early Education Funding 25
A review of payments to private nursery providers. This includes the audit of registration records at a sample of nursery establishments, to ensure claims for funding are correct.

School Placement Planning 25
A review of the systems in place to plan for and provide primary and secondary school places.

Schools 120
A programme of visits to schools as well as a number of themed audits. The audits are undertaken in accordance with a detailed risk assessment.

Communities and Neighbourhoods (CANS)

Homeless Establishments 15
A review of the key risks in relation to homeless establishments operated by the council. This will include the allocation of places.

Housing Repairs 25
A review of the systems in place for managing housing repairs and maintenance.

Management of Travellers' Sites 15
A review of the management of travellers' sites within York.



City of York Council's Internal Audit and Counter Fraud Service

Annual Plan 2016/17

Public Health	25
An review of controls in place to manage key Public Health risks including providing assurance on the council's capacity to deliver the five statutory public health functions. This will build on work carried out in previous years and assess how well Public Health services have been embedded within the council.	
Right to Buy	20
An audit of the procedures in place for purchases of council properties under the Right to Buy scheme.	
<u>Customer and Business Support Services (CBSS)</u>	
IT audit	25
The specific areas to be covered will be determined in consultation with officers. The audit is likely to include key risks in relation to cybercrime.	
PCI DSS Compliance	5
A review of the council's compliance with the Payment Card Industry Data Security Standard (PCI DSS). This will build on initial work carried out in 2015/16.	
TOTAL – Directorate Audits	480



City of York Council's Internal Audit and Counter Fraud Service

Annual Plan 2016/17

6. COUNTER FRAUD & CORRUPTION

Days
150

Data Matching

Provision to coordinate data submission, check data validity, assess referrals, and investigate potential frauds in relation to:

- the National Fraud Initiative (NFI)
- local data matching exercises.

Fraud Awareness

60

Provision to deliver an overall programme of work to raise awareness of fraud issues amongst staff and the public. Activities include targeted fraud awareness training and organising counter fraud publicity (both internal and external).

Fraud Detection and Investigation

970

Provision to undertake investigations into suspected fraud, corruption or other wrongdoing. Examples of the types of investigation work that may be undertaken include internal fraud, social services related fraud, council tax/NNDR fraud and housing tenancy fraud. Activities include:

- recording and risk assessing all referrals
- investigation
- application of sanctions, and progressing cases to prosecution where appropriate
- liaison with the police, DWP and other agencies
- proactive, targeted, counter fraud exercises.



City of York Council's Internal Audit and Counter Fraud Service

Annual Plan 2016/17

Other Counter Fraud Related Work	70
Provision to provide other counter fraud and corruption work including:	
<ul style="list-style-type: none">• review of council counter fraud arrangements and policies• the provision of support and advice to directorates in relation to fraud issues• reporting on outcomes from counter fraud work.	
TOTAL – Counter Fraud & Corruption	1,250



City of York Council's Internal Audit and Counter Fraud Service

Annual Plan 2016/17

7. INFORMATION GOVERNANCE

	<u>Days</u>
Information Governance	5
An allocation of time for Information Governance activities including support to maintain the council's RIPA register and the Staff Warning Register.	
TOTAL – Information Governance	5



City of York Council's Internal Audit and Counter Fraud Service

Annual Plan 2016/17

8. OTHER AUDIT WORK

	<u>Days</u>
Audit and Governance Committee	20
Provision to prepare reports for the Audit and Governance Committee and attend meetings.	
Audit Planning	15
Preparation and monitoring of audit plans.	
Contingency Assignments	30
Provision to undertake additional work in response to:	
<ul style="list-style-type: none">• specific requests from the Director of Customer and Business Support Services (the S151 Officer), Audit and Governance Committee, or the Assistant Director - Finance, Asset Management and Procurement• new or previously unidentified risks which impact on Strategic Audit Plan priorities• significant changes in legislation, systems or service delivery arrangements• requests from customers to audit specific services, systems or activities usually as a result of weaknesses in controls or processes being identified by management• urgent or otherwise unplanned work arising from fraud investigations which identify potential control risks.	
External Audit Liaison	5
Provision for regular liaison and information sharing with Mazars.	
Follow Up Audits	50
Provision to follow up previously agreed audit recommendations.	
IDEA Data Matching	16
An allocation of time for IDEA data matching. This will include work in relation to Free School Meals.	



City of York Council's Internal Audit and Counter Fraud Service

Annual Plan 2016/17

Support, Advice & Liaison 30
Provision to provide ongoing advice and support on the design, implementation and operation of appropriate controls and for the overall management of audit work in each department.

TOTAL – Other Audit Work **166**

TOTAL DAYS 2016/17 **2,522**