

Annual Report

2018/19



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This report is produced to inform current and future Members and clients about the work of Audit Yorkshire



Audit Yorkshire was formally established on 1 July 2016 as a shared service consortium providing internal audit, counter fraud and advisory services to NHS organisations in Yorkshire. The strategic direction of Audit Yorkshire is overseen by a Board which comprises the Audit Committee Chair or Finance Director of each Member organisation, together with the Head and Deputy Heads of Internal Audit.

These Members have come together for the purpose of ensuring the provision of a specialised internal audit and local counter fraud service.

The Board is supported by a constitution which describes Audit Yorkshire's purpose and values and how we measure our success, together with an operating charter by which we communicate who we are, what we do and what we stand for as an organisation, and which is the basis for our decision-making.

Member Organisations

Airedale, Wharfedale and Craven CCG

Bradford City CCG

Bradford Districts CCG

Bradford District Care NHS Foundation Trust

Bradford Teaching Hospital NHS Foundation Trust

Calderdale & Huddersfield NHS Foundation Trust

Calderdale Clinical Commissioning Group

Greater Huddersfield Clinical Commissioning Group

Harrogate and District NHS Foundation Trust

Harrogate and Rural District Clinical Commissioning Group

Hambleton, Richmondshire and Whitby Clinical Commissioning Group

Mid Yorkshire Hospitals NHS Trust

North Kirklees Clinical Commissioning Group

Scarborough & Ryedale Clinical Commissioning Group

Vale of York Clinical Commissioning Group

Wakefield Clinical Commissioning Group

York Teaching Hospital NHS Foundation Trust



It is now three years since the NHS Audit Yorkshire (AY) consortium was established and it has continued to develop in the way that was originally envisaged by the members of the two bodies that had decided to combine their resources. The development of effective, efficient systems and working practices and the building of an excellent team of professional colleagues is a credit to the commitment and enthusiasm of everyone within the organisation and in particular to the very strong management team led by Helen Kemp-Taylor.

AY has put in place some very clear criteria for growing the business and the AY Board continues to participate in all decisions around new business, so as to ensure that growth is manageable and consistent with the longer term strategy. During the last year, the Board has agreed some very clear guidance around the way in which client organisations may be invited to become Members and this is indicative of the way in which AY is becoming a more substantial, well-structured organisation, with members who are clearly able to add value.

The last year has seen a further focus on the provision of training and development for members of Audit Committees and this has been consistently well received by participants – providing valuable updates on current issues and also the opportunity for networking and sharing of experiences. Events have been organised in conjunction with colleagues from 360 Assurance, and this partnership has proved to be a really valuable initiative.

I should like to take the opportunity to thank Helen, her management team and colleagues throughout AY for the dedication and commitment that they have shown throughout the last year and for their valuable contributions in the development of the organisation.



Chris Thompson
Chair of the Audit Yorkshire Board & Chair of
Harrogate & District NHS Foundation Trust's
Audit Committee



Welcome to our 2018/19 Annual Report. This year has been both interesting and challenging for Audit Yorkshire, as the context we work in continues to change around us, and financial constraints increasingly impact our Members and clients, and by association ourselves.

We are delighted to have delivered our Member and client plans, completed our Integration Plan, started to transform our service, as well as winning additional contracts during the year. This is despite challenges in our operational performance including higher than anticipated sickness absence levels.

Demand for our services continues to increase, and there have been a number of opportunities in year to expand our portfolio. Having a strategy to shape our intentions of how we will work differently, developing new partnerships, embracing new technologies and ways of working to best meet the changing and growing needs of our Members and (potential) clients is crucial. We agreed our Organisational Development Strategy in 2018/19 to support our transformation and identified our priorities for the next 2 – 3 years.

It is our staff who keep our consortium running and who provide the energy and enthusiasm to improve and develop our services. We recognise their importance, including the need to be supported and developed in our Workforce Strategy and Plan which will ensure we have a resilient, professional and flexible team to carry out our strategy.

I feel very privileged to be writing this, and am, as ever grateful to the Audit Yorkshire Board for their support. I would also like to place on record my thanks to the management and wider team for their dedication and commitment to making Audit Yorkshire a success.

I would also like to extend my thanks to Andrew Bertram and York Teaching Hospital NHS FT (YTHFT) for their considerable commitment and support.

The following report provides a summary of our performance against objectives and targets together with key initiatives.



Helen Kemp-Taylor
Managing Director & Head
of Internal Audit



Why do we have a strategy?

To support our merger in 2016 we developed a detailed Merger and Integration plan which was completed as planned in 2018. Our strategy will guide us through the transformation required for Audit Yorkshire's future development, and particularly our priorities over the next 2 to 3 years.

How has our strategy been developed?

Our strategic aims and objectives have been developed by the Audit Yorkshire team, including the Board and has included a cultural review with staff, an operational review, and feedback from Members and clients.

Our mission, vision, values and objectives define our purpose as set out in this strategy. These will be periodically reviewed to ensure they remain meaningful and fit for purpose.

How will the strategy be delivered?

We launched our strategy at an uncertain time. The NHS faces well documented pressures as we come towards the end of a decade of austerity. The NHS 10 Year plan follows the Prime Minister's announcement in March 2018 of a planned longer term funding approach to health and social care, and our strategy is designed to maintain our direction – regardless of the changes that happen around us. We have set out as part of this strategy our medium term plans for priorities, which will be translated into actions on our annual Business Plan.

For our Members

We will have earned a corporate reputation for services of consistently high quality incorporating special technical and clinical features, delivery, superior customer service and communication

We will have established high levels of 'brand' loyalty with Members

We will ensure costs, including fixed costs, are minimised and provide flexibility in service provision

For our Staff

We will have a qualified, experienced and flexible workforce that is able to deliver the highest standard of services- Staff who have the skills to improve their roles and who are supported to develop their careers at Audit Yorkshire

Staff will be involved in transforming our services and understand how their actions fit with our strategy

We will have helped staff to improve their wellbeing and resilience to face the challenge of ever increasing demands for our services

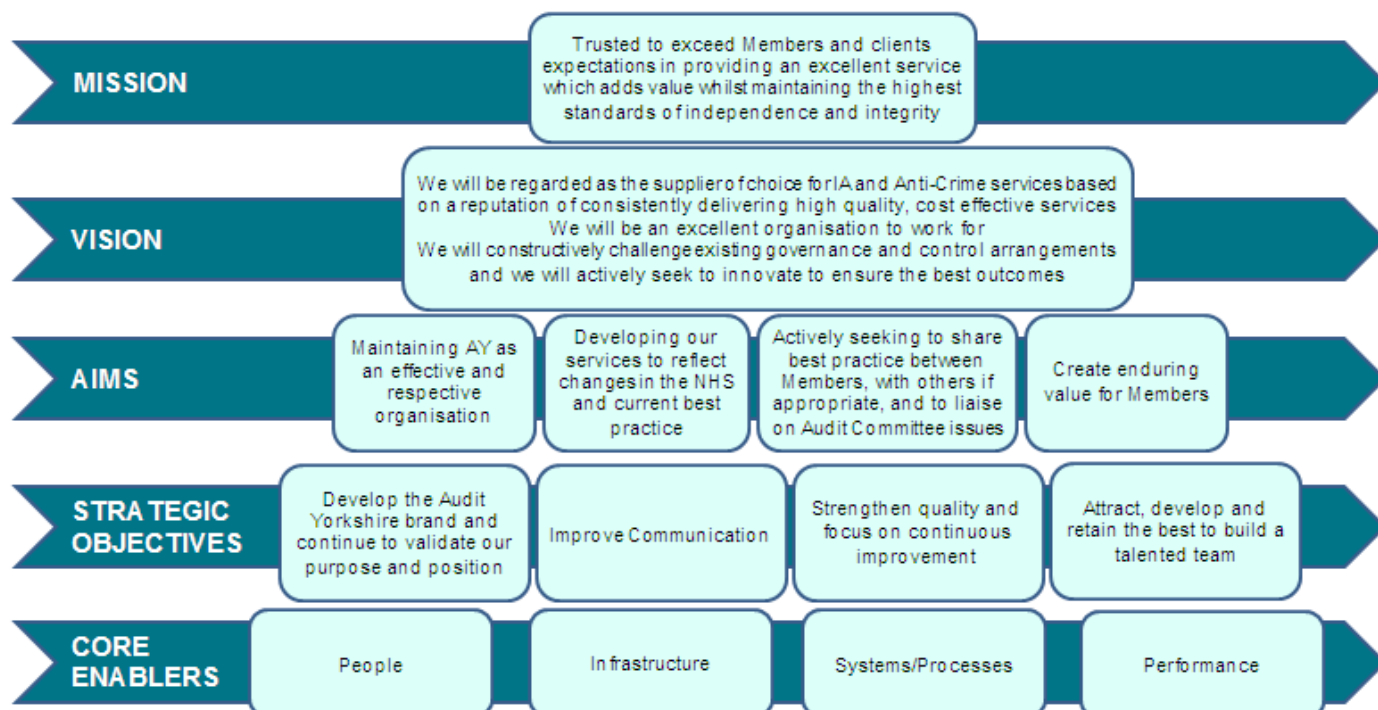
For our Clients and Stakeholders

We will be able and agile to meet the changing needs of our stakeholders regularly enhancing our existing products and services and developing new products and services innovatively

We will maintain an ongoing relationship with each of our key stakeholders that adds value for each party

We will have developed a range of diverse partnerships and collaboration





Objective 1: Develop the Audit Yorkshire Brand and Continue to Validate Our Purpose and Position

Why is this important?

Boards and senior management have an increasing accountability for governance, risk management and control. They are relying on internal audit providers to assist with these responsibilities, and as a result are revising and rethinking their expectations of internal audit. Overall we are seeing greater demands and heightened expectations of our services with a growing focus on core assurance activities as a primary value driver.

As well as integrating our services and methodologies to consolidate and develop our position (as Audit Yorkshire) in our Member and client organisations we need to continually develop and expand our product and market portfolio to ensure on-going resilience and economies are achieved.

The purpose, authority and responsibility of internal audit, and anti-crime services as well as the nature of assurance and consulting activities, is clearly articulated and validated with senior management and approved by the Audit Committee. As expectations change such mandates and protocols are revised and reviewed and approved by the Audit Committee.

What will we do?

As well as consolidating and developing our working practices, we need to continually develop and expand our product and market portfolio to ensure ongoing resilience and economies are achieved. We also want to explore opportunities to utilise and develop our increasing capabilities in the wider market. We will, over time, develop additional products for our portfolio aimed at non-traditional markets.

Objective 2: Communicate effectively

Why is this important?

Communication is a key determinant of a successful internal audit and anti-crime function. We must communicate effectively with management and the Audit Committee to support them in the discharge of their governance and stewardship responsibilities. Pertinent information must be identified, captured, and communicated in a form and timeframe that is appropriate to the recipient. Today's Audit Committees expect a high level of open and candid communication, both oral and written.



The profile of internal audit in the organisation and its engagement with senior management determines its success and must be a key concern of internal audit management. Members' structures change periodically and it is important to maintain a presence and profile with senior management throughout.

Communication in the wider market is also important if Audit Yorkshire is to look to increase its market share. Branding, marketing and tendering are becoming increasingly important.

What will we do?

Engage with our Members, clients, staff and other stakeholders to enhance our reputation, market position and future take up of service.

Develop a culture of engagement across staff, partner organisations and stakeholders in order to improve the quality of working life for staff and the quality of services provided.

Objective 3: Strengthen Quality and Focus on Continuous Improvement

Why is this important?

Internal audit standards require ongoing and periodic assessment of audit and consulting work, with a formal external review every five years. Assessments of quality programmes include evaluation of the following:

- Compliance with NHS and relevant professional public sector standards
- Adequacy of Internal Audit's charter, goals, objectives, policies and procedures
- Contribution to the organisation's governance, risk management and control processes
- Effectiveness of continuous improvement activities and adoption of best practices
- Whether the auditing activity adds value and improves the organisation's operations

Anti-Crime services are also subject to a quality review process undertaken by NHS Counter Fraud Authority.

What will we do?

Ensure that Audit Yorkshire has robust systems and policies in place that enable safe and effective working practices and effective governance.

Have 'team' structures over a geographically dispersed workforce that are able to provide leadership and deliver services flexibly to meet the needs of Members and clients and support staff.

Objective 4: Attract, Develop and Retain the Best to Build a Talented Team

Why is this important?

Audit Yorkshire will be, and be seen to be, a lean, efficient service, with the right people and the right skills to provide optimal assurance to Accountable Officers and other senior stakeholders.

To effectively deliver on our mandate, we need to ensure that we have both the quantity and quality of resources we require. Our success will be driven in large part by our staff, their capabilities, and positive motivations.

Successful delivery of our plans will enable us to achieve consistent and effective HR practices across all areas and identify and implement activities to support staff development to promote cultural integration and service improvement.



A more complex business environment has created the need for more specialist expertise to assess new risks and address areas of more complex business auditing. The skills requirements of internal audit and anti-crime teams are changing. Continuous education and staff development are critical to enhance our capabilities.

What will we do?

Develop a learning culture that emphasises quality, safety, engagement and transparency in practice.

Be clear how each member of staff is contributing to the overall ambition of Audit Yorkshire and what their current remit and responsibilities cover.

Have leaders and managers who work together to nurture a healthy, positive culture, emphasising quality, safety, engagement and transparency through their practices.

Ensure that staff display the appropriate values and behaviours that create an environment where staff enjoy coming to work and Members / clients choose our services

Objective 5: Measure Performance to Add Value

Why is this important?

Appropriately developed performance measures help to drive results, performance, quality and continuous improvement.

The consortium can be appropriately directed and controlled by creating relationships, systems and processes which assure the Board on its performance and in which quality and standards are continuously improved.

What will we do?

Review and devise as necessary a performance management framework, system and indicators to measure the success of AY.

Identify clear outcomes that AY, and staff will deliver, and how it relates to activities.



Workforce Development

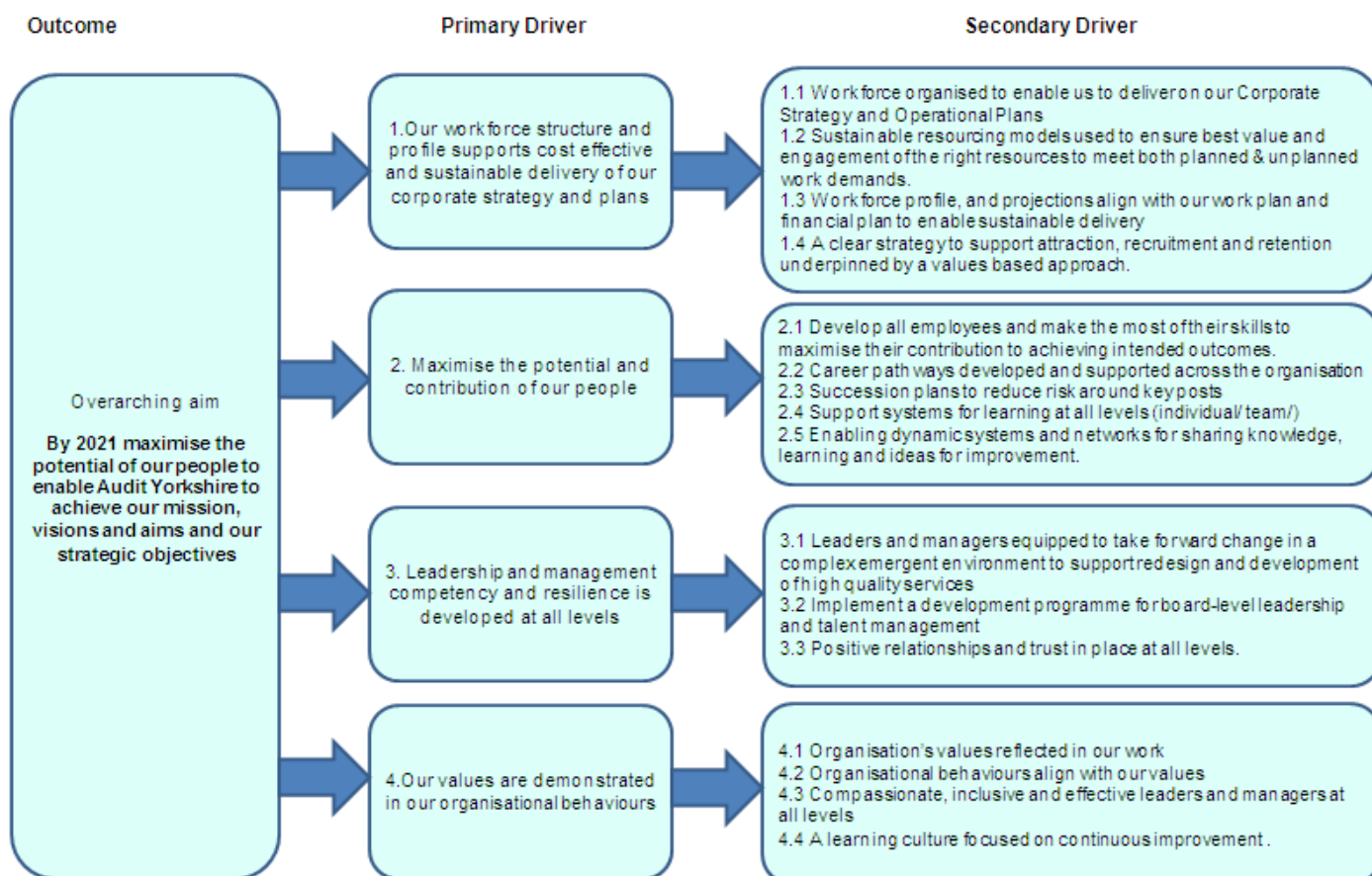
Our Workforce Development Plan 2018–2021, agreed in the year, sets out the ways in which our workforce profile will need to change and the ways in which we will engage and support our people to deliver on our aims.

The overarching aim for our workforce is to **maximise the potential of our people to enable Audit Yorkshire to achieve our mission, visions and aims and our strategic objectives.**

We need to ensure that we have staff in the right numbers, with the right skills and the right values and behaviours to deliver high-quality services. This will need to meet the current service needs and also inform our decisions about what the shape of the future workforce should be.

The plan sets out how the following objectives underpinning how this will be met:

- 1. Our workforce structure and profile** supports cost effective and sustainable delivery of our corporate strategy and plans: working to achieve a balanced workforce profile, supported by a values driven culture, recruitment and retention strategy and with a focus on individual and collective accountability for health, wellbeing and resilience
- 2. Maximise the potential and contribution of our people:** employees have the skills and knowledge to deliver high quality, high impact work whilst being encouraged to develop confidence, resilience and maximise their personal potential and that of the organisation. Employees are confident and able to adjust their ways of working and are able to work across boundaries - internally / externally, across the organisation and / or across work programmes
- 3. Leadership and management competency** and resilience is developed at all levels: with leaders and managers at all levels able to effectively take forward change in a complex, emergent environment and ensuring fair, inclusive and compassionate treatment of employees.
- 4. Our values are demonstrated in our organisational behaviours:** our values reflect our work primarily across health and care; are demonstrated in our day to day ways of working and are underpinned by a learning culture focused on continuous improvement.



Becoming a Member of Audit Yorkshire

In September 2018 the Board gave a clear statement embracing the principle of membership expansion and encouraging clients to join Audit Yorkshire as new Members. New Members would be drawn (as presently) from NHS based organisations. Other 'not-for-profit' clients would not be eligible for Membership at this point in time.

A process and mechanism was agreed for organisations to become Members of Audit Yorkshire. Following application an agreed process of evaluation is completed, with eligibility determined with reference to:

- ◆ *Place in the NHS Family of Organisations*
- ◆ *Area of Operation*
- ◆ *Economic Fit*
- ◆ *Commitment to Audit Yorkshire and Consortium Working*
- ◆ *Disclosure requirements*

Following this process we are delighted to welcome Leeds and York Partnership NHSFT as a Member of Audit Yorkshire in 2019.

Tendering

Audit Yorkshire (AY) has both Member and client organisations. Client organisations enter into fixed term contracts which are secured through successful tender submissions.

We frequently review tendering websites and associated portals to identify upcoming opportunities for additional business. The AY Board approved the use of a 'to bid' tool, which is an effective decision tool that clearly and concisely assesses potential tender opportunities. This includes a summary of key dates and other information and determines the appeal and success ratings. These ratings are based on strategic direction, organisational knowledge and understanding and the likelihood of our success. These are used to score the opportunity and provide a clear recommendation as to whether to pursue the opportunity and submit a tender bid.

During 2018/19 we successfully bid for and won the following contracts:

- ◆ NHS Leeds CCGs (retained)
- ◆ Northern Lincolnshire and Goole NHSFT (NLaG)
- ◆ Airedale NHSFT (ANHSFT)
- ◆ National Coal Mining Museum for England

Following our submission on 8th March 2019, we are pleased to advise that our bid to secure a place on the North of England CPC Framework has been successful. This framework is one of the key internal audit and counter fraud frameworks which NHS organisations can use to initiate a mini competition exercise. We were successful in securing one client – Northern Lincolnshire and Goole NHSFT (NLaG) from the current framework.

Arrangements with Falanx Cyber Defence

Audit Yorkshire has a formal agreement in place with Falanx Cyber Defence to offer industry-leading cyber security services at a preferential rate to the NHS. We have undertaken two Simulated Advanced Persistent Threat (APT) or phishing campaigns during 2018/19 and both have received positive feedback for the clients involved.

We will continue to promote this service to clients and facilitate any future requests for work.



Investment in Audit Management Software

MKInsight

MKInsight continues to embed with the West Yorkshire team during 2018/19. Staff have grasped the basic principles of the software well, but there is still room for further improvement, particularly around streamlining the audit report creation process.

We successfully moved the hosting of MKInsight from the software provider to our host's (YTHFT) IT network. This has helped reduce the ongoing maintenance cost of the software.

We have rolled out automated recommendation tracking to three clients during the year and will continue to promote this service to all existing clients.

We have developed two recommendations reports, firstly a detailed status report and secondly a summary report for reporting progress to Audit Committees. The first is in use and the latter requires some amendment before rolling out.

The focus for 2019/20 will be to continue to roll out the automated recommendation tracking module to all West Yorkshire clients who request it, review the audit report creation process, consider the use of the resource scheduling module and to automate current manual report templates.

Survey Monkey

The use of this online survey tool continues to grow year on year and this year we conducted 30 surveys. We have used SurveyMonkey in the last year to facilitate surveys for clients, including committee self-assessment exercises, individual assignment surveys and surveys to seek the opinion of our colleagues on audit practice. We will continue to develop the use of the software in 2019/20.

Data Analytics

A Data Analytics strategy was produced and approved last year following the appointment to our Data Analytics lead. The strategy formalises the roll out of data analytics work and promotes the use of and delivery of data analytics work at Audit Yorkshire clients.

One of the key actions to implement the strategy was to standardise the Financial Systems audit approach including identifying and designing standard CAATs tests. We have fully rolled out the approach for Payroll and this has been utilised during the 2018/19 audit cycle with clients. The approach has been fully designed for the Procurement and Non-Pay Expenditure audit and standard controls have been identified and documented for the General Ledger, Budgetary Control and Debtors. All remaining financial systems audits will be rolled out to clients during 2019/20.

A written protocol has been produced to formalise the request and delivery of data analytics work, which is helping the team manage request for work.

Specific reviews have taken place on identification of duplicate bank account details, the migration of ledger from one system to another, CHC payments, completeness of mandated indicator data fields and work to support the anti-crime team in both proactive (NFI exercise) and reactive investigations.

Collaborative Working

In order to share learning and enrich our skills and offerings, we collaborate with a range of organisations including 360 Assurance, TIAN, AuditOne and the Counter Fraud Managers Group on training, benchmarking and service improvements.

In 2018/19 we produced two benchmarking reports which were circulated to clients and made available on the Members Area of the website.



Benchmarking

Assurance Framework Benchmarking

This paper sought to compare Board Assurance Frameworks from a sample of providers and commissioners across the East Midlands and Yorkshire, in order to identify particular trends. Findings were discussed at a Topical Issues event held on 23 October 2018.

Annual Governance Statement Benchmarking

This paper reviewed the 2017/18 Annual Governance Statements (AGS's) from a sample of providers and commissioners across the East Midlands and Yorkshire. The findings were presented at the Audit Committee events held on 4 March 2019 and 2 April 2019.

Corporate Social Responsibility

Audit Yorkshire recognises the importance of social value and how we, as employers, have a duty of care not just to our staff and clients but to the wider public. This is underpinned by our host Trust's values, which we all embrace:

- Caring about what we do
- Always doing what we can to be helpful
- Respecting and valuing each other
- Listening in order to improve

We work in partnership and respond to local needs, respecting differences and building on similarities, empowering people to be involved in decisions about how we provide services and encouraging others to behave respectfully in line with our values.

To deliver social value, Audit Yorkshire has committed to raising money for local and international charities throughout the course of the year. In 2018/19 several of our staff members raised money for various charities:

Stand Up to Cancer

As we are not only experts at internal audit and counter fraud, but also at consuming large amounts of cake, we thought taking part in the Stand Up to Cancer Bake Off would be a perfect opportunity to do both. This event was arranged by members of Audit Yorkshire's Communication and Engagement Group and raised a total of **£160**.

The bake off took place on 10th April 2018 at both headquarters. A staff member at each site was crowned the 'Star Baker' and won a special 'Stand Up to Cancer' apron. Judges on the day were Helen Kemp-Taylor, Karina Rogers and Anne Ellis-Playfair.





It was really positive to see the amount of staff that baked something for the day and although all entries were delicious, the winners were:

- ♦ Leanne Sobratee, Audit Manager – Carrot Cake
- ♦ Lesley Mclean, Auditor – Lemon and Blueberry Cake

Pretty Muddy

Thanks to all of our sponsors and the team members who took part on the day, we are so pleased to report that the total Audit Yorkshire's Pretty Muddy effort raised was £1,402.50 with Gift Aid.

This money went to Cancer Research UK to help them in their work to beat cancer sooner. Fighting Cancer is a cause close to so many people's hearts, and this is reflected in the generosity shown by those who sponsored the event team. The money raised was enough to cover the cost of a next-generation DNA sequencing experiment to help scientists understand cancer, to support the cost of a patient in a trial for lung cancer treatment for two weeks, and to provide a day of a Cancer Chat service to support people when they need it most. This meant that the money raised was enough to make a real difference to real lives.



On a lighter note, on event day we certainly had a laugh and enjoyed the challenge. The obstacles and the shock of quite how much mud we had to contend with made the day memorable, as, of course, did completing the route with team-mates. We got some great photos (and perma-stained running kit!) as souvenirs of the day.

Macmillan Coffee Morning

On the 24 September 2018 Audit Yorkshire took part in the world's largest coffee mornings.

For the second year our West Yorkshire based staff at Woodkirk House hosted a Macmillan Coffee Morning. There were eight entrants in the Star Baker competition and judging was eagerly and professionally performed by non-bakers from each department located within the building. Although no one from the Audit Yorkshire team won the Star Baker award, a grand total of **£189.85** was raised to support Macmillans.



Winter Fundraising



This year for our 'Winter Charity Project' we decided to support local charities in providing help to those in need over the challenging winter period. In a change from the fundraising we took part in earlier in the year, the team contributed food items, toiletries and clothing which will help homeless people and those people in crisis.

The food items and some toiletries were donated to both the [York Foodbank](#) and the [Batley Foodbank](#), which provide emergency food supplies and support to local people who are referred by local councils.

Other toiletry items and clothing were donated to the [Early Intervention and Prevention \(EIP\)](#) Team who are part of The Salvation Army's Homelessness Services, which operates in the centre of York and [Huddersfield Mission](#) in West Yorkshire.

Plans for 2019/20

In 2019/20 we are planning to partake in the Gung-Ho 5k Obstacle Race, tackle the Yorkshire 3 Peaks challenge, hold a bake sale and donate items for the shoebox appeal.



Technology and Data Optimisation Group (TDOG)

TDOG was formed to develop and monitor the data and technology function at Audit Yorkshire to ensure that it operates effectively and efficiently in order to support the needs of our client organisations.

Work has been undertaken in the following areas:

- ♦ Development of an Audit Yorkshire IT Asset Register – This includes all equipment used by the organisation, including telecommunication and peripheral IT equipment. The register has assisted in managing the asset replacement scheme to update IT equipment.
- ♦ IT Collaborations – We have continued to build and develop collaborative relationships with peers via networking events and more formal collaborations with public sector audit providers. We continue to work collaboratively with 360 Assurance and have jointly developed a standard approach to Data Security and Protection toolkit and GDPR audits. We continue to share client briefings, CAATs testing schedules and IT audit scoping documents as well as discussing respective approach to IT audits.

IT Solution

We continue to utilise our IT solution to allow staff to access MKInsight, emails and documents remotely. During the year we successfully migrated the hosting of our audit management software (MKInsight) from the software provider to our host's IT network, this reduces the ongoing cost of using the software.

Cyber Security

We have developed a cyber security strategy covering awareness and training, assurance and specialist support and we have continued to raise awareness of cyber security threats, preventative measures and promotion of Audit Yorkshire via newsletters, tweets and circulation of guidance.

We continue to raise awareness of cyber security threats through an anti-crime programme of work which includes periodic anti-crime client newsletters and anti-crime awareness presentations / workshops.

We have continued to work with Falanx Cyber Deference to offer Cyber Security services and are currently exploring using another provider, an NHS internal audit provider, who has a team of staff with the expertise to perform additional Cyber Security services.

Information Governance and Data Protection

Throughout the year we produced and issued a number of client briefings to make staff aware of forthcoming changes in the run up to the release of the new Data Security and Protection Toolkit and introduction of GDPR.

We have worked collaboratively with The Internal Audit Network (TIAN) to develop a standard approach to auditing the Data Security and Protection Toolkit. This approach included selecting a common sample of assertions so that benchmarking can be undertaken and provided to clients over and above the assurance work. The benchmarking data has been collated for review and will be reported in 2019/20.

A standard Audit Yorkshire approach was developed by our Information Governance and Data Protection lead to auditing GDPR implementation and compliance which has been utilised during 2018/19.

Our Information Governance/Data Protection and Data Protection Officer Lead provides DPO support to one client currently.



Workforce Development

In September 2018 a 'Workforce Development Plan 2018 – 2021' was approved by the Audit Yorkshire Board. This three-year Workforce Development Plan is aligned to Audit Yorkshire's Strategy and Objectives and sets out the ways in which our workforce profile will need to change and the ways in which we will engage and support our people to deliver on our aims.

The key objectives of the plan are to ensure that 'we have staff in the right numbers, with the right skills and the right values and behaviours to deliver high-quality services'.

Key actions undertaken in 2018/2019 have included:

- ◆ An analysis of current workforce profile and forecast workforce requirements and availability was undertaken and reported to our Board
- ◆ A review of the approach to resource planning and the allocation of auditors, anti-crime specialists and associates across our client base was undertaken with the aim of improving learning, sharing learning, minimising duplication and providing development opportunities to our staff
- ◆ The continued use and development of the bank of associates to allow for a flexible approach to the provision of specialist skills. This includes experienced auditors, associate specialists and counter fraud specialists.
- ◆ A mixture of external recruitment and internal promotions to support our resourcing needs and development of existing employees. We held a successful recruitment campaign for audit manager, assistant manager, senior auditor and trainee auditor roles and local counter fraud specialist and trainee opportunities. We also appointed to a specialist data analytics role to support the development and role out of data analytics across our audit and counter fraud programmes of work.
- ◆ Whilst we have continued to recruit experienced staff we also continue to develop our approach to 'growing our own'. This is in recognition of the challenging recruitment market for experienced internal auditors in particular. Work has progressed to develop an apprenticeship scheme for our trainees. Our latest trainees are in the process of signing up to their preferred qualification and training supplier (ACCA and IIA). The Trainee Progression Framework has been reviewed to support the apprenticeship programme with the aim of improving retention, support for trainees and accelerated progression where the specified requirements are met.
- ◆ We have reviewed our Learning and Development Framework. This has included the creation and allocation of a 'training resource' for each member of staff so they can all have consistent access to training and development opportunities. It has also included a review of the one to one and post audit assessment processes to support feedback and identification of learning and development needs.



Website

We have continued to develop our website (www.audit-yorkshire.nhs.uk) and in particular, the Members' section of the website which provides Newsletters and Client Briefings and the Audit Committee Induction (e-learning) package.

In 2018/19 we had 8,912 visits to our website.

Social Media

Our aim is to use social media to increase brand awareness, promote new and existing services, attract new clients and advertise training events. We have developed a strong presence on Twitter, regularly tweeting about the NHS, industry news and Audit Yorkshire events.

Blogs

We launched an Audit Yorkshire blog for clients, prospective clients, staff, prospective staff and the general public. Blog posts have been published regularly on our website and a rota was created so that all staff are involved in creating topical material.

This year we issued 13 blog posts which included:

- ♦ *Overtime, Travel and Expenses (5 April 2018)* - One of our Local Counter Fraud Specialist's discussed ways in which organisations can prevent inadvertent claim breaches, potential manipulation of the procedures and detect where fraud may be occurring.
- ♦ *Taming the Butterflies (24 April 2018)* - One of our auditors identified top tips for combatting pre-meeting nerves.
- ♦ *Intern Internal Auditor - My Year with Audit Yorkshire (5 June 2018)* - Our Intern discussed their 12 month placement with Audit Yorkshire.
- ♦ *The Importance of Mentoring (27th June 2018)* - One of our Senior Auditor's considered their experience as a mentor and the benefits for the organisation.
- ♦ *Is your work life balance working for you? (16th July 2018)* – A mother of two discussed how she ensures she has a healthy work life balance, and how this is supported by Audit Yorkshire's flexible working.
- ♦ *What Difference Does It Make? (6th August 2018)* – One of our Deputy Heads of Internal Audit considered how effective internal audit recommendations accrue real benefits by helping client organisations to make a difference in the NHS.
- ♦ *Investigating NHS Crime (10th September 2018)* - An Assistant Anti-Crime Manager / Local Counter Fraud Specialist considered their role in investigating crime within the NHS and how this has changed over the years.
- ♦ *A life full of change (9th October 2018)* - One of our Senior Auditor's highlighted changes they have faced in their career as an auditor.
- ♦ *Back to Basics (26 November 2018)* – A trainee discussed getting back to basics and supporting your own health and wellbeing in the workplace.
- ♦ *Christmas Day-ta (12 December 2018)* – Our Data Analyst Specialist considered how much information is recorded about December and the holiday period



- ♦ *NHS Supply Chain – (10 January 2019)* – A Senior Auditor raised awareness of recent changes introduced in the NHS and those still planned in 2019, around the way organisations conduct their day to day purchasing.
- ♦ *Preventing Fraud – Human Intervention (31 January 2019)* - One of our Local Counter Fraud Specialists discussed how human intervention remains one of the most important factors in preventing fraud.
- ♦ *Career Reflections (22 March 2019)* – Our resident Local Counter Fraud Specialist/Local Security Management Specialist reflected on their career as they approach retirement.

Newsletters

In 2018/19 we have issued 13 internal audit newsletters and three anti-crime newsletters. Feedback has been positive and we will continue to issue these throughout 2019/20.

Safeguarding Project

Child and Adult Safeguarding features on a large proportion of our work plans. It was decided that adopting a standardised approach when undertaking audits in these areas would provide a more valuable and comprehensive outcome to our clients.

The aim of the project was to produce an 'end to end' assurance document, encompassing areas such as governance and training and supervision, but also expanding our portfolio to include topics such as Looked-after Children and Unaccompanied Asylum Seeking Children (UASC), Modern Slavery and Domestic Abuse. Some of these areas span both Child and Adult Safeguarding.

The workstream is being delivered by an Assistant Audit Manager, supported by an Associate Clinical Specialist in this area. A number of audit templates have been produced and will be circulated to client managers in early 2019/20.



Topical Issues

Audit Yorkshire held a Topical Issues event on 23 October 2018 in conjunction with 360 Assurance and AuditOne. The event was held at the Principal Hotel, York and included presentations on:

- ◆ The 'Board Assurance Framework' including benchmarking results by John Bullivant, Chairman of the Good Governance Institute
- ◆ The 'NHS Contract' by Catherine Fawlk, Associate at Browne Jacobson
- ◆ The 'General Data Protection Regulation' by Eleanor Tunnicliffe, Legal Director at Hill Dickinson LLP

The event was well attended with over 70 delegates and feedback received was positive and included the following comments:

*I found the event helpful and informative – would attend again
Please repeat!
A very good and interesting event
Accessible, interesting topics
Glad I came! Useful sessions, lot of stimulating conversation and good venue.*

Of the feedback forms received, 100% of respondents rated the topics as excellent/good.

Non-Executive Director Event

A key part of Audit Yorkshire's remit is to provide support to Audit Committees and we have done this by running an annual event for the past 13 years. To facilitate learning and networking these events have all been provided at no cost and have been made available to Audit Committee members and other interested parties across Yorkshire and the Humber.

Audit Yorkshire held its annual Audit Committee event in conjunction with 360 Assurance on 4th March 2019 at the Principal Hotel in York. Due to the popularity of these events and the geography of our combined clients we held the event in two locations, with the second one taking place on 2nd April at The Derbyshire Hotel near Mansfield.

The event focused on Audit Committee effectiveness and is aimed specifically at Audit Committee members. The event was well attended, with a combined total of 71 delegates from across NHS bodies across the patch.

The day was chaired by Helen Kemp-Taylor and the agenda consisted of:

- ◆ A presentation by John Bullivant, Chair of the Good Governance Institute Advisory Board to set the national context and the environment in which NHS Audit Committees are operating.
- ◆ A presentation on the new STP System Governance by Lisa Robertson - Policy and Research Manager, HFMA.
- ◆ Michael Newbury - Director (Financial Audit), National Audit Office - 'The Health and Social Care Interface' report.



- ♦ A Workshop facilitated by John Bullivant, Chair of the Good Governance Institute Advisory Board, – which examined how delegates might begin to assess the effectiveness and maturity of an Audit Committee. The starting point of this workshop was the 2015 GGI Maturity Matrix: Audit Committee review for NHS organisations and workshop delegates were asked to consider and discuss whether the key elements remain the most appropriate, whether there is anything missing from the list and whether the maturity statements reflect current Audit Committee roles and expectations.
- ♦ A closing presentation around the output of some current work reviewing the alignment of Audit Committee Terms of Reference and Audit Committee Annual Reports and the translation of these into the Annual Governance Statement. This was delivered by members of staff from Audit Yorkshire and 360 Assurance.

The majority of speakers were very well received and rated as 'excellent'. Delegates suggested the event was informative, thought provoking and a great networking opportunity.



Delivery of Audit Plans

All agreed audit plans were delivered in accordance with Internal Audit Standards, with completion of all relevant work in time for the Head of Audit Opinion to be produced in support of the respective Annual Governance Statement.

Financial Performance

Audit Yorkshire's financial objective is to break even, matching income and expenditure, and taking into account the full cost of providing the service. Any surplus or deficit which occurs will be either disbursed amongst Members, or carried forward subject to the approval of the Board. A surplus may also be used for agreed developments. Turnover in 2019/19 was just under £2m aligned to delivery of some 6,700 audit and anti-crime days. During 2018/19 we completed the harmonisation of the day rates applied by the two predecessor consortia, with the changes taking place over two years ie 2017/18 and 2018/19.

Staffing accounts for around 90% of our overall operating costs. During 2018/19 some one-off costs were met from reserves, including IM&T developments and mitigating the staff sickness absence experienced and impacting on work carried forward to 2018/19.

Quality Assurance

In order to ensure that there is an effective internal audit function in place, regular feedback is sought from key stakeholders. This is via a combination of client feedback questionnaires that are issued for every audit report and also formal surveys of Audit Committee members, executive directors and senior managers across member organisations. Any suggestions for further improvement are proactively followed up with our clients.

The results of the surveys conducted in 2018/19 reflect very positively on the overall performance of internal audit in supporting the Audit Committees and senior management.

Key Performance Indicators

Audit Yorkshire is in the process of developing the information received through MKInsight, to enable us to monitor and report comprehensively across the patch. The following table summarises Audit Yorkshire's overall achievement of the performance indicators for 2018/19.

Performance Indicator	Actual (2018/19)	Target met?	Target (2018/19)
Percentage of requests for unplanned work responded to within five days.	100%	✓	90%
Percentage of draft audit reports issued within target times.	98%	✓	90%
Management responses received within 15 working days of the issue of the draft report.	95%	×	100%
Percentage of final audit reports issued within five working days of receipt of management responses.	99%	✓	90%
Follow up of all "high" rated recommendations to be performed within one year of the audit taking place.	100%	✓	100%



Counter Fraud

Proactive Work

Audit Yorkshire has always believed that the best way to tackle fraud and corruption is to prevent it from happening in the first place. This belief is reflected in the proactive work undertaken by Audit Yorkshire's counter fraud team for all of its clients. We have ensured that our proactive work is tailored to each client's requirements, but common aims include;

- ♦ Ensuring that control and management weaknesses exploited by fraudsters are addressed and loopholes closed to future attempts.
- ♦ Ensuring each organisation has a strong anti-fraud culture to make staff aware of how and where to report suspicions of fraud.
- ♦ Utilising a variety of different media to make staff aware of the potential consequences of defrauding the NHS.
- ♦ Introducing Counter Fraud Policies, Protocols, Concordats and fraud-proofing relevant policies.

The counter fraud team has continued to raise fraud awareness across its clients and looks to build on good practice and develop new initiatives. The success of the anti-crime newsletter has been reflected in feedback from clients and NHS Counter Fraud Authority and during 2018/19 three more editions were issued and circulated to all of Audit Yorkshire's clients. The newsletters provide the reader with the most recent information regarding countering fraud in the NHS, details of recently concluded investigations and information on how to avoid becoming a victim of fraud.

Counter Fraud Resource

The cornerstone to our continued success is ensuring we have the right people in place to undertake counter fraud work. In the past year the counter fraud team has recruited a Local Counter Fraud Specialist (LCFS) who joined Audit Yorkshire after working as a Detective Constable for North Yorkshire.

Despite the recent recruitment of the LCFS, Audit Yorkshire is aware that applicants for LCFS vacancies with the right qualification, experience and attitude are difficult to recruit. To counter this problem Audit Yorkshire created the Anti-Crime Trainee post, with a view to putting successful candidates through the Accredited Counter Fraud Specialists qualification and developing their skills, culminating in the trainees becoming fully fledged LCFs.

During 2018/19 one of our trainees successfully completed the trainee scheme after being selected from a field of nearly 200 applicants and has now progressed to become an LCFS. During February 2019 another trainee was recruited from North Yorkshire Police and she commences employment with Audit Yorkshire in May 2019.

Liaison with other organisations and agencies

During 2018/19 the counter fraud team has liaised with a number of agencies to assist in countering fraud, bribery and corruption. This includes liaising with police forces in North and West Yorkshire, Kent and London as well as the Home Office, NHS England and Trading Standards.

The team has also liaised with local officers and the Controlled Drugs Officer regarding the theft of prescriptions and prescription frauds.

Representatives from the team have also attended the Yorkshire and Humber Local Intelligence Network and have attended Yorkshire and Humber Fraud Forum training sessions. The Head of Anti-Crime Services has also been appointed as the Vice Chairman of the National Counter Fraud Managers Group and has become a member of the NHS Counter Fraud Authority's Quality Assurance Review Group.



As part of our strategy Audit Yorkshire became a member of the National Anti-Fraud Network (NAFN). Benefits of membership of NAFN include the acquisition of data legally, efficiently and effectively from a wide range of information providers, in an evidential form which will greatly assist with investigative work. NAFN are also a hub for the collection, collation and circulation of intelligence alerts, which can then be shared with Audit Yorkshire's clients.

In addition to the above, Audit Yorkshire is currently working with North Yorkshire Police and the North Eastern Counter Terrorism Unit on a number of fraud awareness and prevention projects. This includes a joint initiative with North Yorkshire Police undertaking counter fraud roadshows at a number of hospitals across the county. The roadshows are intended to make staff, visitors and patients aware of how to protect themselves and the NHS from fraud and where to report suspicions of fraud.

Audit Yorkshire also worked with the North Eastern Counter Terrorism Unit in the delivery of fraudulent document training for staff responsible for checking employees' credentials. A number of these sessions have been delivered for a number of Audit Yorkshire's clients.

Audit Yorkshire were also involved in the revision and updating of the Fraud Awareness eLearning module, which is nationally available to NHS bodies in England via the ESR payroll system. This work was undertaken alongside Health Education England and NHS CFA.

Compliance with the counter fraud standards

We have worked closely with our clients in undertaking a mandated self-review of compliance with the NHS Counter Fraud Authority's Standards for providers and commissioners – fraud, bribery and corruption. The assessment process is a means of evaluating an organisation's effectiveness in dealing with the fraud, bribery and corruption risks it faces.

To demonstrate Audit Yorkshire effectiveness in supporting its clients with compliance with the standards, during 2018/19 three of Audit Yorkshire's clients were selected for quality assessment by NHS Counter Fraud Authority's inspectors and all the assessments identified good practice and demonstrable compliance with the standards.

Security management

Audit Yorkshire continues to provide a number of its clients with a security management service, which is delivered by a fully accredited Local Security Management Specialist. Work undertaken as part of this service includes undertaking security risk assessments, providing guidance regarding all elements of security management and reviewing the clients' compliance with the security management standards.



1. Develop the Audit Yorkshire Brand and Continue to Validate our Purpose and Position

- Developed an Organisation Development (OD) Strategy
- Reviewed our approach to planning to ensure we focus on key risks to delivery
- Develop our approach to tendering

2. Improve Communication

- Developed and refined our Audit and Anti-Crime newsletters and bulletins
- Published bi-monthly staff briefs to improve communication across the team
- Reviewed and updated the website
- Organised annual Audit Committee event

5. Performance Measurement

- Developed management software to monitor performance
- Reported routinely on performance to the team and Board

3. Strengthen Quality and Focus on Continuous Improvement

- Appointed a Data Analytics Lead to the Team
- Expanded the use of IDEA and other electronic tools
- Developed a programme to incorporate data analytics into audit and fraud work programmes
- Reviewed and revised Business Support roles and functions
- Designed and implemented performance reporting from MKInsight

4. Resources and Staff Development

- Agreed a Workforce Development Strategy and plan
- Implemented a formal Apprenticeship Scheme



We Value:

Customer Satisfaction

Respect our customers to retain their loyalty and trust and seek to exceed their expectations.

Excellence

Committed to being the best we can be.

Integrity

Maintain credibility by ensuring our actions always match our words.

Audit Yorkshire

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