

Audit and Governance Committee

2 April 2012

Report of the Assistant Director, Financial Services

Audit, Counter Fraud & Information Governance Monitoring Report

Summary

- 1 This report provides an update on progress made in delivering the internal audit workplan for 2011/12 and on current counter fraud and information governance activity.

Background

- 2 The work of internal audit is governed by the Accounts and Audit Regulations 2011 and the CIPFA Code of Practice for Internal Audit in Local Government. In accordance with the code of practice, the 2011/12 audit and fraud plan was approved by the Audit and Governance Committee on 19 April 2011. The plan included a programme of audit reviews, together with details of planned counter fraud and information governance activities.
- 3 This report provides an update on work undertaken against the approved plan. It also gives an update on the integration of Veritau and the North Yorkshire Audit Partnership.

2011/12 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 95.3% of the 2010/11 audit plan. To date, 69% of the 2011/12 audit plan has been completed. However, this figure is based on reports issued

and does not take into account audit fieldwork completed for which a report is due to be issued (a further 15%). There are also a number of other assignments in progress which will be finished by the year end. It is anticipated that the 93% target will be exceeded by the end of April 2012 (the cut off point for 2011/12 audits). Details of the audits completed and reports issued since the last report to this committee in December 2011 are given in annex 1.

- 6 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 the last monitoring report 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 to date and provides a summary of the work undertaken.

Information Governance

- 8 The team provides ongoing support and advice to service departments in managing information governance including support for the EDRMS project and the move to the new HQ, and for improving records management and data security.
- 9 So far this year (to 20 March) the team has tracked 880 Freedom of Information requests, up from 755 for the full year for 2010/11.

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.

Integration with North Yorkshire Audit Partnership

- 11 Further to the information provided to the committee in December 2011, work has continued to enable the transfer of internal audit services for a number of district councils from the North Yorkshire Audit Partnership to Veritau. Formal

approval was given by all of the council's involved and a new subsidiary company – Veritau North Yorkshire Limited was created on 1 February 2012. Agreements between the district councils and Veritau are currently being finalised and it is anticipated that the transfer of services will take place as planned on 1 April 2012. Plans for integrating management and working practices (for example the sharing of IT systems) are proceeding well and will largely be complete by 1 April although arrangements to manage the integration will continue into the new year (for example induction training for new VNY staff).

Consultation

- 12 Not relevant for the purpose of the report.

Options

- 13 Not relevant for the purpose of the report.

Analysis

- 14 Not relevant for the purpose of the report.

Council Plan

- 15 The work of internal audit, counter fraud, and information governance helps to support overall aims and priorities by promoting probity, integrity and accountability and by helping to make the council a more effective organisation.

Implications

- 16 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

- 17 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.

Recommendations

- 18 Members are asked to:
- (a) Note the progress made in delivering the 2011/12 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 progress on the integration of Veritau and the North Yorkshire Audit Partnership.

Reason

As part of the committee's responsibility to consider reports dealing with the management of internal audit

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**Report
Approved**



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Specialist Implications Officers

Not applicable

Wards Affected: Not applicable

All

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For further information please contact the author of the report

Background Papers

- 2011/12 Internal Audit & Counter Fraud Plan

Annexes

Annex 1 – 2011/12 Audits Completed and Reports Issued

Annex 2 – Audit Plan Variations

Annex 3 – Counter Fraud Activity

Annex 4 – Breaches of Financial Regulations