

## **Audit and Governance Committee**

19 April 2011

Report of the Assistant Director, Financial Services

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## **Audit, Counter Fraud & Information Governance Monitoring Report**

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### **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, Financial Services 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. To the end of March 2011, 88.7% of the 2010/11 audit plan had been completed. This figure is based on reports issued and does not take into

account further audit fieldwork which has been completed. The 93% target will be exceeded by the end of April 2011 (the cut off point for 2010/11 audits). Details of the audits completed and reports issued since the last report to this committee (in December 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 since December 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 Support to the council in implementing the government's transparency agenda continues to be a priority. The information governance team is also helping the council to respond to its recent security breach, devise an improvement plan, and help it prevent a recurrence. Also the Corporate Information Governance Group (CIGG) chaired by the Director of CBSS and representing all directorates has begun implementing the Information Governance Strategy, aimed at improving all aspects of the councils management of information but especially aimed at supporting the electronic document management project and the move to the new HQ.
- 9 During the year 723 Freedom of Information requests were received, compared to 551 in 2009/10 (a 31% increase).

### **Breaches of Financial Regulations**

- 10 There have been no significant breaches of the council's financial regulations identified since the last report to this committee in December. 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 progress made in delivering the 2010/11 internal audit work programme, and current counter fraud and information governance activity.

Reason

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

- (b) Note the variations to the 2010/11 audit plan set out in annex 2.

Reason

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

## Contact Details

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Report Approved



Date 8/4/11

## 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