



Report Reference Number: A/20/13

To: Audit and Governance Committee
Date: 21 October 2020
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Lead Officer: Karen Iveson, Chief Finance Officer

Title: Internal Audit, Counter Fraud and Information Governance Progress Report 2020/21

Summary:

The purpose of the report is to provide an update on the delivery of the internal audit work plan for 2020/21. The report also updates the committee on counter fraud and information governance work undertaken so far in 2020/21. Due to Covid-19, work on the annual audit plan was delayed so this report updates members on the plans for completion of work over the remainder of 2020/21.

Recommendation:

That the Committee note the progress on delivery of internal audit, counter fraud and information governance work and the plans for work to be completed in 2020/21.

Reason for recommendation:

To enable the committee to fulfil its responsibility to review the outcomes of internal audit and counter fraud work, including any issues arising, and action being taken.

1. Introduction and background

- 1.1** The provision of Internal Audit is a statutory requirement (Accounts & Audit Regulations 2015).
- 1.2** The Audit and Governance Committee approved the Internal Audit, Counter Fraud and Information Governance plans for 2020/21 at the meeting held on 29 July 2020.

- 1.3** The purpose of this report is to inform the committee of the progress in delivering the 2020/21 plans, and on the plans for completion of work over the remainder of 2020/21.

2. The Report

- 2.1** Details of internal audit, counter fraud and information governance work undertaken in 2020/21 are included in the reports at appendices A to C respectively.

Internal Audit

- 2.2** Veritau carries out internal audit work in accordance with the Public Sector Internal Audit Standards (PSIAS).
- 2.3** Internal audit provides assurance on corporate governance arrangements, internal control and risk management to the Council's management team and this committee.
- 2.4** There are nine 2019/20 audits where fieldwork had been completed or draft reports issued when Covid-19 led to normal audit work being temporarily suspended at the request of the council. Where appropriate, issues identified from this work have been reported. Where actions are required, these will be agreed with managers as part of 2020/21 work.
- 2.5** Planning has commenced on 11 audits for 2020/21, with fieldwork expected to start soon. Further audits will be agreed with managers as the year progresses.

Counter Fraud

- 2.5** Veritau delivers a counter fraud service to the Council. The counter fraud team aims to prevent, detect and deter any fraud committed against the council. Veritau supports the Council's section 151 officer in delivering the Council's counter fraud strategy.
- 2.6** Normal areas of work for the team have been hampered by Covid-19 but new work has emerged relating to Covid-19 grants. The counter fraud team has supported the Council through investigations of suspected fraudulent Covid-19 grant applications. Four investigations have been completed to date and £30k of payments have been prevented. The team is sharing intelligence with regional partners and national organisations to help prevent public money from falling into the hands of criminals. The team is also currently undertaking post assurance checks on successful grant applications to help detect fraud and error.
- 2.7** To date, the counter fraud team have detected £8.4k of loss to the council and achieved £8k in actual savings for the council. There are

currently 17 investigations ongoing. A summary of counter fraud work carried out during 2020/21 is included at appendix B.

Information Governance

- 2.8** Information Governance provides advice and assurance on compliance with the GDPR and Data Protection Act 2018. This includes the Information Asset Register, Privacy Notices, Data Protection Impact Assessments and project specific advice.
- 2.9** Action is ongoing to address the outstanding areas of the Information Asset Register and other areas of GDPR compliance. An updated action plan has been provided to the council and CIGG (Corporate Information Governance Group) is coordinating the delivery of this plan.
- 2.10** Veritau worked with the council to respond to Covid-19. A new privacy notice for council employees was written and published; an Information Sharing Agreement (ISA) was put in place for Covid-19 related sharing and guidance and advice was given to the council on changes to working arrangements.
- 2.11** Information security incidents continue to be reported to Veritau and investigated. Veritau has provided advice on the completion of data protection impact assessments and is providing support in respect of surveillance and law enforcement processing. Training sessions will be held with council officers on data protection rights and principles and records management. These will be held online.
- 2.12** A detailed summary of information governance activity and arrangements is included in Appendix C.

3. Implications

- 3.1** There are no legal, financial, policy and risk, corporate plan, resource or other implications from this report.

4. Conclusion

- 4.1** While there have been delays in starting the 2020/21 audit plan, it is expected that the 2020/21 internal audit plan will be completed. Progress will be reported to future committees.
- 4.2** The counter fraud team continue to help deliver the aims and objectives of the Council's counter fraud strategy. Fraud reported to the team is investigated and progress is regularly reported to the committee.
- 4.3** An action plan is in place to deliver information governance work on behalf of Selby District Council; this will be overseen by the council's CIGG. Regular liaison takes place with the council's Senior Information Risk Owner (SIRO) and regular updates are reported to this committee.

Background Documents

Internal Audit, Counter Fraud and Information Governance Plans 2020/21

Appendices:

Appendix A: Internal audit progress report – October 2020

Appendix B: Counter fraud progress report – October 2020

Appendix C: Information governance progress report – October 2020

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