

Audit and Governance Committee

29 September 2010

Report of the Assistant Director of Customer and Business Support Services
(Customer Service & Governance)

Audit, Counter Fraud & Information Governance Mid-Term Monitor

Summary

- 1 This report provides an update on progress made in delivering the internal audit workplan for 2010/11 and on current counter fraud and information governance activity.

Background

- 2 The work of internal audit is governed by the Accounts and Audit Regulations 2003 (as amended) and the CIPFA Code of Practice for Internal Audit in Local Government. In accordance with the code of practice, the 2010/11 audit and fraud plan was approved by the Audit and Governance Committee on 26 April 2010. The plan included a programme of audit reviews, along with details of planned counter fraud and information governance activities.
- 3 It was also recognised that changes might need to be made to the audit plan through the year as a result of new or changed priorities and/or if new risks were identified. To reflect the new contractual relationship between the council and Veritau, all proposed variations to the agreed audit plan arising as a result of emerging issues and/or requests from management are subject to a change control process. Where the variation exceeds 5 days then the change must be authorised by the Assistant Director of Customer and Business Support Services (Customer Service & Governance) who is the client manager for the service. All agreed variations will then be communicated to the Audit and Governance Committee for information.

2010/11 Internal Audit Plan – Progress to Date

- 4 Two of the priorities for Veritau are to deliver at least 93% of the audit plan and to ensure that the service continues to operate to recognised professional standards (as determined by the code of practice).
- 5 Internal audit successfully delivered 94.9% of the 2009/10 audit plan. 20% of the 2010/10 audit plan has been completed to date. This figure

is based on reports issued and does not take into account further audit fieldwork which is planned, complete or in progress. It is anticipated that the 93% target will be achieved by the end of April 2011. Details of the audits completed and reports issued since the last report to this committee (on 29 June 2010) are given in annex 1.

- 6 As noted in paragraph 3 above, it has been necessary to make a number of variations to the audit plan. Details of the audit plan variations approved by the client manager to date this year are given in annex 2.

Counter Fraud

- 7 Counter fraud work has been undertaken in accordance with the approved plan. Annex 3 provides details of the investigations completed and provides a summary of the work undertaken.

Information Governance

- 8 The information governance strategy, approved by the Executive earlier this year, will now be carried forward by the Corporate Information Governance Group which met for the first time on 7 September chaired by the director of Business and Customer Support Services. The group includes champions from each directorate, and receives specialist support from Veritau Ltd. The principal strands of the strategy are to review the policy framework and to carry out an information audit, both contributing to a national quality assurance standard known as the "Maturity Model". Risk management principles will need to be applied to ensure that the council's different classifications of information are appropriately controlled and processed. The practical outcomes will be better security of personal and other data, better control over the Council's information, including paper records and email, and an easier move to the new headquarters in 2012.
- 9 So far this year the team has tracked 293 freedom of information requests, up from 184 in the same period last year (a 59% increase). Providing advice and quality control over these requests, and data protection subject access requests, is the main work of the information governance team. A proposal to publish questions and answers publicly was considered by the Executive on 21 September, as a way of improving openness and accountability, and potentially reducing the volume of work for service managers.

Breaches of Financial Regulations

- 10 There have been no significant breaches of the council's financial regulations identified during the course of internal audit work in 2010/11 to date. However, a number of relatively minor breaches have been noted. Details of these breaches are summarised in annex 4.

Consultation

- 11 Not relevant for the purpose of the report.

Options

- 12 Not relevant for the purpose of the report.

Analysis

- 13 Not relevant for the purpose of the report.

Corporate Priorities

- 14 This report contributes to the council's overall aims and priorities by helping to ensure probity, integrity and honesty in everything we do. In doing so it contributes to the corporate objective of making the council an effective organisation.

Implications

- 15 There are no implications to this report in relation to:

- **Finance**
- **Human Resources (HR)**
- **Equalities**
- **Legal**
- **Crime and Disorder**
- **Information Technology (IT)**
- **Property**

Risk Management Assessment

- 16 The council will fail to properly comply with the CIPFA Code of Practice for Internal Audit in Local Government if the results of audit work are not reported to those charged with governance.

Recommendation

- 17 Members are asked to:

- (a) Note the results of the audit and fraud work undertaken to date in 2010/11.

Reason

To enable members to consider the implications of audit and fraud findings.

- (b) Note the variations to the 2010/11 audit plan, approved to date by the internal audit client manager (see annex 2).

Reason

To enable members to consider the delivery of the internal audit plan.

Contact Details

Author:

Richard Smith
Audit & Fraud Manager
Veritau Limited
01904 552936

Chief Officer Responsible for the report:

Pauline Stutchfield
Assistant Director (Customer Service and Governance)
Telephone: 01904 551706

Report Approved



Date 15/9/10

Specialist Implications Officers

Not applicable

Wards Affected: Not applicable

All



For further information please contact the author of the report

Background Papers

- 2010/11 Internal Audit & Counter Fraud Plan

Annexes

Annex 1 – 2010/11 Audits Completed and Reports Issued
Annex 2 – Variations to the 2010/11 Audit Plan
Annex 3 – Counter Fraud Activity
Annex 4 – Summary of Breaches of Financial Regulations