

## **HAMBLETON DISTRICT COUNCIL**

**Report To:** Audit, Governance and Standards Committee  
26 March 2019

**From:** Director of Finance (s151 officer)

**Subject:** **VERITAU INTERNAL AUDIT, COUNTER FRAUD AND INFORMATION GOVERNANCE PLANS 2019/20**

All Wards

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### **1.0 PURPOSE AND BACKGROUND:**

- 1.1 The work of internal audit is governed by the Public Sector Internal Audit Standards (PSIAS). In accordance with those standards and the Council's Audit Charter, internal audit is required to prepare an audit plan on at least an annual basis. As stated within paragraph 7.6 of the Audit Charter this Committee has responsibility to approve the audit plan.
- 1.2 In addition to Internal Audit, Veritau provides the Council with specialist Counter Fraud and Information Governance services. For transparency and information purposes we have included these services alongside the audit plan within this report. These reports do not need Committee approval but are presented for the Committee's information.
- 1.3 The purpose of this report is to present the proposed Internal Audit, Counter Fraud and Information Governance plans for 2019/20.

### **2.0 THE REPORT**

- 2.1 Once a year the ongoing audit planning process is formalised with the production of the Annual Internal Audit plan. The plan is based on a risk assessment which helps to ensure that limited audit resources are prioritised towards those areas which are considered to be the most appropriate and/or which contribute the most to the achievement of the Council's priorities and objectives.
- 2.2 The audit plan includes an estimate of the time individual elements will take. The estimate of time seeks to reflect the depth of risks and work required and was agreed between internal audit and officers during the planning process. Discussions during the planning process plus previous knowledge and experience help inform these estimates. Further information on the internal audit planning process was provided to this Committee in June 2016. A copy of the internal audit plan for 2019/20 is attached in Annex 1. Progress against the plan will be reported to Committee on a quarterly basis
- 2.3 The plan for Counter Fraud is included in Annex 2. Progress against the Counter Fraud Plan will also be reported to Committee on a quarterly basis. The plan for Information Governance work is included in Annex 3.
- 2.4 The content of the plans has been subject to consultation with relevant Directors and other senior officers as necessary.
- 2.5 The Internal Audit plan includes 285 days, the Counter Fraud plan 120 days and Information Governance 145 days.

### **3.0 LINK TO COUNCIL PRIORITIES**

3.1 The work of internal audit, counter fraud and information governance supports the Council's overall aims and priorities by promoting probity, integrity and honesty and by helping support the council to become a more effective organisation.

### **4.0 RISK ASSESSMENT:**

4.1 There are no risks associated with the recommendations in the report.

### **5.0 FINANCIAL IMPLICATIONS:**

5.1 There are no financial implications associated with the recommendations in the report.

### **6.0 LEGAL IMPLICATIONS:**

6.1 There are no legal implications associated with the recommendations in the report.

### **7.0 EQUALITIES AND DIVERSITY ISSUES:**

7.1 There are no equalities or diversity issues associated with the report.

### **8.0 RECOMMENDATIONS:**

8.1 It is recommended that the Internal Audit Plan 2018/19 be approved and that the Counter Fraud and Information Governance plans be noted.

LOUISE BRANFORD WHITE  
DIRECTOR OF FINANCE (S151 OFFICER)

Background papers: None

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# Hambleton District Council

## Internal Audit Plan 2019/20

**Audit Manager:** Stuart Cutts  
**Head of Internal Audit:** Max Thomas

**Circulation List:** Members of the Audit, Governance & Standards Committee  
Chief Executive  
Executive Director & Deputy Chief Executive  
Management Team

**Date:** March 2019

## **Introduction**

- 1 This document sets out the planned 2019/20 programme of work for internal audit, provided by Veritau for Hambleton District Council.
- 2 The work of internal audit is governed by the Public Sector Internal Audit Standards. In accordance with those standards and the Council's Audit Charter, internal audit is required to prepare an audit plan on at least an annual basis. The standards require that internal audit independently forms a view on the risks facing the council and work to be included in the audit plan.
- 3 The Head of Internal Audit is required to produce an annual internal audit opinion to the Council based on an objective assessment of the effectiveness of the framework of Risk Management, Governance and Internal control. Our planned audit work includes coverage of all three areas to develop a wider understanding of the assurance framework of the Council and provide a fully informed body of work to provide that opinion.
- 4 The internal audit plan has been prepared on the basis of a risk assessment. This is intended to ensure that limited audit resources are prioritised towards those systems which are considered to be the most risky and/or which contribute the most to the achievement of the District Council's priorities and objectives. The content of the internal audit plan has been subject to consultation with directors and other senior officers.
- 5 The internal audit plan is submitted for formal approval by the Audit, Governance and Standards Committee who are also responsible for monitoring progress against the plan. Changes to the plan may be made during the year, for example to accommodate audit of emerging risk areas. Any changes will be agreed with the Director of Finance (s151 officer) and will be notified to this committee. Proposed work is also discussed with the Council's external auditors to ensure there is no duplication of effort. We will provide regular updates on the scope and findings of our work to the Audit, Governance and Standards Committee throughout 2019/20.
- 6 The plan is based on a total number of 285 days for 2019/20 which is the same as in 2018/19.

## **2019/20 Internal Audit Plan**

- 7 The plan has been structured in sections under the responsibilities of each Director of the Council plus the time allocated on project support, client support, advice and follow up.

## Internal Audit Plan 2019/20

### Director of Finance (s151 officer)

#### Revenues and Benefits

<b>Audit</b>	<b>Scope</b>	<b>Days</b>
Benefits	To review the key risks and controls involved in awarding and paying Housing Benefits and the performance and efficiency of systems and processes post Benefits and Revenues integration. Work will include benefit overpayments recovery.	15
Revenues	To review the key risks and controls involved in collecting Council Tax and Business Rates, and the performance and efficiency of systems and processes post Benefits and Revenues integration.	15
		<b>30</b>

#### Corporate Finance

<b>Audit</b>	<b>Scope</b>	<b>Days</b>
Payroll	A review of the payroll system and key risk areas of employee expenditure.	15
Creditors	To review the key risks and controls surrounding the payment of creditor invoices.	10
Sundry Debtors	A review of the key controls around raising invoices and collecting income, including debt recovery.	10
Income: Fees, Charges and Collection	A review of the processes for determining fees and charges and the consistency of arrangements in different parts of the Council. Work will also follow up any issues around income collection identified in previous audit work and the arrangements at customer service offices.	15
		<b>50</b>

## Performance and Information Technology

<b>Audit</b>	<b>Scope</b>	<b>Days</b>
Risk Management	A review of the effectiveness of the application of the Council's updated approach to Risk Management. We will review use of the new risk register including the identification and management of risk.	10
Project Management	To review the progress made in updating guidance and rolling out the new framework for the management of projects.	10
ICT	A review of key ICT risks and controls. The specific area will be agreed with officers during the year.	15
Digitalisation	A follow up review to appraise progress made and the effectiveness of arrangements to improve the use of technology and digitalisation throughout the Council.	5
		<b>40</b>
		<b>120</b>

## Director of Economy and Planning

<b>Audit</b>	<b>Scope</b>	<b>Days</b>
Disabled Facilities Grants	A review of the Council's systems, processes and overall arrangements in respect of the management of Disabled Facilities Grants.	17
Section 106 Agreements	A review of the systems and processes in place for applying and enforcing s106 agreements.	10
Homelessness	A review of arrangements for preventing and tackling homelessness. This will include reviewing compliance with the requirements of the Homeless Reduction Act 2017.	15
Economic Development	A review of the Councils economic development strategies and arrangements to ensure they are up-to-date and meet the aims and objectives of the Council.	15
		<b>57</b>

## Director of Leisure and Environment

Audit	Scope	Days
Repairs and Maintenance at Leisure Centres	A review of the effectiveness of contract management for repairs and maintenance expenditure at the Leisure Centres.	15
Flexible Working	A review of compliance with council policy on home and flexible working, within the Leisure and Communities service.	10
Community Safety and Safer Hambleton Hub	A review of the systems and processes in place to deliver the Council's statutory obligations in respect of Community Safety and the Safer Hambleton Hub.	10
		<b>35</b>

## Director of Law and Governance

Audit	Scope	Days
New starters	A detailed review of the application of policies and procedures for new starters. Work will include review of new starters' checks and the application of Council policy in respect of induction and probationary periods.	20
		<b>20</b>

## Improvement

### Projects

Audit	Scope	Days
Assurance Mapping	This was a specific recommendation from Veritau's external Public Sector Internal Audit Standards (PSIAS) assessment in 2018. We will consider and develop review of other sources of assurance to ensure that duplication of work is minimised and audit resources are used effectively.	8
		<b>8</b>

## Client Support, Advice and Follow up

Area	Days
Committee Preparation and Attendance	12
Audit Planning and Client Liaison	8
Follow up of previous years findings	8
Miscellaneous Advice	8
Financial Appraisals	5
Other (e.g. External Audit Liaison, Member and Officer Training)	4
	<b>45</b>
	<b>285</b>



# Hambleton District Council

## Counter Fraud Plan 2019/20

**Counter Fraud Manager:** Jonathan Dodsworth  
**Deputy Head of Internal Audit:** Richard Smith  
**Head of Internal Audit:** Max Thomas

**Circulation List:** Member of the Audit, Governance & Standards  
Committee  
Chief Executive  
Executive Director & Deputy Chief Executive  
Management Team

**Date:** March 2019

## Introduction

- 1 Veritau undertakes counter fraud work on behalf of Hambleton District Council. This document summarises the agreed areas of counter fraud work for 2019/20.
- 2 The Counter Fraud Plan is based on an estimate of the amount of resource required to provide the range of counter fraud activities required by the council. A total of 120 days of counter fraud work has been agreed for 2019/20.

## 2019/20 Counter Fraud Plan

- 3 A summary of planned areas of work is set out in the table below.

<b>Fraud Area</b>	<b>Scope</b>
Counter Fraud General	Monitoring changes to regulations and guidance, review of counter fraud risks, and support to the council with maintenance of the counter fraud framework. This will include completion of the annual counter fraud risk assessment and review of the counter fraud policy and strategy.
Proactive Work	This includes: <ul style="list-style-type: none"><li>• raising awareness of counter fraud issues and procedures for reporting suspected fraud - for example through training and provision of updates on fraud related issues</li><li>• targeted proactive counter fraud work - for example through local and regional data matching exercises</li><li>• support and advice on cases which may be appropriate for investigation and advice on appropriate measures to deter and prevent fraud.</li></ul>
Reactive Investigations	Investigation of suspected fraud affecting the council. This includes feedback on any changes needed to procedures to prevent fraud recurring.
National Fraud Initiative (NFI)	Investigation and reporting of matches identified through the National Fraud Initiative.



# Hambleton District Council

## Information Governance Plan 2019/20

**Information Governance Manager:** Rebecca Bradley  
**Head of Internal Audit:** Max Thomas

**Circulation List:** Member of the Audit, Governance & Standards Committee  
Chief Executive  
Executive Director & Deputy Chief Executive  
Management Team

**Date:** March 2019

## Introduction

- 1 Veritau undertakes information governance work on behalf of Hambleton District Council. Veritau is also the Council's appointed statutory Data Protection Officer which involves the carrying out of specific functions. The service helps to ensure the Council complies with all relevant legislation, including the General Data Protection Regulation (GDPR), Data Protection Act 2018 and Freedom of Information Act 2000. This document summarises the agreed areas of work for 2019/20.
- 2 The Information Governance Plan is based on an estimate of the amount of resource required to provide the range of activities required by the Council. A total of 145 days of information governance work has been agreed for 2019/20.

## 2019/20 Information Governance Summary

- 3 The following table provides an indicative allocation of time across each element of the service:

Area	Days	Scope
<b>FOI and Subject Access Requests</b>	112 Days	Coordination of responses to freedom of information requests, environmental information requests, subject access requests and other requests to exercise data protection rights.
<b>Coordination of Information Security Investigations</b>	8 Days	The investigation of serious information security incidents and the coordination of remedial activity.
<b>Data Protection Officer Role</b>	5 Days	Monitoring compliance with the Council's policy framework and data protection legislation (including undertaking a programme of audits) as Data Protection Officer.  This also includes liaising with the UK Information Governance regulator: the Information Commissioner's Office (ICO) and with data subjects who have concerns with how their data is being processed.
<b>Information Governance Strategy and Support</b>	15 Days	Developing the Council's policy framework, advising on the implementation of new information governance processes and supporting service area projects with information governance consultations.
<b>Provision of Advice and Training</b>	5 Days	The provision of advice and guidance on all information governance related matters. Supporting service managers by providing

specific information governance training sessions to officers.

## **2019/20 Information Governance Strategic Objectives**

4 The following strategy objectives will be delivered by Veritau in 2019/2020:

### *Development of Information Governance Policy Framework*

5 The Council is required to demonstrate compliance with the six data protection principles by maintaining a framework of Information Governance Policies. This work commenced in 2018/2019 and is expected to be finalised in 2019/2020.

The following policy areas will be developed:

- Overarching Information Governance Strategy
- Information Access, Rights, and Transparency
- Personal Privacy
- Information Security Overview
- Information Security Incident Reporting

### *Information Asset Management*

6 The Council is required to maintain 'Records of Processing'. The Council established an information asset register in 2018/2019 to comply with this requirement. Veritau will work with service managers to refine and expand this register in 2019/2020. This will give better oversight of processing activity in each service area.

7 As part of the work on developing the Council's information asset register a comprehensive list of other data controllers who may receive data from the Council has been compiled. Veritau will work with service managers to ensure that these data sharing arrangements are formalised through information sharing agreements as per the requirements of the North Yorkshire Information Sharing Protocol which the Council is a signatory to.

8 A process map detailing how this work will be undertaken can be found in Appendix 1 of this report.

### *Transparency*

9 Veritau will work with service managers to ensure that necessary information is published in accordance with legislative requirements. This includes local government specific datasets, privacy notices, and consent forms.

## **2019/20 Information Governance Compliance Review**

10 An information governance compliance review will be conducted in 2019/2020. This review will focus on specific requirements of the General Data Protection Regulation (GDPR) and Data Protection Act 2018 which came into force in the UK in May 2018.

- 11 A key element of the compliance review will be to cross check contracts declared on the corporate information asset register against the Council's contracts register. This will identify where data processing arrangements are in existence and to ensure that contracts have been suitably varied to include adequate GDPR contractual clauses.
- 12 The outcomes of the compliance review will be published in a report which will determine the information governance strategic objectives for 2020/2021.

### **2019/20 Information Governance Training Provision**

- 13 The following information governance themes will be covered by specific Veritau delivered training in 2019/2020:

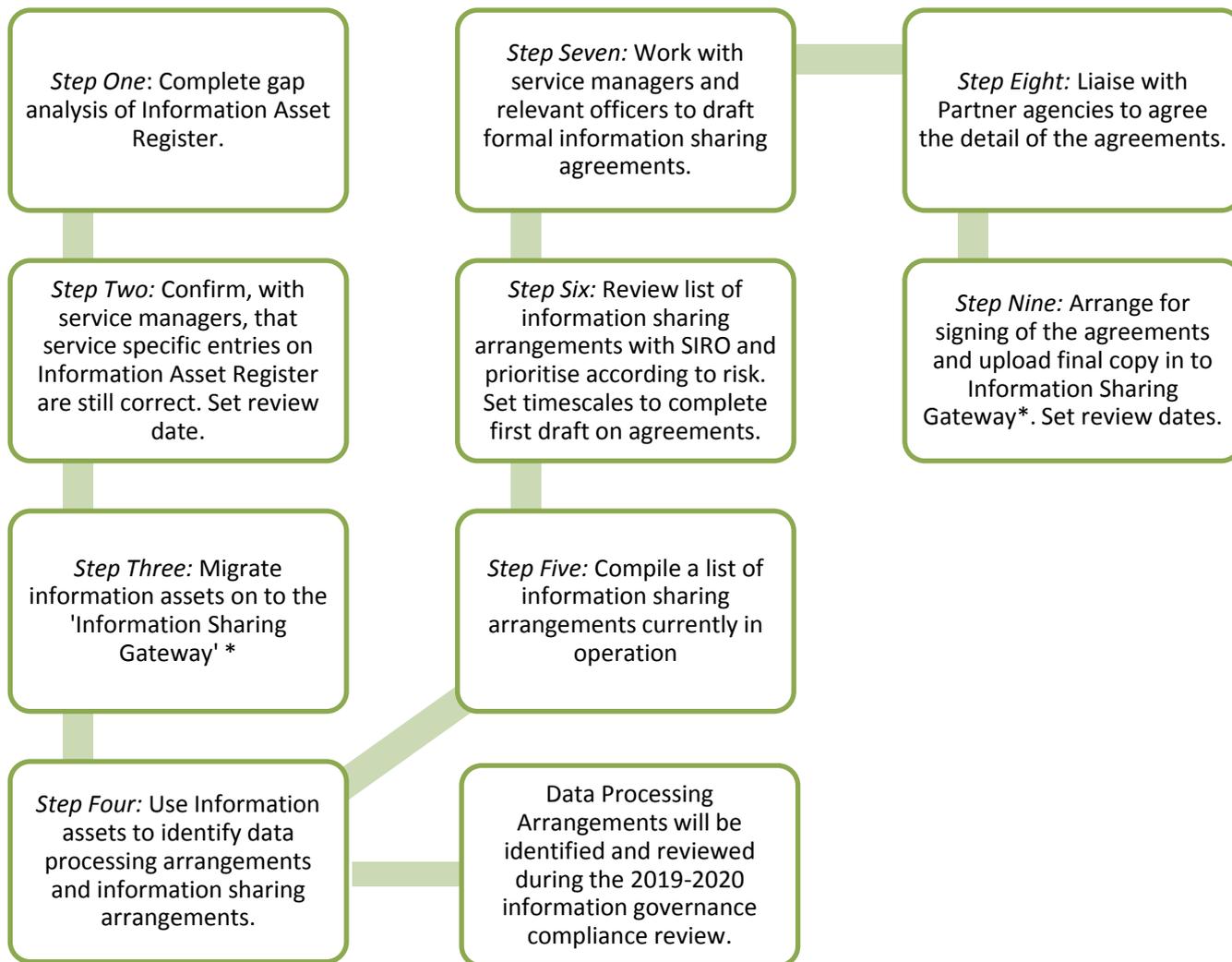
#### *Records Management*

- 14 Delegates will be introduced to Records Management concepts and tools including: the Records Lifecycle, benefits of Records Management, file plans, email management, retention and Information Asset Registers.

#### *Data Protection Rights and Principles*

- 15 Delegates will be introduced to the six data protection principles and the various rights that data subjects have with regards to their personal data. This session will focus on transparency and accountability.

## Appendix 1: Process Map detailing development of Information Sharing Agreements across the Council.



\* The 'Information Sharing Gateway' is an online framework to support information sharing across a number of organisations. A number of organisations in North Yorkshire are working together to use the gateway to integrate their depositories of information sharing agreements and create a detailed information flow map across the County.