

HAMBLETON DISTRICT COUNCIL

Report To: Audit, Governance and Standards Committee
27 March 2018

From: Director of Finance (s151 officer)

Subject: **VERITAU INTERNAL AUDIT, COUNTER FRAUD AND INFORMATION
GOVERNANCE PLANS 2018/19**

All Wards

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 now provides the Council with specialist Counter Fraud and Information Governance services. For transparency and information purposes we have now 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 2018/19.

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 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 at 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 2018/19 is attached in Appendix 1.
- 2.3 Plans for Counter Fraud and Information Governance have also been prepared and are included in Appendix 2 and Appendix 3. Progress against the Counter Fraud Plan will be reported to Committee on a quarterly basis, along with regular updates against the Internal Audit Plan. The Information Governance Plan is included for completeness providing transparency of all three governance services contracted to Veritau North Yorkshire.
- 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 RECOMMENDATIONS:

7.1 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 2018/19

Audit Manager:
Head of Internal Audit:

Stuart Cutts
Max Thomas

Circulation List:

Member of the Audit, Governance & Standards
Committee
Chief Executive
Executive Director & Deputy Chief Executive
Management Team

Date: March 2018

Introduction

- 1 This document sets out the planned 2018/19 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.
- 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 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 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 2018/19.
- 6 The plan is based on a total number of 285 days for 2018/19 which is the same as in 2017/18.

2018/19 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 2018/19

Director of Finance (s151 officer)

Revenues and Benefits

Audit	Scope	Days
Benefits	To review the key risks/controls involved in awarding and paying Housing Benefits including the Council Tax Support Scheme.	10
Integration	To review the potential for integrating resources and cross cutting process across the Revenues and Benefit Service	15
		25

Corporate Finance

Audit	Scope	Days
Payroll	A review of the payroll system and key risk areas of employee expenditure.	10
Creditors	To review the key risks/controls surrounding the payment of Creditors invoices.	10
Income and Receipting	To review the key risks/controls surrounding receipting and balancing of monies received. We will specifically review the key controls in place at Leisure Centres.	10
General Ledger	A review of the key controls of the General Ledger, including bank reconciliations, journals and control accounts.	10
Treasury Management	To review the Council's arrangements with the requirements of the new CIPFA code on Treasury Management in the Public Services.	10
		50

Performance and Information Technology

Audit	Scope	Days
Risk Management	A review of the effectiveness of the Risk Management arrangements to highlight and robustly manage the key strategic risks of the Council.	10
Performance Management Framework	A review of the effectiveness of the Council's performance management framework.	15
Digitalisation	A review of the effectiveness of the arrangements to improve the use of technology and digitalisation throughout the Council.	15
Transparency Code	To review HDC's compliance with the requirements of the Transparency Code.	10
ICT	A review of key ICT risks and controls. The specific area will be agreed with officers during the year.	15
		65
		140

Director of Law and Governance

Audit	Scope	Days
Sickness Absence	A review of the key controls for sickness absence.	15
Contract Management	A review of the management of a sample of contracts to ensure these were being managed in line with Council and best practice expectations	10
		25

Director of Leisure and Environment

Audit	Scope	Days
Depot policies and security	A review of the operation of Depot Policies and Procedures including controls for securing Council assets.	10
Depot Training	To review training and the completion of training records at the Depot	10
Leisure Services	To review arrangements in respect of key current risk areas at the Leisure Centres, including health and safety, personal safety and security.	10
Business Continuity and Disaster Recovery	To appraise the progress made in further improving Business Continuity arrangements.	5
		35

Director of Economy and Planning

Audit	Scope	Days
Planning – Systems development	To consider the management of the key performance and operational risks areas in respect of planning enforcement.	10
Planning Enforcement	To review the key processes and controls for planning systems, for efficiency and effectiveness (as well as compliance).	10
Community Infra Structure Levy	To review the management of the key performance and operational risks in relation to the Community Infra Structure Levy	10
		30

Project support

Projects

Audit	Scope	Days
Risk Management – development and support	To provide guidance, support and challenge to the newly formed Risk Management Group and the evolving processes and procedures.	5
Payment Card Industry Data Security Standards (PCI DSS)	To further review and support the arrangements the Council has in place to comply with the requirements of PCI DSS.	5

10

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

45

285



Hambleton District Council

Counter Fraud Plan 2018/19

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

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

Date: March 2018

Introduction

- 1 Veritau undertakes counter fraud work on behalf of Hambleton District Council. This document summarises the agreed areas of counter fraud work for 2018/19.
- 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 2018/19.

2018/19 Counter Fraud Plan

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

Fraud Area	Scope
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">• raising awareness of counter fraud issues and procedures for reporting suspected fraud - for example through training and provision of updates on fraud related issues• targeted proactive counter fraud work - for example through local and regional data matching exercises• support and advice on cases which may be appropriate for investigation and advice on appropriate measures to deter and prevent fraud.
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)	Coordinating submission of data to the Cabinet Office for the NFI national fraud data matching programme and investigation of subsequent matches.



Hambleton District Council

Information Governance Plan 2018/19

Information Governance Manager: Robert Beane
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 2018

Introduction

- 1 Veritau undertakes information governance work on behalf of Hambleton District Council. This document summarises the agreed areas of work for 2018/19.
- 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 2018/19.

2018/19 Information Governance Plan

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

Area	Scope
FOI and Subject Access Requests	Coordination of responses to Data Protection and Freedom of Information requests.
Data Protection Officer Role	Monitoring compliance with the council's policy framework and data protection legislation (including undertaking a programme of audits) as Data Protection Officer.
Data Security Investigations	The investigation of serious data security incidents, the coordination of remedial activity and liaison with the Information Commissioner's Office.
Support and Advice	The provision of advice and guidance on all related matters (including policies and procedures, privacy notices, data protection impact assessments, data sharing agreements, and information asset registers).