

**SWAP INTERNAL AUDIT 2012/13 FIRST UPDATE REPORT**

**Purpose of the Report**

1. This progress report presents the Committee with an update on the performance of the Internal Audit Section. In particular, it provides a summary of:
  - the outcomes of audits completed during the period,
  - the results and outcomes of follow-up reviews carried out during the period, to assess the extent and adequacy of management action taken in response to audit reports from the previous year
  - an update on the delivery of the 2012/13 IA Plan, including audits in-progress which should be finalised and reported to the next Committee meeting and any deferred audits.

**Executive Summary**

2. The attached quarterly update (Appendix A) summarises the main findings by SWAP. In summary, the Service has started 65 audits, 17 carried forward from 2011/12 (14 now complete, 2 deferred and 1 in-progress), and a further 21 completed or at final report stage of the audits started in 2012/13. From this work no significant 'corporate' risks have been identified, with only four reviews resulting in a partial assurance (definition at page 8 of SWAP summary report at Appendix A of this report). Those four reviews all relate to audits carried forward from 2011/12 and are summarised at Appendix D and relate to:
  - Out of County Placements
  - Safeguarding
  - Traffic and Network Management
  - IT Networks

3. All of these reports have been agreed as final and management responses and actions agreed to address the issues raised. In relation to the looked after children out of county placement audit which raised issues of electronic case recording, the Corporate Director and service managers have emphasised that case recording is vitally important. The overall limited assurance judgement in relation to looked after children out of county placements, based on the findings of a misfile of a low risk piece of information by a worker between two of their cases, was very disappointing to the service. The finding was taken seriously, the importance of recording has been reinforced and senior manager auditing will specifically monitor this issue. The recommendations from the safeguarding audit form part of the safeguarding action plan in response to the Ofsted inspection and progress is being rigorously monitored.
4. Overall therefore the 137 recommendations have been made by SWAP to date, broken down as follows:

<b>Year</b>	<b>Priority 5</b>	<b>Priority 4</b>	<b>Priority 3</b>	<b>Priority 2</b>	<b>Priority 1</b>	<b>Total</b>
<b>2011/12 carry forward audits</b>	7	0	19	0	44	<b>66</b>
<b>2012/13 audits</b>	0	1	42	8	21	<b>71</b>
<b>Totals</b>	7	1	61	8	60	<b>137</b>

5. Overall SWAP thus concluded as per assurance definitions at page 8 of SWAP report at Appendix A of this report:

<b>Assurance (per definitions at Appendix A)</b>	<b>Number</b>
Substantial	6%
Reasonable	57%
Partial	14%
None	0%
Advice / Follow up audits	23%

The detail by each audit is set out at Appendix B of the SWAP report.

6. Appendix B identifies two audits have been deferred to later in the financial year and one until 2013/14 as follows:

- Streetscene audit – deferred until quarter 4 due to new contract award timetable.
- Temporary staff and consultant procedures – deferred to quarter 4 to assess new control environment over a longer period.
- Behaviours framework – deferred to 2013/14 to enable to embed and testing of application over a longer period.

All these are support and it is recommended that the 2012/13 IA plan is amended for future reporting to the Audit Committee to reflect this.

7. Overall the performance of SWAP is on track with the partnership performance measures. Members will note that 100% of reports have been issued within the agreed timescales, however, as identified at Appendix B a review of the dates requested by Audit Committee and now included shows that in some cases there have been delays between the dates reports (draft and final) were expected to be issued and when they were. Discussions with SWAP have identified this is due to.

- Delays in clearing reports by Wiltshire in certain cases;
- Summer Holidays, both SWAP and Wiltshire staff; and
- Some delays caused by SWAP staff still completing MKi – training and gaining awareness of using that system (SWAPs recording and database system).

8. These issues are not due to internal audit and in relation to the first issue a new protocol has been agreed with SWAP for improving the timeliness and resolution of reports. As such no issues are raised regarding performance to date.

### **Proposal**

9. Members are asked to note the findings from SWAP audits to date and confirm the changes to the audit plan set out at paragraph 6 of this report relating to deferral of certain audits.

## **Reasons for Proposals**

10. To ensure an effective IA function and strong control environment.

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Unpublished documents relied upon in the preparation of this Report: None.

Appendices: A – IA First Progress Report 2012/13  
B – IA detailed Audit Plan and monitoring statement 2012/13  
C – Significant Corporate Risks  
D – Summary of audits deemed 'Partial / No' assurance