

**CITY OF YORK COUNCIL
INTERNAL AUDIT AND COUNTER FRAUD PLAN 2013/14**





City of York Council's Audit, Counter Fraud & Information Governance Service

Annual Plan 2013/14

CONTENTS

- 1 Introduction
- 2 2013/14 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



Annual Plan 2013/14

1. INTRODUCTION

- 1.1 This plan sets out the proposed 2013/14 programme of work for the internal audit, counter fraud, and information governance services provided by Veritau for the City of York Council.
- 1.2 In accordance with proper practice, internal audit is required to prepare an audit plan on at least an annual basis. 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.
- 1.4 Further detail about the audit planning process can be found in the approved audit strategy.

2. 2013/14 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 2013/14 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 reviews targeted towards areas of increased risk due to change. This includes:



Annual Plan 2013/14

- 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 2013/14 plan are set out in sections 3 – 8 below.



Annual Plan 2013/14

3. CORPORATE & CROSS CUTTING AUDITS

<u>Audit</u>	<u>Days</u>
Annual Governance Statement & Governance Support	20
Advice and support on governance matters and support in preparing the council's annual governance statement.	
Apprenticeships	20
A review of the council's apprenticeship programmes to include controls in place to ensure consistent, high quality provision across the council.	
Budget Savings	30
The 2013/14 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. This is a combination of audits previously undertaken separately related to budget setting, budget monitoring and efficiency and value for money.	
Business Continuity	20
A review of the council's revised business continuity arrangements following the major office moves during 2012/13.	
Capital Accounting	18
A review of systems and controls for recording and accounting for council assets. This will include review of the new capital accounting package being introduced.	
Capital Programme	18
A review of capital programme planning and monitoring arrangements.	



Annual Plan 2013/14

Data Quality	25
An audit of systems for capturing key performance data, to ensure information used for management of the organisation is robust.	
Document Management	20
A review of arrangements for the scanning and storage of documents at West Offices and Hazel Court.	
Environment and Sustainability	20
This will include assurance work in relation to the CRC energy efficiency scheme.	
Health & Safety	25
A review of council arrangements for managing health and safety. The specific areas to be covered will be determined in consultation with officers but are likely to include the policies and procedures in place for home and lone working since this is an area that is likely to increase significantly following the recent office moves.	
Information Security Checks	15
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 e.g. laptops being secured, paper files locked away.	
New HR System	20
Assurance work and support and advice in relation to the new system.	
Partnership Arrangements	25
A review of partnership risk management and governance arrangements, and partnership funding.	



City of York Council's Audit, Counter Fraud & Information Governance Service

Annual Plan 2013/14

Peer Review	15
Provision to follow up any actions arising from the LGA peer review.	
Procurement and Contract Management	60
A review of the arrangements within the council for procuring goods and services. This will encompass a number of separate audits including individual reviews of specific procurement exercises and contract related issues. Priorities for audit will be determined in consultation with council officers during the year, but will include review of monitoring arrangements for social care contracts.	
Risk Management	15
A review of overall council risk management arrangements. The audit will follow up any issues arising from the current review being undertaken by Zurich.	
Sickness/Absence Management	16
A review of arrangements for managing attendance.	
Staff Travel	20
A review of staff travel arrangements across the council which will cover decision making processes, value for money considerations and the impact of the 2012/13 office moves.	
TOTAL – Corporate & Cross Cutting Audits	402



Annual Plan 2013/14

4. MAIN FINANCIAL SYSTEMS

<u>Audit</u>	<u>Days</u>
Cashiers and Income Management	20
A review of overall income management arrangements and the administrative processes for processing payments (e.g. cash handling controls and security). The audit will cover revised arrangements following the office moves / opening of West Offices.	
Council Tax & NNDR	25
A review of the systems for calculating Council Tax and NNDR liabilities, and the collection, recording and processing of payments. The audit will include a review of any changes as a result of the localisation of NNDR collection and Leeds City Region Business Rates Pool.	
Council Tax Support Scheme	20
A review of the arrangements for administering the council tax support scheme, and crisis loans and community care grants.	
Debtors	20
A review of the systems for raising debtor invoices and collecting income, credit control, and debt recovery arrangements.	
Housing Benefits	12
A review of systems and processes for paying Housing Benefit.	
Housing Rents	25
Reviews of the systems to collect, record, reconcile and monitor housing rents. The audit will also examine the arrangements for debt recovery.	



Annual Plan 2013/14

Main Accounting System	25
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• year end processes.	
Ordering and Creditor Payments	30
A review of the systems for ordering goods and services and processing creditor invoices.	
Payroll	30
A review of payroll controls and processing.	
Procurement Cards	10
A review of the use of procurement cards across the council.	
Treasury Management & Prudential Code	8
A healthcheck review of treasury management systems.	
VAT Accounting	8
A review of key controls to ensure compliance with VAT accounting requirements.	
TOTAL – Main Financial Systems	233



Annual Plan 2013/14

5. DIRECTORATE AUDITS

<u>Audit</u>	<u>Days</u>
Amenity Funds	5
Provision for independent examination of amenity fund records and procedures maintained by social care establishments.	
CANS and CES – Charging for Private Works	25
A review of policies and procedures in place for undertaking and charging for private works for individuals.	
CANS and CES – Materials Usage and Disposal	20
A review of procedures for accounting for material usage and the management of scrap and surplus materials.	
CES – Development of Traded Services	20
Support and advice in further developing traded services. Work may include specific value for money exercises and development of controls.	
Children's Social Care Records	10
Provision to provide support in relation to replacement of the RAISE system.	
IT Audit	20
The specific areas to be covered will be determined in consultation with officers but are likely to include the IT implications and related controls around home and remote working.	



Annual Plan 2013/14

Major Project Support Work 60

Allocation of time to provide support and advice to council projects. This will include:

- Community Stadium
- Libraries
- Warden Call

Nursery Education Grants 20

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.

Ordnance Lane 5

An establishment audit. This follows on from similar work undertaken at Howe Hill during 2012/13.

Payments for Foster Care 20

A review of the new arrangements for payments to foster carers.

Personalisation, Direct Payments, & Individual Budgets 30

This is a significant and wide-ranging programme of change with implications for all areas of adult social care and, as such, carries significant risk. Audit work will include follow up of improvements made to monitoring the use of direct payments.

Public Health 20

A review of procurement and commissioning arrangements and of systems in place surrounding the council's new responsibilities for Public Health.



City of York Council's Audit, Counter Fraud & Information Governance Service

Annual Plan 2013/14

Schools 120

A programme of visits to schools. The audits are undertaken in accordance with a detailed risk assessment. In addition, a themed audit around data security in schools will be undertaken in 2013/14.

Social Care Establishments 20

Establishment audits focussing on security and cash handling procedures following the introduction of new procedures during 2012/13.

TOTAL – Directorate Audits **395**



Annual Plan 2013/14

6. COUNTER FRAUD & CORRUPTION

<u>Area</u>	<u>Days</u>
Data Matching	176
Provision to coordinate data submission, check data validity, assess referrals, and investigate potential frauds in relation to:	
<ul style="list-style-type: none">• the National Fraud Initiative (NFI)• Housing Benefit Matching Service (HBMS) referrals• 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	945
Provision to undertake investigations into suspected fraud, corruption or other wrongdoing. The majority of the work will relate to benefit fraud. Examples of other types of investigation work that may be undertaken include internal fraud, social services related fraud and housing tenancy fraud. Activities include:	
<ul style="list-style-type: none">• 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 Audit, Counter Fraud & Information Governance Service

Annual Plan 2013/14

Other Counter Fraud Related Work **70**

Provision to provide other counter fraud and corruption work including:

- 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 **1,251**



Annual Plan 2013/14

7. INFORMATION GOVERNANCE

<u>Area</u>	<u>Days</u>
Data Protection	10
Provision of time to provide advice and support to senior management and directorates to ensure compliance with all aspects of Data Protection legislation.	
Freedom of Information	70
Provision of time to provide a coordinating role to the council in respect of the Freedom of Information Act. This work will include recording and monitoring FOI requests to ensure that responses are adequate and comply with legislation and that all requests are responded to within the 20 day deadline.	
Information Governance Framework	140
A provision of time to lead on the development and implementation of appropriate Information Governance policies and strategies across the council and to implement associated communication and roll out plans designed to ensure that the arrangements in place to manage and protect personal and confidential data are effective. Attendance at Corporate Information Governance Group will be required. There will also be regular meetings with relevant officers to ensure that related HR and IT policies and strategies are co-ordinated and are consistent with each other.	
TOTAL – Information Governance	220



Annual Plan 2013/14

8. OTHER CHARGEABLE AUDIT WORK

<u>Area</u>	<u>Days</u>
Audit and Governance Committee	20
Provision to prepare reports for the Audit and Governance Committee and attend meetings.	
Contingency Assignments	90
Provision to undertake additional work in response to:	
<ul style="list-style-type: none">• specific requests from the Chief Finance Officer (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	40
Provision to follow up previously agreed audit recommendations.	
Strategic & Annual Audit Plans	20
Preparation and monitoring of strategic and annual audit plans.	



City of York Council's Audit, Counter Fraud & Information Governance Service

Annual Plan 2013/14

Support, Advice & Liaison 65

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 Chargeable Audit Work **240**

TOTAL CHARGEABLE DAYS 2013/14 **2,741**