

**AUDIT AND GOVERNANCE COMMITTEE MEETING**

**15 OCTOBER 2024**

**2024/25 VERITAU PROGRESS REPORTS**

**Report of the Head of Internal Audit**

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**1.0 Purpose of the Report**

- 1.1 To inform Members of the progress made to date in delivering the 2024/25 internal audit programme of work, and the other related services provided to the Authority by Veritau (information governance, risk management and counter fraud).

**2.0 Recommendations**

- 2.1 Members are asked to note the progress made in delivering the 2024/25 internal audit programme of work and the other assurance related services provided by Veritau.

**3.0 Background**

- 3.1 The work of internal audit is governed by the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards (PSIAS). In accordance with these standards and the Audit Charter, the Head of Internal Audit is required to report to the Authority on the programme of internal audit work and to highlight any emerging significant risks and/or control issues.
- 3.2 In addition to internal audit, Veritau also provides specialist information governance, risk management and counter fraud services to the Authority. While formal approval of the work programmes for these areas is not required, details of planned activities are provided for information.
- 3.3 Please note that the scope of the work being completed by Veritau does not cover all of the areas of responsibility of the Combined Authority. Separate audit, risk and other arrangements are currently in place covering the activities formally managed by the Office of the Police, Fire and Crime Commissioner (OPFCC).

**4.0 INTERNAL AUDIT**

- 4.1 The 2024/25 internal audit work programme was approved by this Committee at its meeting on 16 July 2024.
- 4.2 We have met with the Authority's newly appointed Director of Resources to discuss all three pieces of work included in the work programme, and the

planning of the work is in progress. We expect audit fieldwork to start on all areas during this quarter.

**5.0 INFORMATION GOVERNANCE, RISK MANAGEMENT AND COUNTER FRAUD WORK PROGRAMMES 2024/25**

5.1 Veritau acts as the Authority’s Data Protection Officer and are also the main point of contact for the Information Commissioner’s Office (ICO). Work has been undertaken in these and other areas in the first half of the year. Whilst Information Governance (IG) / Data Protection (DP) work is being co-ordinated across the Authority, there is a risk of non-compliance with information rights legislation by not having single policies, processes and/or formalised working arrangements across the organisation. To help support the Authority, work on developing single policies and processes will continue during the second half of the year.

5.2 On risk management we have had some initial conversations with the Authority’s Director of Resources. We expect in the second half of the year to help officers start to develop the strategic risk register and the internal monitoring and reporting arrangements. On counter fraud there have been no referrals from the combined authority for reactive work. Veritau has met with the Authority’s communications team to discuss raising awareness of fraud risks and reporting arrangements.

**6.0 IMPLICATIONS**

6.1 There are no local member, financial, human resources, legal, equalities or climate change implications.

**7.0 COMBINED AUTHORITY AREAS AFFECTED (Council Areas/Wards/Divisions)**

7.1 All areas.

**8.0 RECOMMENDATION**

8.1 Members are asked to note the progress made in delivering the 2024/25 internal audit programme of work and the other assurance related services provided by Veritau.

**9.0 Contact Details**

9.1 For further information please contact the author of this Report.

**Author**

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<b>Date:</b>	7 October 2024

**Background papers:**

None

# Internal Audit, Information Governance, Risk Management and Counter Fraud Progress Report 2024/25

Date: 15 October 2024

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## Introduction

- 1 The 2024/25 Veritau work programme was approved by this Committee at its meeting on 16 July 2024.
- 2 The purpose of this report is to update the Audit and Governance Committee on the progress made to 30 September 2024 in delivering the 2024/25 internal audit programme of work, and the other related services provided to the Authority by Veritau (information governance, risk management and counter fraud).
- 3 In addition to the specific work referred to in this report, we have been discussing progress with senior officers and helping support the development of arrangements covering all areas of our responsibilities.
- 4 Please note that the scope of the work being completed by Veritau does not cover all of the areas of responsibility of the Combined Authority. Separate audit, risk and other arrangements are currently in place covering the activities formally managed by the Office of the Police, Fire and Crime Commissioner (OPFCC).

## Internal audit

### Background

- 5 Internal audit provides independent and objective assurance and advice about an authority's operations. It helps the organisation to achieve its overall objectives by bringing a systematic, disciplined approach to the evaluation and improvement of the effectiveness of risk management, control and governance processes.
- 6 The work of internal audit is governed by the Accounts and Audit Regulations 2015 and relevant professional standards. These include the Public Sector Internal Audit Standards (PSIAS), CIPFA guidance on the application of those standards in Local Government and the CIPFA Statement on the role of the Head of Internal Audit.
- 7 In accordance with the PSIAS, the Head of Internal Audit is required to report progress against the internal audit plan (the work programme) as agreed by the relevant Audit Committee, and to identify any emerging issues which need to be brought to the Committee's attention.

### Progress on delivery of 2024/25 programme of work

- 8 The following audits were included in the agreed work programme:
  - Adult education budget
  - Budget management
  - Creditors

- 9 In September 2024, we met with the Authority’s Director of Resources to discuss the planned audits as well as other areas of significance. Meetings with relevant officers are now planned in October 2024 to plan and scope the individual audits. The Creditors audit is considered likely to be the audit we complete first.

### **Professional standards**

- 10 The PSIAS are based on the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF). New Global Internal Audit Standards (GIAS) were published in January 2024 and will apply from 9 January 2025. The UK Public Sector Internal Audit Standards Advisory Board (IASAB) is currently consulting on a new Application Note for the UK Public Sector. The Application Note is intended to replace PSIAS and will apply from 1 April 2025.
- 11 In July 2024, CIPFA announced that they also plan to introduce a Code of Practice for the Governance of Internal Audit in Local Government. The code will apply to all principal authorities in UK local government and is complementary to CIPFA’s ongoing work to update the current Public Sector Internal Audit Standards.
- 12 Subject to the outcome of the consultation process, updates to the Authority’s Audit Charter will be needed to reflect the new application note and code.

### **Information governance**

- 13 Veritau provides an Information Governance (IG) service to the Authority. We act as the Authority’s Data Protection Officer, and we are also the main point of contact for the Information Commissioner’s Office (ICO).
- 14 Following the election of the Mayor and the transfer into the Combined Authority of the NY Fire and Rescue Service (NYFRS) and the Office of the Police and Crime Commissioner (OPCC), the Combined Authority is now also the Data Controller for these areas.
- 15 The North Yorkshire Police Data Protection Officer has been providing data protection related support to NYFRS since then. Additional support for the handling of NYFRS Freedom of Information (FoI) requests and Data Protection requests (SARs) has been provided through Evolve Legal Services. Information governance support for the OPCC has been provided by the Business Support Manager in the OPCC.
- 16 Veritau has been providing a co-ordinating role for Information Governance (IG) and Data Protection (DP) activity across the whole of the Combined Authority working together with colleagues who provide IG and DP information support to NYFRS and the OPCC. This has included providing advice and guidance on DP/IG matters as needed.
- 17 The following table provides an update on the information governance work completed in 2024/25 to date:

Area	Progress
<p>▲ <b>Data Protection officer</b></p>	<p>Veritau have co-ordinated DP and IG activities across the Authority including NYFRS and OFPCC. We have been meeting weekly to progress this work. Veritau has also engaged with the Combined Authority’s Communications, Governance and Procurement teams.</p> <p>A high-level action plan has been developed in order to facilitate the co-ordination of IG and DP activities and the work required to bring processes/procedures together across the whole of the Combined Authority.</p> <p>Provided advice to the Authority to help ensure internal compliance. This has included providing advice for NYFRS on some IG/DP issues including data processing contracts.</p> <p>Co-ordinated responses to information rights requests.</p> <p>The YNYCA has registered with the ICO and is the contact point for data subjects and the Information Commissioner’s Office.</p> <p>Advice has been provided to relevant areas of the YNYCA on data sharing agreements, data protection impact assessments and data processing agreements.</p>
<p>▲ <b>Policy Framework / Compliance with data protection legislation</b></p>	<p>Work is underway to develop the IG framework for the YNYCA and to establish an IG Group that will oversee the implementation of the action plan and co-ordination of IG/DP activities</p> <p>Processes have been put in place to ensure IG/DP compliance across YNYCA with respect to Information Rights requests and security incidents. Currently NYFRS report separately but this needs to be reviewed with a view to a single report for compliance across the Combined Authority.</p> <p>Co-ordination, rationalisation and development of policies and processes to support improved information and records management across the YNYCA including NYFRS/OFPCC - work has commenced in this area and is recognised on the IG/DP action plan.</p> <p>Rationalisation of and provision of standard templates (policies, privacy notices, information asset registers) - this is also work in progress.</p> <p>Development of a program of activity re Information Asset Management - training for Information Asset Owners is being planned in Oct/Nov which will kick start this work.</p>



Area	Progress
<p>▲ Personal data breaches</p>	<p>Develop/co-ordinate the process for managing incidents across YNYCA including NYFRS/OFPCC - this is now in place.</p> <p>Veritau is now monitoring incidents to highlight trends and support services to reduce the risk of future occurrence.</p> <p>Between April and August there have been 12 security incident reports of which 4 relate to the Economy function of the Authority and are considered low risk. The remaining 8 incident are attributable to the NYFRS. One of the incidents reported by NYFRS was reportable to the ICO in June - we are yet to receive a response from the ICO. The remaining incidents are considered low risk.</p> <p>Trends and patterns will be reported to the IG Group and are reported as they happen to the relevant SIRO's. The NYFRS also report incidents into their audit committee. An organisation wide SIRO report is in development.</p> <p>Be the point of contact for the ICO for incidents - The YNYCA is registered with the ICO as Data Controller with Veritau as its Data Protection Officer.</p>
<p>▲ Freedom of information/EIR</p>	<p>Develop a process for managing requests across the YNYCA including NYFRS/OFPCC - this is now in place.</p> <p>Co-ordinate responses to Freedom of Information/EIR requests. Providing training, advice and guidance to service areas. Acting as the first point of contact with the ICO - this is also now in place.</p> <p>Veritau is also monitoring compliance and as of August 2024 compliance (the % of requests completed in the statutory time limit) was 82% across the whole of the Authority including NYFRS and the OFPCC. Compliance across the individual area of the Authority is as follows - YNYCA - 50%, NYFRS - 85% and OFPCC - 86%. There is further work to do in this area as the ICO expects a compliance rate of 95%.</p> <p>Training for senior staff is being planned in Oct/Nov.</p>
<p>▲ Data subject rights</p>	<p>Develop a process for managing requests across the YNYCA including NYFRS/OFPCC - this is in place</p> <p>Co-ordinate responses to personal data subject requests. Providing training, advice and guidance to service areas. Acting as the first point of contact with the ICO - this is also now in place.</p>

Area	Progress
	<p>Veritau is also monitoring compliance and as of August 2024, compliance (the % of requests completed in the statutory time limit) was 79% across the whole of the Authority including NYFRS and the OFPCC. Compliance across the individual area of the Authority is as follows - YNYCA had no requests, NYFRS - 73% and OFPCC - 85%. There is work to do in this area as the ICO expects a compliance rate of 95%.</p> <p>Training for senior staff is being planned in Oct/Nov.</p>
<p>▲ Advice and support</p>	<p>Veritau has been providing advice and guidance on a range of data protection / information governance matters.</p>

- 18 Whilst IG/DP work is being co-ordinated across the Authority, there is a risk of non-compliance with Information Rights legislation by not having single policies/processes/formalised working arrangements across the organisation. Work on developing single policies and processes has therefore been included in the IG/DP action plan and will continue during the next period.

## Risk Management

- 19 Veritau has been engaged to support the Authority with developing and maintaining its risk management framework. It remains the responsibility of Authority's officers to identify and manage risks associated with the delivery of services, programmes, and projects. The Audit and Governance Committee should therefore seek assurance that the Authority's risk management arrangements remain effective.
- 20 Developing an organisation wide risk management policy and clarifying the governance arrangements is one of many challenges for the new Authority. This includes ensuring these arrangements are operating efficiently, and not just duplicating inherited arrangements, where these are in place.
- 21 We have had some initial conversations with the Authority's Director of Resources on how to take this work forward. We expect in the second half of the year to help officers to start to develop the strategic risk register and the internal monitoring and reporting arrangements.

## Counter Fraud

- 22 A small amount of time is available for counter fraud support, including for reactive investigations of suspected fraud affecting the authority, supporting the development of the counter fraud framework and for pro-active work to help raise awareness of relevant issues.

- 23 To date there have been no referrals from the combined authority for reactive work. Veritau has met with the Authority's communications team to discuss raising awareness of fraud risks and reporting arrangements.