

AGENDA

Meeting: Audit and Governance Committee

Place: Council Chamber - County Hall, Bythesea Road, Trowbridge, BA14 8JN

Date: Wednesday 27 April 2022

Time: 10.00 am

Please direct any enquiries on this Agenda to Tara Shannon, of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line 01225 718352 or email tara.shannon@wiltshire.gov.uk

Press enquiries to Communications on direct lines (01225) 713114/713115.

This Agenda and all the documents referred to within it are available on the Council's website at www.wiltshire.gov.uk

Membership:

Cllr Mark Connolly (Chairman)
Cllr Stuart Wheeler (Vice-Chairman)
Cllr Chuck Berry
Cllr Adrian Foster
Cllr Gavin Grant
Cllr George Jeans

Cllr Edward Kirk
Cllr Antonio Piazza
Cllr Pip Ridout
Cllr Mike Sankey
Cllr Martin Smith

Substitutes:

Cllr Liz Alstrom
Cllr Ernie Clark
Cllr Matthew Dean
Cllr Nick Errington

Cllr Ross Henning
Cllr Jon Hubbard
Cllr Tom Rounds
Cllr Jo Trigg

Recording and Broadcasting Information

Wiltshire Council may record this meeting for live and/or subsequent broadcast. At the start of the meeting, the Chairman will confirm if all or part of the meeting is being recorded. The images and sound recordings may also be used for training purposes within the Council.

By entering the meeting room you are consenting to being recorded and to the use of those images and recordings for broadcasting and/or training purposes. The meeting may also be recorded by the press or members of the public.

Any person or organisation choosing to film, record or broadcast any meeting of the Council, its Cabinet or committees is responsible for any claims or other liability resulting from them so doing and by choosing to film, record or broadcast proceedings they accept that they are required to indemnify the Council, its members and officers in relation to any such claims or liabilities.

Details of the Council's Guidance on the Recording and Webcasting of Meetings is available on request. Our privacy policy can be found [here](#).

Parking

To find car parks by area follow [this link](#). The three Wiltshire Council Hubs where most meetings will be held are as follows:

County Hall, Trowbridge
Bourne Hill, Salisbury
Monkton Park, Chippenham

County Hall and Monkton Park have some limited visitor parking. Please note for meetings at County Hall you will need to log your car's registration details upon your arrival in reception using the tablet provided. If you may be attending a meeting for more than 2 hours, please provide your registration details to the Democratic Services Officer, who will arrange for your stay to be extended.

Public Participation

Please see the agenda list on following pages for details of deadlines for submission of questions and statements for this meeting.

For extended details on meeting procedure, submission and scope of questions and other matters, please consult [Part 4 of the council's constitution](#).

The full constitution can be found at [this link](#).

For assistance on these and other matters please contact the officer named above for details

AGENDA

Part I

1 **Apologies**

To receive any apologies or substitutions for the meeting.

2 **Minutes of the Previous Meeting** (*Pages 5 - 14*)

To confirm and sign the minutes of the meeting held on 1 March 2022.

3 **Declarations of Interests**

To receive any declarations of disclosable interests or dispensations granted by the Standards Committee.

4 **Chairman's Announcements**

To receive any announcements through the Chairman.

5 **Public Participation**

The Council welcomes contributions from members of the public.

Statements

Members of the public who wish to submit a statement in relation to an item on this agenda should register with the officer named on this agenda no later than **10 minutes before the start of the meeting**. If it is on the day of the meeting registration should be done in person.

Up to 3 speakers are permitted to speak for up to 3 minutes each on any agenda item. Please contact the officer named on the front of the agenda for any further clarification.

Questions

To receive any questions from members of the public or members of the Council received in accordance with the constitution.

Those wishing to ask questions are required to give notice of any such questions in writing to the officer named on the front of this agenda no later than 5pm on 20 April 2022 in order to be guaranteed of a written response. In order to receive a verbal response questions must be submitted no later than 5pm on 22 April 2022. Please contact the officer named on the front of this agenda for further advice. Questions may be asked without notice if the Chairman decides that the matter is urgent.

Details of any questions received will be circulated to Committee members prior to the meeting and made available at the meeting and on the Council's website.

6 **External Audit Plans**

Verbal updates from Deloitte on:

- External Audit Plan 2019/20
- External Audit Plan 2020/21

7 **Policies on Anti-Fraud and Corruption, Anti-Tax Evasion and Whistleblowing** (*Pages 15 - 64*)

To consider the following:

- a) Anti-Fraud, Bribery and Corruption Policy
- b) Anti-Tax Evasion Policy and
- c) Whistleblowing Policy

8 **Accounting Policies** (*Pages 65 - 86*)

To consider the Accounting Policies 2021/22.

9 **Q1 Internal Audit Plan 2022/23** (*Pages 87 - 98*)

To consider the Internal Audit Plan Q1 2022/23.

10 **Forward Work Programme** (*Pages 99 - 104*)

To note the Forward Work Programme

11 **Date of Next Meeting**

To note that the next regular meeting of the Committee will be held on 21 July 2022.

12 **Urgent Items**

Any other items of business, which the Chairman agrees to consider as a matter of urgency.

Part II

Items during whose consideration it is recommended that the public should be excluded because of the likelihood that exempt information would be disclosed

None

Audit and Governance Committee

MINUTES OF THE AUDIT AND GOVERNANCE COMMITTEE MEETING HELD ON 1 MARCH 2022 AT COUNCIL CHAMBER, COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Cllr Mark Connolly (Chairman), Cllr Stuart Wheeler (Vice-Chairman), Cllr Chuck Berry, Cllr Adrian Foster, Cllr Gavin Grant, Cllr George Jeans, Cllr Edward Kirk, Cllr Antonio Piazza, Cllr Pip Ridout, Cllr Mike Sankey and Cllr Martin Smith

1 Apologies

There were no apologies for absence.

2 Minutes of the Previous Meeting

The minutes of the last meeting on 24 November 2021 were presented for consideration and it was,

Resolved:

To approve and sign the minutes as a true and correct record.

3 Declarations of Interests

There were no declarations of interest.

4 Chairman's Announcements

The Chairman announced that agenda item 13 would be taken as the first main agenda item to enable SWAP to join the meeting remotely.

5 Public Participation

There were no public questions or statements received.

6 Report to those charged with governance (ISA 260) 2019/20

At the Chairman's invitation, Ian Howse (Deloitte) presented the report to those charged with governance (ISA 260) 2019/20.

Mr Howse stated that whilst it had taken longer than expected to get to this position, the audit report on the 2019/20 accounts brought together all of Deloitte's findings. It was explained that all the detailed work was complete, however there were still a few items outstanding. There were a number of recommendations in the report which Mr Howse was happy to take questions on. It was stated that the audit opinion would be qualified, due to the revaluations reserves on the balance sheet. It was hoped that the qualification would be removed for the 2020/21 accounts. The report also included a draft audit opinion.

It was explained that the Annual Governance Statement had been reviewed and it complied with the Delivering Good Governance guidance issued by CIPFA/SOLACE and there were no significant issues identified.

There were also no matters in the public interest to report and no significant value for money risks were identified.

The report confirmed Deloitte's independence and fees at the end. Mr Howse stated that there had been great collaboration between his team and the Wiltshire Council team and many of the problems identified were from many years before most of the team joined the Local Authority.

Andy Brown (Corporate Director Resources, Deputy Chief Exec and s151) echoed Mr Howse's comments. The team had worked incredibly hard to overcome the historical issues. It was disappointing that the accounts would have a technical qualification, but the team were starting to address the technical accounting issues and it was hoped that in the Statement of Accounts 2020/21 they would be able to remove the except for qualification.

Lizzie Watkin (Assistant Director Finance & Deputy s151) stated that all items in the report had management responses, so all the areas identified would be worked on and corrected. There was a robust action plan in place, which also addressed learning and development to ensure there were no gaps in technical knowledge.

In response to questions officers explained that resources (such as staffing and budgets) were discussed regularly. It was believed the budget was sufficient, if not officers would request more resources. Attracting staff with the right experience was difficult, which was a problem across the board for Local Authorities. Consultants had to be used, some of which had been really good and helped to train other staff to address gaps in knowledge. A Chief Accountant had now been recruited which was a very positive step.

In response to a question on the value of assets it was explained that assets were not held to make money, but to deliver services. The property had a database of insurable values, which assets were in use or held for sale.

In response to a question regarding Deloitte's opinion of the management responses Mr Howse stated that he was happy with the responses received, they were proportionate, and he sensed a real commitment from the team.

Members stated that it may be useful to have visibility of the timetabling of implementation of management actions or whether actions were no longer required.

It was confirmed that the 2020/21 and 2021/22 accounts were being run concurrently.

Members congratulated the Deloitte and Wiltshire Council teams on the positive progress made towards addressing the historical issues.

Resolved:

To note the report.

7 Statement of Accounts 2019/20

Lizzie Watkin (Assistant Director Finance & Deputy s151) presented the Statement of Accounts 2019/20 and a report detailing the management response to the ISA 260 report.

Although the audit had progressed significantly there were some final elements to be completed, although it was not thought that completion of these steps would change the accounts. Therefore, the Committee was being asked to approve delegation of the Letter of Representation for the Statement of Accounts (SoA) 2019/20 and the final audited SoA 2019/20 to the S151 officer in conjunction with the Chairman of the Committee. The Committee were also being asked to ratify the Annual Governance Statement 2019/20 which had already been approved by the Committee. The officer confirmed that if there were any changes to the accounts these would be circulated to the Committee prior to the delegated approval being taken. It was,

Resolved:

That the Audit & Governance Committee approve that delegation is given to the Corporate Director of Resources & Deputy Chief Executive (S151 Officer) in conjunction with the Chair of the Audit & Governance Committee to approve, following the completion of the audit, the following items:

- a) The Letter of Representation for the Statement of Accounts 2019/20.**
- b) The final audited Statement of Accounts 2019/20, accepting the auditors "except for" qualification limited to the historic balances on the Revaluation Reserve and the Capital Adjustment Account.**

That the Audit & Governance Committee ratify that no amendments are required to the Annual Governance Statement for 2019/20.

8 Process around limited and no assurance audits

Lizzie Watkin (Assistant Director Finance and Deputy s151) presented a slideshow, which was published with the agenda, detailing the process around limited and no assurance audits and how the Committee could seek assurance that management were taking actions on such audits. For example, by understanding the risks, determining required actions and what plans were in place to implement those, seeking reports from the affected service to come to Committee and questioning regarding implementation timelines, progress and reviews.

It was,

Resolved:

To note the presentation.

9 Care Home Alliance

Cllr Stuart Wheeler left the meeting at 12.30pm.

At the Chairman's invitation Helen Jones (Director Procurement and Commissioning) presented a report on the Care Home Alliance in response to a no assurance audit.

The officer stated that the audit was disappointing but fair in terms of what had been occurring. Some comfort was taken in the statement that SWAP felt there were good prospects for improvement. Although there had been a governance structure in place it had not been working effectively so the officer took over the oversight group and had gained some extra management capacity to drive through the areas for improvement. Key to this was measuring demand and supply, knowing what they were commissioning and whether this was sufficient or oversupply. A cost of care exercise was being undertaken as part of a national review.

Relationships between legal, finance, procurement and the wider market were very important as was setting out clear roles, accountability and responsibility.

Engagement with the market had been a concern but the working relationship had improved with a 70% satisfaction rate from providers and things were getting back on track. The tender on the Care Home Alliance had closed and was going to the Commercial Board. A lessons learned workshop had taken place at the end of the tender and those lessons would be used going forward

on other tenders. Training was being provided for commissioners and procurement.

Members debated the volatility of the market and concerns regarding supply.

It was confirmed that SWAP would revisit this again in 6 months to assess progress. There was now far better oversight and a skills audit had been undertaken to assess gaps and make appropriate investments in staff.

Members stated that they felt the Care Home Alliance tender should have gone through the Financial Planning Task Group. Future tenders could be considered by the group.

Members felt they were slightly lacking in data, but the officer explained that commercially sensitive details could not be included in the report. Officers assured the Committee that the structure and governance around the tender process had vastly improved.

Resolved:

To note the actions taken in response to the internal audit.

Cllr George Jeans left the meeting at 13.10 and Cllr Edward Kirk left the meeting at 13.25.

The meeting was adjourned at 13.25 for a short break.

10 **Third Party Spend Purchase to Pay**

Jon Hopkins (Head of Strategic Procurement) gave a presentation on Third Party Spend Purchase to Pay in response to a limited assurance audit. The officer ran through the slides as published in the agenda.

The officer highlighted that the commercial governance framework had previously been lacking, staff had been demotivated, there were inconsistent approaches and there had been no contract register. 2 more audits had been requested in order to support improvement work. In a Local Government Association benchmark test 2 years ago, procurement within the authority had been rated as immature. This gave the team a benchmark to improve on. The level of engagement had now improved as had customer satisfaction. The Procurement and Commissioning Board had been put in place and the ERP system was being replaced.

A contract register had been developed with all contracts listed by when they run out so that forward planning could take place. It was hoped that they would get to a point where one could look 5 years ahead and see what decisions would need to be made. Risk analysis should also be undertaken on all contracts.

The team had now addressed a lot of the issues and were starting to make improvements. They were legally compliant. The procurement team was being re-structured and were getting to the point where they could start delivering the outcomes needed from procurement.

The Chairman thanked the officer for a good presentation and stated that where we were a couple of years ago was shocking.

Andy Brown stated that the meeting today had demonstrated the importance of procurement, commissioning and third party spend. We needed to get the basics right. The contract register would apply to the financial plan and there would now be strategic oversight helping the LA to make decisions and reduce cost. He would direct SWAP to keep looking at these areas.

Members were pleased that these issues were now being addressed, encouraged by the progress and thanked all the officers in attendance for updating on the issues and trying to resolve problems. It was suggested that 'value for money' could be added to the list of what the procurement team needed to deliver. It was also suggested that carbon footprint could be incorporated into tenders.

In response to questions, it was stated that previously what the service the team was delivering was not defined so it was hard to measure outcomes. The service has been re-designed so that 20-24 people could deliver it and was set up to work. They were currently slightly short on staff but were recruiting and it was hoped the new structure would start from 1 April. In the short-term Hampshire Council were providing services to the team.

It was confirmed that there was still work to be undertaken, such as usefully feeding back data across the Council and developing a business intelligence hub.

Resolved:

To note the update

Cllr Antonio Piazza left the meeting at 14.16

11 **Governance Update on AGS**

Perry Homes (Director, Legal and Governance) presented a report which gave an update on the current status of improvement actions identified in the Annual Governance Statement (AGS) 2021.

The officer explained that in a normal year the AGS would be approved alongside the Statement of Accounts, but the AGS 2021 had been approved in October 2021. Appendix 1 detailed the progress against improvement actions which was relatively positive. It was,

Resolved:

To note the current status of improvement actions identified in the Annual Governance Statement as set out in Appendix 1 (pages 257 – 260).

12 **Independent Members on Audit and Governance**

Perry Holmes (Director, Legal and Governance) presented a report regarding independent members on the Audit and Governance Committee. The idea of having independent members who were experts in audit and/or governance on the Committee was to provide advice and knowledge to the Committee.

Members all agreed that this was a good idea and debated how many independent members there should be, all agreed that 1 independent member would suffice.

Members also discussed who should form part of the interview and selection panel.

It was;

Resolved:

- a) To approve the creation of a role of independent co-opted members on the Audit and Governance Committee;**
 - i. and that 1 independent co-opted member should be appointed.**
- b) To approve the draft proposed role profile (appendix D) and delegate authority for the final wording of this to the Monitoring Officer, in order to allow amendments to be made if required.**

The Audit and Governance Committee recommend to Full Council:

- c) That the constitution should be updated as proposed at appendix C to include independent co-opted members as part of the Audit and Governance Committee.**
- d) To delegate the appointment of any independent co-opted members to the Audit and Governance Committee and the arrangements for selection of such members to the Monitoring Officer in consultation with the Chairman of the Audit and Governance Committee. This would include convening a selection panel involving a lead Audit and Governance Officer and 3 Members of the Committee (2 Conservatives and 1 Liberal Democrat, 1 of which would be the Chairman of the Committee) to interview applicants. Committee Members selected to form part of the panel were Cllr Mark Connolly (Chairman, Conservative) Cllr Mike Sankey (Conservative) and Cllr Gavin Grant (Liberal Democrat).**

- e) That the remuneration of the independent co-opted members be delegated to the Audit and Governance Committee in consultation with Wiltshire Council's Independent Remuneration Panel.

13 **Internal Audit Reports**

This item was taken after item 5 on the agenda. The SWAP representative, Moya Moore, was not present in person but joined the meeting by voice call.

The March 2022 update report gave a good news picture and the overall opinion was reasonable. There had been 0 no assurance audits and 1 limited assurance audit on the Good Lives Alliance. The representative briefly summarised the report which was published in the agenda.

Members had questions regarding procurement, adult safeguarding, contract management and risk. Officers explained that actions identified by the audit had been put in place, internal controls had been corrected and there was now a forward plan regarding procurement. Corporate risk was currently being reviewed. Contracts were debated at length, with officers explaining that we had a mature relationship with the market and a partnership approach which involved having honest conversations. Regarding care providers Wiltshire Council was trying to support the providers strategically and would be undertaking 2 cost care exercises and writing a sustainability plan to try to address issues caused by the volatile external market and conditions. Risk assessments were undertaken on care suppliers and the formal processes in place to manage contracts and cover risk/contingencies and due diligence was undertaken. Concerns were raised regarding private equity firms asset stripping care providers, but officers explained that this was beyond Local Authority (LA) control and would require intervention from government. The LA needed to concentrate on what it could affect by developing a long term, sustainable strategy.

Resolved:

To note the IA March 2021/22 update report.

14 **Forward Work Programme**

The FWP was considered. It was noted that the FWP was a dynamic document which would be amended as required. Future limited or no assurance audits could be added to the FWP for the Committee to gain assurance. It was,

Resolved:

To note the FWP.

15 **Date of Next Meeting**

The next regular meeting of the Audit and Governance Committee would take place on 27 April 2022.

16 **Urgent Items**

There were no urgent items.

(Duration of meeting: 10.30 am - 2.55 pm)

The Officer who has produced these minutes is Tara Shannon of Democratic Services, direct line 01225 718352, e-mail tara.shannon@wiltshire.gov.uk

Press enquiries to Communications, direct line ((01225) 713114 or email communications@wiltshire.gov.uk

This page is intentionally left blank

Wiltshire Council

Audit and Governance Committee

27 April 2022

Subject: Anti-Fraud, Bribery and Corruption Policy 2022

Executive Summary

This report presents the Anti-Fraud, Bribery and Corruption Policy for approval.

Proposal(s)

To recommend the approval of the council's Anti-Fraud, Bribery and Corruption Policy.

Reason for Proposal(s)

Adopting policies in line with best practice and regulation provides a good governance framework that supports a strong financial control environment to help protect the public purse. The policies provide a raft of measures to provide a positive culture of control and compliance and sets out what is expected from workers, members and the public.

Andy Brown

Corporate Director of Resources and Deputy Chief Executive (S.151 Officer)

27 April 2022

Subject: Anti-Fraud, Bribery and Corruption Policy 2022

Purpose of Report

1. This report presents the Anti-Fraud, Bribery and Corruption Policy for the council for approval by those charged with governance.

Relevance to the Council's Business Plan

2. Adopting policies in line with best practice and regulation provides a good governance framework that supports a strong financial control environment to help protect the public purse.
3. The policies are reflective of the Council's aims within its business plan to be open and transparent and ensure that all are working together. They are also consistent with the Council's aim for prevention and early intervention which would equally apply with internal arrangements.

Background

4. The previous Anti-Fraud and Corruption policy set out the council's position and arrangements and spanned the financial years 2014-2017. It has not been reviewed since its first approval and was therefore in need of a full review and update to ensure it remained relevant and appropriate.
5. Government have more recently issued a new strategy, Fighting Fraud and Corruption Locally Strategy (2020), which is the Local Government blueprint for tackling fraud in Local Government. It is therefore necessary to review and update the council's policy to reflect this government strategy and set out clearly the council's stance on Fraud, Bribery and Corruption.

Main Considerations for the Council

6. Wiltshire Council has a **zero-tolerance** approach to fraud, bribery and corruption. Controls are in place to ensure compliance with policies, and the council is committed to taking all necessary steps to prevent fraud, bribery and corruption, and will seek the appropriate disciplinary and / or legal action is taken against those found to have committed fraud and, where possible, recover losses.
7. The threat from fraud, bribery and corruption is both internal and external. The council's expectation is that councillors and employees at all levels will lead by example to ensure the highest standards of probity and accountability are established and strictly adhered to, and that personal conduct is above

reproach at all times. Part of the overall financial control environment is ensuring strategies and policies are set clearly and effectively communicated.

8. The existing strategy was out of date and has therefore been reviewed and updated. Although the zero-tolerance approach has not changed the policy has been refreshed to clearly define the Council's approach to managing the risk of fraud, bribery and corruption ensuring best practice is embedded across all services, projects and partnerships.
9. The policy can be seen in Appendix A of this report.

Overview and Scrutiny Engagement

10. As the policy approval is to be considered by the Audit and Governance Committee there has been no engagement with the Overview and Scrutiny Committee. Those charged with governance are responsible for the review and approval of this policy.

Safeguarding Implications

11. There are no safeguarding implications associated with this report.

Public Health Implications

12. There are no public health implications associated with this report.

Procurement Implications

13. There are no procurement implications associated with this report.

Equalities Impact of the Proposal

14. The policy is designed to give workers, members and the public assurance that they have an avenue where they can raise any issues associated with fraud, bribery and corruption and where they have serious concerns the policy will be applied equally to all and therefore the policy is consistent with the Council's public sector equalities duties.

Environmental and Climate Change Considerations

15. There are no environmental and climate change considerations arising from this report.

Risks that may arise if the proposed decision and related work is not taken

16. The previous policy has not been reviewed for several years. By not having an up to date, relevant, approved policy that is communicated to staff, members and members of the public the council would not provide a clear framework that is understood or is open and transparent.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

17. If the policy is approved, it will be published in the council's website and the policy will be appropriately communicated internally. This will be supported by fraud awareness training that is being rolled out across the council to relevant officers.

Financial Implications

18. The Anti-Fraud, Bribery and Corruption policy supports the financial control environment by clearly setting out the council's approach to the prevention, detection and reporting of all forms of financial irregularity and helps protect the public purse by providing a clear framework for staff.

Legal Implications

19. The updated policy sets out transparently the council's approach to tackling fraud, bribery and corruption. This approach includes recourse that is procedural and legal in nature, including prosecution. Examples of relevant legislation is included in the Fraud Act 2006, the Bribery Act 2010, the Theft Act 1968, the Forgery and Counterfeiting Act 1981, the Criminal Finance Act 2017 and the Proceeds of Crime Act 2002.

Workforce Implications

20. There are no direct workforce implications associated with this report. The policy sets out the framework for staff and ensures that there is a safe, reliable, and confidential way of staff reporting any suspicious activity.
21. The investigation of fraud will be fair, independent and objective. The policy sets out that officers will be mindful of the Equality Act 2010 and will not let their political or personal views regarding suspects, victims or witnesses unduly influence their decisions.

Options Considered

22. It is best practice for the council to have an approved policy that is reviewed to ensure it remains relevant and up to date and therefore it was considered that there was no other option but to review and recommend for approval a new updated policy.

Conclusions

23. It is recommended that Audit and Governance Committee approve the council's Anti-Fraud, Bribery and Corruption Policy 2022.

Andy Brown

Corporate Director of Resources and Deputy Chief Executive (S.151 Officer)

Report Author: Lizzie Watkin, lizzie.watkin@wiltshire.gov.uk, 01225 713056

13/04/2022

Appendices

Appendix A – Anti-Fraud, Bribery and Corruption Policy 2022

Background Papers

None

This page is intentionally left blank

Anti-Fraud, Bribery and Corruption Policy

**A policy for tackling fraud,
bribery and corruption in
Wiltshire 2022**

Strategy Statement

Wiltshire Council has a **zero-tolerance** approach to fraud, bribery and corruption. Controls are in place to ensure compliance with policies, and the council is committed to taking all necessary steps to prevent fraud, bribery and corruption, and will seek the appropriate disciplinary and / or legal action is taken against those found to have committed fraud and, where possible, recover losses.

All staff have a responsibility to assist in preventing fraud, bribery and corruption and expected staff behaviours are contained within the Code of Conduct. This policy is supported and endorsed by the Corporate Leadership Team and Cabinet.

This strategy defines the Council's approach to managing the risk of fraud, bribery and corruption ensuring best practice is embedded across all services, projects and partnerships. Any fraudulent act or act of bribery or corruption committed against the council effectively constitutes theft of taxpayers' money. It is unlawful and deprives the council of resources which should be available to provide public services.

The threat from fraud, bribery and corruption is both internal and external. The council's expectation is that councillors and employees at all levels will lead by example to ensure the highest standards of probity and accountability are established and strictly adhered to, and that personal conduct is above reproach at all times.

The strategy is based upon comprehensive ongoing risk assessments in all areas of council activity, to reduce losses from fraud and corruption to an absolute minimum, through:

- Reinforcing an organisational culture of zero tolerance to fraud, bribery and corruption
- Encouraging prevention
- Pro-actively detecting fraud, bribery and corruption
- The instigation of legal, disciplinary and recovery action against any individual found to have acted fraudulently or corruptly in their relationship and dealings with the council

This holistic approach to tackling fraud, bribery and corruption is an integral part of existing governance arrangements, policies and procedures. Providing a raft of measures designed collectively to deter would be offenders.

As a living document it is envisaged that this strategy will continually evolve as the council gains a better understanding of the potential threat from fraud, bribery and corruption, as new threats arise, and as new and existing partnerships develop.

The Fraud, Bribery and Corruption Strategy underpins these principles in seeking to ensure sound governance. In adopting this approach and culture the strategy supports the outcomes

in enabling greater engagement with the community and partners, whilst protecting the public purse. As such this strategy is a key support for the delivery of the council's business plan 2022-2032

Anti-Fraud, Bribery and Corruption Policy

Contents

- 1. Purpose**
- 2. Key Principles**
- 3. Relevant Legislation**
- 4. Reporting Fraud**
- 5. Investigation of Fraud**
- 6. Prevention**
- 7. Detection**
- 8. Recovery of Losses**
- 9. Conclusion**

1. Purpose

1.1 The purpose of this policy is to set out clearly:

- The Council's commitment and approach to tackling fraud, bribery and corruption.
- The responsibilities of Members and employees to report any suspicions they have.
- The importance of the public in tackling fraud.

1.2 This policy applies to:

- Members
- Employees
- Agency staff
- Contractors
- Consultants
- Suppliers
- Service users
- Employees and committee members of organisations funded by Wiltshire Council
- Employees and principals of partner organisations
- Volunteers working for Wiltshire Council

1.3 In addition to the above Wiltshire Council expects members of the public to be honest in their dealings with the Council.

1.4 Other relevant policies, procedures and controls include:

- Council Constitution including Financial Regulations
- Standards Committee
- Codes of Conduct for Councillors and for Employees
- Registers of Interest
- Procurement Rules and Guidance
- Anti-Money Laundering Policy and Procedures
- Whistle Blowing Policy
- HR policies and procedures for managing performance including disciplinary matters
- HR policies and procedures for managing recruitment
- I.T. Security Policy
- Benefit Fraud Sanction Policy
- Benefit Fraud Strategy

1.5 A priority aim is to fully integrate this strategy into existing policies, procedures and controls' ensuring it becomes a key part of the council's governance and risk management framework. The arrangements set out in this policy will be reviewed annually to ensure the Council remains resilient to fraud threat.

2. Key Principles

2.1 The Council has reviewed its arrangements in line with the Fighting Fraud and Corruption Locally Strategy (2020) – the Local Government blue print for tackling fraud

in Local Government. The strategy outlines its 5 pillars for effective fraud management, as below:

Pillar 1	Pillar 2	Pillar 3	Pillar 4	Pillar 5
Govern	Acknowledge	Prevent	Pursue	Protect
having robust arrangements embedded throughout the organisation	acknowledging and understanding fraud risks	preventing and detecting more fraud	being stronger in punishing fraud/ recovering losses	protecting itself and its residents
<p>Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation.</p> <p>Having a holistic approach to tackling fraud is part of good governance.</p>	<p>Assessing and understanding fraud risks.</p> <p>Committing support and resource to tackling fraud</p> <p>Maintaining a robust anti-fraud response.</p>	<p>Making better use of information and technology.</p> <p>Enhancing fraud controls and processes.</p> <p>Developing a more effective anti-fraud culture.</p>	<p>Prioritising fraud recovery and the use of civil sanctions.</p> <p>Developing capability and capacity to punish fraudsters.</p> <p>Collaborating with law enforcement.</p>	<p>Recognising the harm that fraud can cause in the community.</p> <p>Protecting itself and its' residents from fraud.</p>

- 2.2 The council will not tolerate fraud, bribery or corruption and if proven employees will face possible dismissal and/or prosecution.
- 2.3 The council expects that Members and officers at all levels will lead by example to ensure high standards of propriety, integrity and accountability and operate within relevant Codes of Conduct.
- 2.4 The council will endeavour to raise fraud awareness among employees both at induction and periodically throughout their employment.
- 2.5 The council expects Members and Senior Officers to emphasise the importance of anti-fraud work and to actively promote and support the fight against fraud.
- 2.6 The council expects individuals and organisations with whom it comes into contact with to act with integrity towards the council.
- 2.7 The council understands the fraud risks it faces and will implement policies and procedures to identify and prevent fraud, bribery and corruption, but will also take all action necessary to investigate and identify it.

- 2.8 The council will take appropriate action against those responsible for fraud and where possible recover losses incurred (see Recovery of Losses section).
- 2.9 Members of the public are asked to contribute to the council's fight against fraud by remaining vigilant to the potential for fraud and reporting it where they suspect the council is being targeted. Employees and Members have a duty to do so, and concerns should be raised when it is reasonably believed that one or more of the following has occurred, is occurring or is likely to occur:
- A criminal offence.
 - A failure to comply with a statutory or legal obligation.
 - Improper or unauthorised use of public or other official funds, or assets.
- 2.10 The investigation of fraud will be fair, independent and objective. Officers will be mindful of the Equality Act 2010 and will not let their political or personal views regarding suspects, victims or witnesses unduly influence their decisions. Officers will not be affected by improper or undue pressure from any source.
- 2.11 Wiltshire Council will endeavour not to facilitate fraud against other bodies including tax evasion. If through its operation or investigation work, it identifies possible fraud against another organisation, it will report this to the 'appropriate body'.
- 2.12 Work with service areas to help raise awareness of fraud risk and scams that affect the public relative to the service area.

3. Relevant Legislation

- 3.1 Fraud is defined in the Fraud Act 2006 which came into effect from 15 January 2007. There are three basic types of fraud:
- **False representation**
Where a person makes a representation that is intentionally and dishonestly made, knowing that it is, or might be, untrue or misleading with intent to make a gain for him/herself or another, to cause loss to another or to expose another to risk of loss.
 - **Failing to disclose information**
Where a person fails to disclose information to another person when he/she is under a legal duty to disclose that information honestly, intending by that failure to make a gain or cause a loss.
 - **Abuse of position**
Where a person occupies a position in which he/she is expected to safeguard, or not to act against, the financial interests of another person and abuses that position dishonestly intending by that abuse to make a gain/cause a loss (the abuse may consist of an omission rather than an act).

A person can be found guilty even if there is no victim of the crime; all that needs to be proven is the intent to make a gain or cause a loss by the accused.

3.2 The Bribery Act 2010 contains two general offences:

- Section 1 - the offering, promising or giving of a bribe (active bribery);
- Section 2 - and the requesting, agreeing to receive or accepting of a bribe (passive bribery)

3.3 The Theft Act 1968 and the Forgery and Counterfeiting Act 1981 define offences of:

- Theft
- False Accounting
- Forgery

3.4 The Criminal Finance Act 2017 created a criminal offence of failing to put adequate measures in place to prevent tax evasion in the United Kingdom or overseas.

3.5 The Proceeds of Crime Act 2002 made it a criminal offence to fail to disclose knowledge of or suspicion of money laundering.

4. Reporting Fraud

4.1 Council employees and members **must** report any concerns they may have regarding fraud and corruption, whether it relates to dishonest behaviour by council employees, Members, contractors or by others. That action will be free from recrimination. Such concerns will be treated in confidence and will be properly investigated. In the first instance a member of staff should contact a senior manager within the line management structure.

However, if the member of staff considers the matter too serious or sensitive or inappropriate to raise within the line management structure then one of the following may be contacted – in person, by telephone or e-mail (marked confidential):

- Chief Executive
- Corporate Director of Resources & Deputy Chief Executive (S151 Officer)
- Assistant Director of Finance
- SWAP Internal Audit Services
- Monitoring Officer
- Chair of Audit Committee

Concerns can also be raised directly to the SWAP Internal Audit Services Counter Fraud Team through their Confidential Reporting Line:

SWAP Confidential Reporting Line	
Confidential Helpline	020 8142 8462
Confidential Email	confidential@swapaudit.co.uk
https://www.swapaudit.co.uk/contactus	Report It

- 4.2 All matters will be treated in confidence and an expressed wish not to reveal the identity of a complainant will be respected wherever possible. (Concerns expressed anonymously are much less powerful but will be considered by the council). Alternatively, any person with a concern may use the Council's Confidential Whistleblowing Policy or as an external contact point our external auditors, Deloitte LLP.
- 4.3 Elected members should normally report any concerns to the appropriate Corporate Leadership Team officer, the Chief Executive, the Corporate Director of Resources & Deputy Chief Executive (S151 Officer) or the Monitoring Officer.

4.4 The Council's Disciplinary Policy clearly identifies the following as gross misconduct:

- Dishonesty, including theft and/or fraud, falsification of records or information, non-declaration of information.
- Serious Data protection breaches, unauthorised disclosure of council documents or confidential information to others inside or outside the council
- Misuse of an official position for personal gain

Only a Manager / Officer at Head of Service level or above, can dismiss an employee on the grounds of gross misconduct in accordance with HR policies and procedures.

- 4.5 An accusation of dishonest behaviour by a Member of the council should be referred to the Monitoring Officer for an assessment of whether this is likely to constitute a breach of the Members' Code of Conduct.
- 4.6 If a case involves action against a third party, any action to be taken will be agreed between the Corporate Director of Resources & Deputy Chief Executive (S151 officer) and the Monitoring Officer, with advice sought from SWAP.
- 4.7 Where investigation reveals evidence of suspected criminal activity with regard to fraud, bribery and corruption the Corporate Director of Resources & Deputy Chief Executive (S151 officer) **must** refer the matter to the Police. Where an employee is involved, the matter should be reported to the Assistant Director of HR&OD.

5. Investigation of Fraud

- 5.1 The investigation of fraud, bribery and corruption is a complex and specialist area and will usually be undertaken by staff in the Counter Fraud Team – SWAP Internal Audit Services or, for less complicated cases, managers, under advice from the Counter Fraud Team. The Counter Fraud Team or manager will liaise as appropriate with the Chief Executive, Corporate Director of Resources & Deputy Chief Executive (S151 Officer), Monitoring Officer, Assistant Director of HR&OD, Corporate Leadership Team, relevant members and the Police.
- 5.2 To facilitate audit work and investigations, the Counter Fraud Team are accorded rights, by the Accounts and Audit Regulations (England) 2015, to access all necessary documents, records, information and explanations from any member of staff.

6. Prevention

- 6.1 There are many ways of preventing fraud and corruption happening. The Council has adopted the following preventative measures including:
- Having a sound Governance Framework with performance against it, being reviewed annually by senior management. Reported to Audit & Governance Committee.
 - Ensuring that the risks of fraud and corruption are controlled via corporate and operational risk registers.
 - The Council's Recruitment and Selection procedure requires that references should always be taken up when recruiting posts externally.
 - The officers' standards of conduct makes clear the expected conduct of its employees.
 - The members' Code of Conduct makes clear the expected conduct of its Councillors.
 - The council maintains a register of all pecuniary and personal interests (and where appropriate prejudicial interests) as well as details of gifts and hospitality received.
 - Contracts Standing Orders and Financial Regulations prescribe the minimum standards for financial controls that must be in place within all processes throughout the council.
 - Targeted training of services where the perceived risk is higher.
 - The council seeks to maintain relevant procedures, including top-level commitment to tackling fraud, bribery and corruption and effective communication, including training. Senior Officers have an additional responsibility (beyond that of the employees own) for ensuring this policy is communicated effectively to staff and frequently refreshed throughout their department along with other good practice regarding ethical behaviour.
 - The council subscribes to the National Anti-Fraud Network.
- 6.2 Each individual employee and Member is responsible for observing these rules and codes. This will go a long way to preventing and detecting improper practice.

7. Detection

- 7.1 The array of preventative systems, particularly internal controls systems with the council, help to provide indicators of, and help to deter, any fraudulent activity. Where fraudulent activity is suspected, this may be investigated by Internal Audit. It is not Internal Audit's primary responsibility to detect fraud; the role of Internal Audit is to check the adequacy of the controls within systems. However, the assessment of the risk of fraud is routinely taken into account in planning all internal audits. High risk areas will be considered for annual audit reviews.
- 7.2 It is the responsibility of the Corporate Leadership Team and their managers to prevent and detect fraud, bribery and corruption. However, it is often the alertness of staff, Members and the public to the possibility of fraud, bribery and corruption, that enables detection to occur and appropriate action to take place when there is evidence that fraud, bribery or corruption may have been committed or is in progress.

- 7.3 Allegations can be a key factor in the detection of fraud and as such the Council treats all suspicions and concerns and complaints seriously and is committed to investigate all such matters.
- 7.4 The Council's Code of Practice on Whistleblowing allows employees and Members to raise any concerns they may have in confidence and anonymously should they so wish.
- 7.5 The Council takes part in the Government's National Fraud Initiative (NFI) which brings together data from NHS bodies, local authorities, government departments and other agencies to detect a wide range of frauds against the public sector. This data matching exercise which is run every two years. Potential frauds uncovered through NFI will be investigated in accordance with this Policy. Along with this the council subscribes to CiFAS, giving access to their national fraud database.

8. Recovery of Losses

- 8.1 The council will always seek to recover the losses incurred as a result of fraud, bribery and corruption.
- 8.2 The council's Chief Accountant and/or Insurance Team Lead should be informed as soon as possible of any potential insurable loss. Details of the case should also be given together with an indication of what recovery action is being attempted.
- 8.3 If anyone under investigation offers money in settlement of any losses to the council, it should be made clear that any monies offered will be accepted:
- without prejudice to any other action the council may wish to take.
 - that acceptance is only in respect of losses identified to date.
 - and that the council reserves the right to seek recovery of any further losses that may come to light in the future.
- 8.4 Claims under the council's insurance arrangements in fraud, bribery and corruption cases should be regarded as a "last resort" and will only be instigated once all other avenues of recovery have been fully explored.
- 8.5 Instances of fraud will be reported to the police and consideration will be given to legal action against the perpetrator of fraud or those benefiting from fraud in order to recover the council's losses.

10. Policy Review

- 9.1 The council will maintain a continuous overview of these arrangements.
- 9.2 This Policy Statement will also be subject to regular review at least every other year to ensure that it remains compliant with good practice and legislative requirements. If you have any questions about these procedures, please contact the Assistant Director of Finance.

Wiltshire Council

Audit and Governance Committee

27 April 2022

Subject: Anti-Tax Evasion Policy 2022

Executive Summary

This report presents the Anti-Tax Evasion Policy for approval.

Proposal(s)

To recommend the approval of the council's Anti-Tax Evasion Policy.

Reason for Proposal(s)

Adopting policies in line with best practice and regulation provides a good governance framework that supports a strong financial control environment to help protect the public purse. The policies provide a raft of measures to provide a positive culture of control and compliance and sets out what is expected from workers, members and the public.

Andy Brown
Corporate Director of Resources and Deputy Chief Executive (S.151 Officer)

Wiltshire Council

Audit and Governance Committee

27 April 2022

Subject: Anti-Tax Evasion Policy 2022

Purpose of Report

1. This report presents the Anti-Tax Evasion Policy for the council for approval by those charged with governance.

Relevance to the Council's Business Plan

2. Adopting policies in line with best practice and regulation provides a good governance framework that supports a strong financial control environment to help protect the public purse.
3. The policies are reflective of the Council's aims within its business plan to be open and transparent and ensure that all are working together. They are also consistent with the Council's aim for prevention and early intervention which would equally apply with internal arrangements.

Background

4. Part 3 of the Criminal Finances Act 2017 created a new corporate criminal offence where a corporate entity fails to prevent the facilitation of tax evasion by its staff, agents and contractual associates.
5. The council does not have a policy that sets out its position on and approach to tax evasion and response to the corporate criminal offence responsibility. An Anti-Tax Evasion Policy has therefore been produced and is the document that sets out the council's position on and approach to tax evasion and response to the corporate criminal offence responsibility.

Main Considerations for the Council

6. The policy can be seen in Appendix A and sets out Wiltshire Council's position to tax evasion. As part of the Council's Constitution the Audit & Governance Committee has responsibility for Anti-Fraud and Corruption Policy as those charged with governance.
7. The purpose of the Anti-Tax Evasion policy is to support the specific area of tax evasion alongside the existing zero tolerance position on fraud, bribery and corruption, to provide guidance to staff and others on action to prevent or report on tax evasion or the perception of tax evasion and to emphasise the need to be aware and to continue the Council's good record.

8. Governance and internal control procedures are already in place to meet the statutory requirements; and there is no suggestion that the council tolerates tax evasion, or that staff engage in such behaviour. However, adopting an express corporate policy sets out clearly and transparently the council's approach, will help workers, members and the public understand that approach and will help the council defend any allegation that it has facilitated tax evasion should this ever arise.

Overview and Scrutiny Engagement

9. As the policy approval is to be considered by the Audit and Governance Committee there has been no engagement with the Overview and Scrutiny Committee. Those charged with governance are responsible for the review and approval of this policy.

Safeguarding Implications

10. There are no safeguarding implications associated with this report.

Public Health Implications

11. There are no public health implications associated with this report.

Procurement Implications

12. There are no procurement implications associated with this report.

Equalities Impact of the Proposal

13. The policy is designed to give workers, members and the public assurance that they have an avenue where they can raise any issues associated with tax evasion and where they have serious concerns the policy will be applied equally to all and therefore the policy is consistent with the council's public sector equalities duties.

Environmental and Climate Change Considerations

14. There are no environmental and climate change considerations arising from this report.

Risks that may arise if the proposed decision and related work is not taken

15. There is no current policy approved that sets out the council's position on tax evasion. By not having an approved policy that is communicated to staff, members and members of the public does not provide a clear framework that is understood and is not open and transparent.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

16. If the policy is approved, it will be published in the council's website and the policy will be appropriately communicated internally.

Financial Implications

17. The Anti-Tax Evasion policy supports the financial control environment by clearly setting out the council's approach to the prevention, detection and reporting of all forms of financial irregularity and helps protect the public purse by providing a clear framework for staff.

Legal Implications

18. The proposed policy ensures that the council is setting out its approach to tax evasion and compliance with the responsibilities set out in Part 3 of the Criminal Finances Act 2017, that created a new corporate criminal offence where a corporate entity fails to prevent the facilitation of tax evasion by its staff, agents and contractual associates.

Workforce Implications

19. There are no direct workforce implications associated with this report. The policy sets out the framework for staff and ensures that there is a safe, reliable, and confidential way of staff reporting any suspicious activity.

Options Considered

20. It is best practice for the council to have an approved policy and therefore it was considered that there was no other option but to present for approval a new policy.

Conclusions

21. It is recommended that Audit and Governance Committee approve the council's Anti-Tax Evasion Policy 2022.

Andy Brown

Corporate Director of Resources and Deputy Chief Executive (S.151 Officer)

Report Author: Lizzie Watkin, lizzie.watkin@wiltshire.gov.uk, 01225 713056

13/04/2022

Appendices

Appendix A – Anti-Tax Evasion Policy 2022

Background Papers

None

Anti-Tax Evasion Policy

**A policy for Prevention of
the Facilitation of Tax
Evasion in Wiltshire 2022**

POLICY STATEMENT

This policy sets out Wiltshire Council's policy to tax evasion. It has the full support of both the Council's senior management in the form of the Chief Officers and elected members through Audit & Governance Committee. As part of the Council's Constitution the Council's Audit & Governance Committee has responsibility for Anti-Fraud and Corruption Policy and this Anti-Tax Evasion Policy supports the specific area of tax evasion alongside the existing zero tolerance position on fraud, bribery and corruption.

Part 3 of the Criminal Finances Act 2017 created a new corporate criminal offence where a corporate entity fails to prevent the facilitation of tax evasion by its staff, agents and contractual associates.

The purpose of the Anti-Tax Evasion policy is to support the specific area of tax evasion alongside the existing zero tolerance position on fraud and corruption, to provide guidance to staff and others on action to prevent or report on tax evasion or the perception of tax evasion and to emphasise the need to be aware and to continue the Council's good record.

Governance and internal control procedures are already in place to meet the statutory requirements; and there is no suggestion that the Council tolerates tax evasion, or that staff engage in such behaviour. However, adopting an express corporate policy will help the Council defend any allegation that it has facilitated tax evasion.

The Council is, however, determined to protect itself against all areas of fraud including tax evasion both from within and from external sources. The Council already has in place a Constitution, which includes Codes of Conduct and Protocols setting out expected behaviours of both members and employees. It also includes Financial Regulations which provide clarity about accountabilities of individuals, Members, Corporate Leadership Team etc. The HR content on the Council's Intranet site includes detailed standards of conduct expected of staff.

The Anti-Tax Evasion Policy brings together the key elements from both the Council's and government documents and provides a link to where further information may be found. As part of its aim to ensure Value For Money (VFM) and Efficiency, the council is committed to an effective Anti-Tax Evasion policy designed to:

- ensure prevention;
- facilitate detection; and
- identify a clear pathway for investigation and remedial action.

1. Approach

- 1.1 The Council has a zero-tolerance approach to all forms of tax evasion, whether under UK law or under the law of any foreign country. Employees of the Council, its agents and contractual associates must not undertake any transactions which:
- (a) Cause the Council to commit a tax evasion offence; or
 - (b) Facilitate a tax evasion offence by a third party.
- 1.2 The Council is committed to acting professionally, fairly and with integrity in all its dealings and relationships wherever we operate and implementing and enforcing effective systems to counter tax evasion facilitation. At all times, Council business should be conducted in a manner such that the opportunity for, and incidence of, tax evasion is prevented.
- 1.3 This Policy Statement is supplementary to the Council's wider Anti-Fraud, Bribery and Corruption Strategy, which sets out what actions the Council proposes to take over the medium-term future to continue to develop its resilience to fraud, bribery, corruption and other financial irregularity. The Strategy sets out the key responsibilities with regard to fraud prevention, what to do if fraud or financial irregularity is suspected and the action that will be taken by management.

2. What is Tax Evasion?

- 2.1 **Tax evasion** is the illegal non-payment or under-payment of taxes, usually as the result of making a false declaration (or no declaration) of taxes due to the relevant tax authorities, which results in legal penalties if the perpetrator is caught.

Tax evasion involves all forms of tax, including income tax, corporation tax, VAT, national insurance, landfill tax, Council tax and excise duties such as road fund licence and tax on the sale of alcohol and tobacco. This list is not exhaustive.

- 2.2 **Tax avoidance**, by contrast, is seeking to minimise the payment of taxes without deliberate deception. This is often legitimate but is sometimes contrary to the spirit of the law, e.g. involving the exploitation of loopholes.

Importantly the corporate criminal offence of facilitation only applies to tax evasion. The third party must be found guilty of tax evasion before the Council can be found to have facilitated it.

3. Examples of Tax Evasion

- 3.1 It is not possible to give examples covering every possible scenario, however, some 'red flag' indicators are detailed below to give a flavour of the scope of the legislation:

<p>You become aware, in the course of your work, that a third party has made or intends to make a false statement relating to tax; has failed to disclose income or gains to, or to register with, HMRC; has delivered or intends to deliver a false document relating to tax; or has set up or intends to set up a structure to try to hide income, gains or assets from a tax authority</p>	<p>You become aware, in the course of your work, that a third party has deliberately failed to register for VAT (or the equivalent tax in any relevant non-UK jurisdiction) or failed to account for VAT</p>
<p>A third-party requests payment in cash and/or refuses to provide an invoice or receipt for a payment made</p>	<p>You become aware, in the course of your work, that a third party working for us as an employee asks to be treated as a self-employed contractor, but without any material changes to their working conditions</p>

4. The Criminal Finances Act 2017

- 4.1 Under the Criminal Finances Act 2017, a separate criminal offence is automatically committed by a corporate entity where the tax evasion is facilitated by a person acting in the capacity of an “associated person” to that body. For the offence to be made out, the associated person must deliberately and dishonestly take action to facilitate the tax evasion by the taxpayer. If the associated person accidentally, ignorantly, or negligently facilitates the tax evasion, then the corporate offence will not have been committed. The Council does not have to have deliberately or dishonestly facilitated the tax evasion itself; the fact that the associated person has done so creates the liability for the Council.

Specifically, staff, agents and associates must not knowingly do anything that helps someone else evade tax.

- 4.2 It is a defence to the corporate criminal offence of facilitating tax evasion if the Council can prove that it has in place such prevention procedures as it is reasonable to expect in the circumstances. Government guidance (“Tackling tax evasion: Government guidance for the corporate offences of failure to prevent the criminal facilitation of tax evasion”) suggests an appropriate set of prevention measures which gives due recognition to the following:

- risk assessment;
- the proportionality of risk-based prevention procedures;
- top level commitment;
- due diligence;
- communication (including training);
- monitoring and review.

4.3 The Council must ensure a policy on prevention is brought to the attention of all staff. This policy will therefore be published on the Council's website and proactively communicated to staff.

5. Penalties

5.1 As an employer, if the Council fails to prevent its employees, workers, agents or service providers facilitating tax evasion, the Council can face both criminal sanctions including an unlimited fine, and associated reputational damage. The Council therefore takes its legal responsibilities seriously.

6. Policy Statement – Tax Evasion

6.1 Wiltshire Council has a zero-tolerance approach to all forms of tax evasion, whether under UK law or under the law of any foreign country. Employees of the Council, its agents and contractual associates must not undertake any transactions which:

- Cause the Council to commit a tax evasion offence; or
- Facilitate a tax evasion offence by a third party.

7. Objective of this policy

7.1 This policy provides a coherent and consistent framework to enable the council's employees (and other "associated persons") to understand and implement arrangements enabling compliance. In conjunction with related policies and key documents it will also enable employees to identify and effectively report a potential breach.

7.2 The Council requires that all relevant persons:

- Act honestly and with integrity at all times so as to safeguard the Council's resources for which they are responsible
- Comply with the spirit, as well as the letter, of the laws and regulations of all jurisdictions in which the Council operates, in respect of the lawful and responsible conduct of activities

8. Scope of this policy

8.1 This policy applies to all of the Council's activities. For partners, joint ventures and suppliers, it will seek to promote the adoption of policies consistent with the principles set out in this policy.

8.2 Responsibility to control the risk of tax evasion occurring resides at all levels of the organisation including all services, business units and corporate and support functions.

8.3 This policy covers all personnel, including all levels and grades, those permanently employed, temporary agency staff, contractors, non-executives, agents, Members, volunteers and consultants.

9. The Council's commitment to action

9.1 The Council commits to:

- Setting out a clear anti-tax evasion policy and keeping it up to date
- Making all employees aware of their responsibilities to adhere strictly to this policy at all times
- Raising awareness of the risks of tax evasion with employees so that they can recognise and avoid occurrences of potential tax evasion by themselves and others
- Undertaking a risk assessment to identify those areas of the Council's business where risk is considered to be highest
- Targeted training of services where the perceived risk is higher
- Promoting good ethical behaviour by staff in all of its forms
- Encouraging its employees to be vigilant and to report any suspicions of tax evasion, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately
- Investigating instances of alleged tax evasion
- Referring investigations to the Police where it is appropriate to do so
- Taking firm and vigorous action against any individual(s) involved in tax evasion, or the facilitation of it
- Providing information to all employees on how to report breaches and suspected breaches of this policy
- Including appropriate clauses in contracts to prevent tax evasion.
- The Council seeks to maintain relevant procedures, including top-level commitment to tackling tax evasion and effective communication, including training. Senior Officers have an additional responsibility (beyond that of the employees own) for ensuring this policy is communicated effectively to staff and frequently refreshed throughout their department along with other good practice regarding ethical behaviour.

10. Tax Evasion is not tolerated

10.1 It is unacceptable to:

- Engage in any form of facilitating tax evasion (including foreign tax evasion);
- Aid, abet, counsel or procure the commission of a tax evasion offence by another person;
- Fail to promptly report any request from any third party to facilitate the fraudulent evasion of tax by another person;
- Engage in any other activity that might lead to a breach of this policy;
- Threaten or retaliate against another individual who has refused to commit a

tax evasion offence or who has raised concerns under this policy;

- Commit an offence under the law of any part of the UK consisting of being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of tax.

11. Staff responsibilities

11.1 The prevention, detection and reporting of all forms of financial irregularity, including suspected tax evasion, are the responsibility of all those working for the organisation or under its control (“associated persons”). All staff are required to avoid activity that breaches this policy.

11.2 As individuals you must:

- Ensure that you read, understand and comply with this policy
- Raise concerns as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future.

11.3 As well as the possibility of civil legal action and criminal prosecution, staff that breach this policy will face disciplinary action, which could result in dismissal for gross misconduct.

12. Raising a concern

12.1 The Council is committed to ensuring that there is a safe, reliable, and confidential way of reporting any suspicious activity, and wants each and every member of staff to know how they can raise concerns.

12.2 All have a responsibility to help detect, prevent and report instances of tax evasion. If you have a concern regarding a suspected instance of tax evasion, please speak up – your information and assistance will help. The sooner it is brought to attention, the sooner it can be resolved.

12.3 There are multiple channels to help raise concerns. Please refer to the Council’s Whistleblowing Policy and determine the favoured course of action. Preferably the disclosure will be made and resolved internally (e.g. to a line manager or Head of Service). Secondly, where internal disclosure would not be appropriate, concerns can be raised with the Monitoring Officer, the Corporate Director of Resources & Deputy Chief Executive (S151 Officer), Assistant Director of Finance, SWAP (Internal Audit) or Deloitte (External Auditor). Raising concerns in these ways may be more likely to be considered reasonable than making disclosures publicly (e.g. to the media). Concerns can be raised anonymously. In the event that an incident of suspected wrong doing is reported, the Council will act as soon as possible to evaluate the situation. It has clearly defined procedures for investigating fraud, misconduct and non-compliance issues and these will be followed in an investigation of this kind. This is easier and quicker if concerns raised are not anonymous.

12.4 Staff who raise concerns or report wrongdoing could understandably be worried about the repercussions. The Council aims to encourage openness and will support anyone who raises a genuine concern in good faith under this policy, even if they turn out to be mistaken. The Public Interest Disclosure Act 1998 (PIDA) protects individuals who make certain disclosures of information in the public interest. Our Whistleblowing Policy complies with PIDA. The council is committed to ensuring nobody suffers detrimental treatment through the reporting of a concern in good faith.

13. Other relevant policies

13.1 Further information on relevant Council policy and practice can be found in the following internal documents:

- Council Constitution including Financial Regulations
- Standards Committee
- Codes of Conduct for Councillors and for Employees
- Registers of Interest
- Procurement Rules & Guidance
- Anti-Fraud, Bribery and Corruption Policy;
- Whistleblowing Policy;

14. Policy review

14.1 The council will maintain a continuous overview of these arrangements.

14.2 This Policy Statement will also be subject to regular review at least every other year to ensure that it remains compliant with good practice and legislative requirements. If you have any questions about these procedures, please contact the Assistant Director of Finance.

TO NOTE THE OUTCOME OF THE REVIEW OF THE COUNCIL'S WHISTLEBLOWING POLICY.

Purpose of Report

1. To ask the Audit and Governance Committee to note the outcome of the review of Wiltshire Council Whistleblowing Policy as a result of the internal audit of this area namely the development of a redrafted Whistleblowing Policy.

Relevance to the Council's Business Plan

2. The draft Whistleblowing Policy provides an avenue for staff and former staff to raise serious concerns and ensures that they should not suffer any prejudice for raising such concerns.
3. It is reflective of the Council's aims within its business plan to be open and transparent and ensure that all are working together. It is also consistent with the Council's aim for prevention and early intervention which would equally apply with internal arrangements. Providing staff with the ability to raise any serious concerns also assists in ensuring the Council maintains and supports a skilled and committed workforce working for its residents and the communities they live in.

Background

4. In an internal audit on the Council's Whistleblowing processes conducted by South-West Audit Partnership (SWAP) it was determined that there was reasonable assurance but also identified a number of actions that the Council could undertake to strengthen its systems/processes including: -
 - Updating the Council's web page including use of a dedicated hotline and flow diagram of the process to assist staff to understand the processes,
 - Development of staff training and awareness.
 - Working to review policy in conjunction with other policy development (e.g. anti-fraud) and tying these policies in with the suite of governance policies (e.g. grievance, complaints, dignity at work, code of conduct etc).
 - Look at a centralised database to capture whistleblowing reports, fraud allegations, gifts and hospitality etc.
5. As any updating of the web page and staff training developed would benefit from a review of the underlying policy, the initial work focussed in that area and Legal Services and SWAP staff worked on reviewing and ultimately re-drafting the

Council's whistleblowing policy. The re-drafted policy was developed utilising SWAP's knowledge of best practices from a number of differing authorities for whom they carry out internal audits.

6. Attached as **Appendix 1** to this report is the draft Whistleblowing Policy.
7. Attached as **Appendix 2** is a one-page flow diagram of the Whistleblowing procedure.

Main Considerations for the Council

8. Whistleblowing is not an investigative process in its own right. It is a mechanism whereby staff and former staff (workers) can be assured that they can raise any serious concerns they may hold and they will have statutory protection from possible reprisals or victimisation for raising those concerns.
9. Under the Public Interest Disclosure Act 1998 when a worker raises a concern with their employer which falls within the definition of a protected disclosure (usually an issue which relates to illegal activity or risk to health or safety) then they have statutory protection for making such a disclosure.
10. However, that investigation is likely to be carried out under other investigative processes. For example, concerns raising allegations of fraud are likely to be carried out under the anti-fraud investigative processes, concerns relating to Health and Safety are likely to be carried out under the Health and Safety investigative processes and issues of unlawful action may be carried out the Police and/or Monitoring Officer investigative processes.
11. The Council's Whistleblowing Policy is designed to ensure: -
 - i. That staff have an avenue to raise any serious concerns.
 - ii. The disclosure can be assessed as to whether it is a protected disclosure.
 - iii. If it is such a protected disclosure for such confirmation to be given to the worker as soon as possible after they have made such a disclosure.
 - iv. That the concerns raised will be investigated by the appropriate process and in a timely fashion.
12. The Policy identifies that there is a difference between a complaint and a protected disclosure. Similarly, it also identifies the difference between a grievance and a protected disclosure.
13. Therefore, the Policy provides for a triage process to be applied to firstly, determine the nature of the concern/issue being raised and whether it is a protected disclosure and secondly, which investigative process should be utilised in determining the concern/issue.
14. In this draft Policy it is proposed that the triage process will be carried out by Head of Internal Audit with SWAP (or their representative) in consultation with the Council's s151 or Monitoring Officer (or their representatives). It should be noted that SWAP already provide this function for the Council in respect of fraud allegations and adopting this approach brings the Whistleblowing policy in line with the Council's anti-fraud processes.

15. It should be noted that at the time of the original internal audit due to a lack of Head of Governance within the Council the Head of Legal Services carried out the responsible officer function for whistleblowing functions. However, there is now in post a Head of Democracy and Governance. Therefore, it is proposed that going forward the Head of Democracy and Governance will oversee on behalf of the Monitoring Officer the adoption and roll out to staff of the redrafted Policy.

Overview and Scrutiny Engagement

16. As this matter is to be considered by the Audit and Governance Committee and then the Standards Committee there has been no engagement with the Overview and Scrutiny Committee.

Safeguarding Implications

17. The policy is designed to give workers assurance that they have an avenue where they can raise issues where they have serious concerns (including where appropriate safeguarding) and therefore the policy is consistent with the Council's safeguarding duties.

Public Health Implications

18. The policy is designed to give workers assurance that they have an avenue where they can raise issues where they have serious concerns (including where appropriate where they consider there is a risk of danger) and therefore the policy is consistent with the Council's furthering Public Health and well-being

Procurement Implications

19. There are no procurement implications.

Equalities Impact of the Proposal

20. The policy is designed to give workers assurance that they have an avenue where they can raise any issues where they have serious concerns and will be applied equally to all staff and therefore the policy is consistent with the Council's public sector equalities duties.

Environmental and Climate Change Considerations

21. As this relates to consideration of adoption of a policy relating to whistleblowing there are no environmental or climate change considerations.

Risks that may arise if the proposed decision and related work is not taken

22. The current Whistleblowing processes would remain with only reasonable assurance and the Council could be criticised for not driving forward with continued improvement and not be in accordance with either best practice or the changed governance arrangements.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

23. If the action is taken it will be necessary to: -
 - a. Update the Council's web site
 - b. Develop appropriate messaging and training and to ensure that it is rolled out to embed the new policy within Council processes.
 - c. Develop a centralised register to capture all whistleblowing reports.

Financial Implications

24. There are no financial implications to this report.

Legal Implications

25. The proposed policy is consistent with the Public Interest Disclosure Act 1998 and provides an appropriate avenue for workers to raise any serious concerns they may have without fear of victimisation or harassment.
26. The proposed Policy will be in replacement of an existing policy and is modelled on best practices and ensures that there is an appropriate governance checks in place for the Council.
27. Adoption of this redrafted Policy will ensure that the organisation has appropriate procedures in place for ensuring any serious concerns held by workers are able to be raised and appropriately considered.
28. The proposed policy is consistent with the Council's anti-fraud, complaints and the HR policies relating to grievance.
29. Adoption of this policy on behalf of the Council will be via the Standards Committee who have the role and function of overseeing the Council's Whistleblowing policy (paragraph 2.5.6 of Part 3B of the Council's constitution)

Workforce Implications

30. There are no direct work-place implications. The Council has an existing whistleblowing policy which had not been reviewed for a number of years and this redrafted Whistleblowing policy has been developed in consultation with SWAP utilising their knowledge of best practices from a number of local authorities they audit and provides all workers with an appropriate avenue to raise serious concerns without fear of harassment or victimisation.

Options Considered

31. Whilst the existing policy did give reasonable assurance it did not adopt best practices and did not clearly set out the triage nature of the whistleblowing process and therefore maintaining the status quo was discounted.

Proposal

32. The committee to note the development of the Draft Whistleblowing Policy appended to this report as appendix 1 and the subject work to be undertaken once adopted.

Director: Perry Holmes; Director of Legal & Governance

Report Author: Frank Cain, Head of Legal Services, [email frank.cain@wiltshire.gov.uk](mailto:frank.cain@wiltshire.gov.uk)

Date of report 7 April 2022

(Make sure above includes name, title and contact details of report author)

Appendices

- Appendix 1 Draft Whistleblowing Policy
Appendix 2 1 page flow diagram of procedure

Background Papers

The following documents have been relied on in the preparation of this report:

None

This page is intentionally left blank

Whistleblowing Policy and Procedure

April 2022

Document Control

Reference Number	0.1	Status	Approved
Sponsor(s)	Names of those managing the policy process	Author(s)	Names of those writing or writing the policy
Document objectives	To establish / promote / unify / state / xxxx a description of the area of work the policy is designed to influence.		
Intended Recipients	Not names but groups, roles and organisations		
Group/Persons Consulted:	Broad groups (e.g. elected members, partners, public). Not a description of the consultation process.		
Ratifying Body	Name of Board, Committee or Group	Date Ratified	Month and Year
Date of Issue	Month and Year (original issue)		
Next Review Date		Month and Year	
Contact for Review		Name and Position	

DRAFT

1. INTRODUCTION

Wiltshire Council is committed to the highest possible standards of openness, probity, and accountability. In line with that commitment we wish to encourage employees, and others that we deal with, who have serious concerns about any aspect of the Council's work to come forward and voice those concerns. This process is commonly referred to as "Whistleblowing".

Employees are often the first to realise that there may be something seriously wrong within the Council. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Council. They may also fear harassment or victimisation. In these circumstances it may be easier to ignore the concern rather than report what may just be a suspicion of malpractice.

The Council upholds the seven principles of public life, it expects all employees (including agency staff) to maintain these standards in everything they do. Employees, and others the Council deal with (including suppliers and those providing services to the Council), are therefore encouraged to report any wrongdoing by the Council or its employees that fall short of these standards.

The Whistleblowing Policy and Procedure is intended to encourage and enable employees (including temporary staff), contractors working for the Council (e.g. agency staff, builders etc.) and members of the public to raise concerns within the Council rather than overlooking a problem or 'blowing the whistle' outside. This policy makes it clear that you can do so without fear of victimisation, subsequent discrimination, or disadvantage. The Council is committed to listening to concerns, taking them seriously and ensuring that they are dealt with promptly and fairly. There is also statutory protection from any disclosures made by staff. It is important for potential whistleblowers to understand that their employment will be protected by the Council on the strict assumption that any disclosures or allegations are not malicious in nature. We would rather the matter be raised when it is just a concern, the message we wish to get across is "if in doubt, raise it".

All employees of the Council can raise their concerns under this policy, as well as contractors working for the Council (e.g. agency staff, builders etc.) and the voluntary sector. This policy also applies to suppliers of goods and services under a contract to the Council and voluntary workers working with the Council. The Council will seek to ensure that as part of its procurement processes this policy is brought to the attention of such external contractors, suppliers, and service providers.

This policy and procedure complies with the Public Interest Disclosure Act 1998 and the Enterprise and Regulatory Reform Act 2013.

2. AIMS AND SCOPE OF THIS POLICY

2.1 This policy aims to:

- Provide avenues for employees to raise concerns and receive feedback on any action taken.
- Allow employees to take the matter further if they are dissatisfied with the Council's response to the concerns expressed; and,
- Reassure employees that they will be protected from possible reprisals or victimisation.

2.2 Complaint or blowing the whistle?

When an individual blows the whistle, they are raising a concern about a danger or illegality that affects others (for example customers, members of the public, or their employer). The person blowing the whistle is usually not directly, personally affected by the danger or illegality. Consequently, the whistleblower rarely has a personal interest in the outcome of any investigation into their concern, they are simply trying to alert others.

When an individual complains or raises a grievance, they are saying that they have been personally treated poorly. This poor treatment could involve a breach of their individual employment rights or bullying, and the complainant is seeking redress or justice for themselves. The person making the complaint therefore has a vested interest in the outcome of the complaint and for this reason, is expected to prove their case.

There are existing procedures in place to enable staff to lodge a grievance relating to their own employment. This policy is intended to cover concerns that fall outside the scope of the grievance procedure. Thus, any serious concern that a member of staff has about any aspect of service provision, the conduct of officers, members of the Council or others acting on behalf of the Council can and should be reported under this policy. Your concerns may relate to something which is happening, has already happened or is likely to happen in the future.

For example, concerns raised under this Policy could include:

- Failure to observe health and safety regulations, or actions which involve risks to the public or other employees.
- Financial irregularities - including fraud, corruption, or unauthorised use of public funds.
- Improper or unlawful conduct by an officer or a member.
- Action causing, or is likely to cause, damage to the environment.
- Employees claiming benefits to which they are not entitled.
- Sexual, racial, physical, or other abuse.
- Other causes of malpractice, negligent, unprofessional, or unethical behaviour.
- Concealment of any of the above.

Please note that this is not a comprehensive list but is intended to illustrate the range of issues which might be raised under this Code.

The spirit of this policy will also be applied to elected members of the Council, recognising though that they have separate and distinct roles as the elected representatives of their communities who operate within a political environment. Elected members to whom the whistle is blown should in the first place contact the Monitoring Officer. However, where members actions are involved, the Standards Regime under the Localism Act 2011 will be engaged.

3. SAFEGUARDS

3.1 Harassment or Victimisation

The Council recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisals from those who may be guilty of malpractice or from the Council as a whole. The Council will not tolerate any harassment or victimisation (including informal pressures). The Council will not tolerate any attempt on the part of any employee, Councillor, Council contractor or supplier to apply any sanction or detriment to any person who has reported to the Council any serious and genuine concern that they may have of any apparent malpractice.

We understand that some individuals may not be comfortable with what is known as 'open whistleblowing', so we will offer the option of keeping your identity confidential unless we are required to disclose it by law, or unless we have your permission. If you wish us to maintain confidentiality, we will always seek to do so.

The Public Interest Disclosure Act (PIDA) 1998 provides legal protection, in certain circumstances, to workers making disclosures in good faith about malpractice. The Act makes it unlawful for the council to dismiss anyone or allow them to be victimised on the basis that they have made an appropriate lawful disclosure in accordance with the Act.

In order for protection against recriminations, victimisation or harassment to apply, the person making the disclosure should have a reasonable belief that the disclosure they are making is in the "public interest". Their belief need not be correct for protection to apply.

3.2 Confidentiality

As far as possible, the Council will protect the identity of any employee who raises a concern and does not want his/her name to be disclosed, but this confidentiality cannot be guaranteed. It must be appreciated that any investigation process may reveal the source of the information and a statement by the person reporting the concern may be required as part of the evidence. Where an employee has requested that their identity not be revealed, the Council will discuss the matter

with them before embarking on any course of action whereby their identity will need to be disclosed.

3.3 Anonymity

Concerns expressed anonymously will be considered at the discretion of the Council, although it must be appreciated that it is inherently difficult to investigate concerns expressed this way. It is hoped that the guarantees contained in this policy will provide sufficient reassurance to staff to enable them to raise concerns in person. However, in exercising the discretion, the factors to be taken into account would include:

- The likelihood of obtaining the necessary information.
- The seriousness of the issues raised.
- The specific nature of the complaint.
- The duty to the public.

3.4 False and Malicious Allegations

The Council will protect itself and its employees from false and malicious expressions of concern by taking disciplinary action where appropriate. The Council will try to ensure that the negative impact of either a malicious or unfounded allegation about any person is minimised.

4. HOW TO RAISE A CONCERN

4.1 As a first step, you should normally raise concerns with your immediate manager or their superior. This depends, however, on the seriousness and sensitivity of the issues involved and who is thought to be involved in the malpractice. If you prefer (for whatever reason) or if you believe that management is involved, you could approach one of the individuals in section 4.4.

4.2 Concerns may be raised orally or in writing. Normally it is preferable to put your concern in writing. You are invited to set out the background and history of the concern, giving names, dates and places where possible, and the reason why you are particularly concerned about the situation. To assist in the notification process, the Council has set up an arrangement for a confidential answer phone service with SWAP Internal Audit Services (020 8142 5030) or alternatively there is a confidential email address (confidential@swapaudit.co.uk).

4.3 The earlier you express the concern, the easier it is to take action. You should not wait until you have proof. Although you are not expected to prove the truth of the allegation, you will need to demonstrate to the person contacted that there are sufficient grounds for your concern.

N.B. If an employee has any personal interest in the matter this should be disclosed at the outset.

4.4 If you do have a concern, however small and you don't feel comfortable discussing such a sensitive issue with a close colleague, the following officers can provide advice and guidance:

- Head of Internal Audit (SWAP Assistant Director) – Charlotte Wilson (Charlotte.Wilson@swapaudit.co.uk)
- Section 151 Officer (Corporate Director Resources) – Andy Brown (Andy.Brown@wiltshire.gov.uk)
- Monitoring Officer (Director of Legal & Governance) – Perry Holmes (Perry.Holmes@wiltshire.gov.uk)
- Deputy Monitoring Officer (Head of Legal Services) – Frank Cain (Frank.cain@wiltshire.gov.uk)
- Deputy Monitoring Officer (Head of Democracy & Governance) – Maria Doherty (Maria.Doherty@wiltshire.gov.uk)

An informal approach to any of these officers will be treated as completely confidential and will not result in any report to anyone within the Council unless the whistleblower agrees.

4.5 Alternatively, employees may wish to get confidential advice from their trade union or professional association. They can also contact the independent charity Public Concern at Work (020 7404 6609) www.pcaaw.co.uk or email helpline@pcaaw.co.uk who have lawyers who can give independent advice at any stage about how to raise a concern about serious malpractice at work.

4.6 Employees may invite their trade union or professional association to raise a matter on their behalf.

5. **PROCESS**

5.1 Initial concerns may be raised orally or in writing, although normally it is preferable to put the concern in writing, and there may be occasions when it will be necessary to go back to the whistleblower to confirm the complaint in writing. The whistleblower is invited to set out the background and history of the concern, giving names, dates and places where possible, and the reason why this is of particular concern. There is an example report form in Appendix 3 of this Policy.

5.2 The action taken by the Council will depend on the nature of the concern. where appropriate, the matters raised may:

- Be investigated by senior management, internal audit (SWAP) or through the disciplinary process.
- Be referred to the police.
- Form the subject of an independent inquiry.

5.3 In order to protect the individual and the Council, an initial investigation will be carried out to decide whether a full investigation is appropriate and, if so, what form it should take. The initial investigation may be carried out internally or the

Council may ask another body (e.g. SWAP) to carry it out (see Appendix 1). Concerns or allegations, which, fall within the scope of specific procedures (for example fraud, theft and corruption) will normally be referred for consideration under those procedures.

5.4 It should be noted that some concerns may be resolved by agreed action without the need for a full investigation. If urgent action is required, this would be taken before any investigation is completed.

5.5 Within ten working days of a concern being raised, and following the initial investigation, one of the officers detailed in section 4.4 will write to the person raising the concern and;

- acknowledge that the concern has been received,
- indicate the initial findings and how he/she proposes to deal with the matter; and
- give an estimate of how long it will take to provide a final response.

If it is impossible for initial investigation to be completed within ten working days, or where urgent action is required, the situation will be explained in the letter of acknowledgement. Where a decision is made that a full investigation will take place, the reasons for this will be provided.

If a full investigation is required, this will be carried out by the Council internally or the Council may ask another body (e.g. SWAP) to carry it out. Following the full investigation, the Council will either resolve by agreed action or take appropriate further action. This further action could be:

- Agreed steps such as disciplinary process.
- Referral to the Police.
- An independent enquiry.

5.6 The amount of contact between the officers considering the issues and the employee raising the concern will depend on the nature of the matters raised, the potential difficulties involved, and the clarity of the information provided. If necessary, further information may be sought from the person raising the concern. Should further information be required, initial findings will be provided to the person raising the concern within four working days of the additional information requested being received by the Council.

5.7 Where any meeting is arranged, employees have the right, if they so wish, to be accompanied by a union or professional association representative or a friend who is not involved in the area of work to which the concern relates.

5.8 The Council will take appropriate steps to minimise any difficulties, which an employee may experience as a result of raising a concern. For example, if employees are required to give evidence in criminal or disciplinary proceedings, the Council will need to inform them and consider what steps are required to provide support.

5.9 The Council accepts that employees raising a concern need to be assured that

the matter has been properly addressed. Thus, subject to legal constraints, the person raising the concern will receive as much information as possible about the outcomes of any investigation.

6. HOW THE MATTER CAN BE TAKEN FURTHER

6.1 This policy is intended to provide you with an avenue to raise concerns within the Council. The Council hopes you will be satisfied with any action taken. If you are not satisfied with the outcome of your confidential allegation you can write to the Chief Executive and ask for the investigation and outcome to be reviewed. If you remain dissatisfied and you feel it is right to take the matter outside the Council, you may wish to take advice from your trade union, your local Citizens Advice Bureau, any of the external agencies listed in section 6.4 below, or your legal advisor on the options that are available to you.

6.2 Another option is that you may wish to rely on your rights under the Public Interest Disclosure Act 1998. This Act gives you protection from victimisation if you make certain disclosures of information in the public interest. The provisions are quite complex and include a list of prescribed persons outside of the Council who can be contacted in certain circumstances. You should seek advice on the effect of the Act from the Director of Legal & Governance (Monitoring Officer).

6.3 If you do take the matter outside the Council, you need to ensure that you do not disclose information where you owe a duty of confidentiality to persons other than the Council (e.g. service users) or where you would commit an offence by making such disclosures. This is something that you would need to check with one of the officers mentioned in Section 4.4.

6.4 External Contacts

If for any reason you do not wish to use the internal arrangements set out above, or require additional support and advice, a list of some of the prescribed people and bodies to whom you can make a disclosure and whose functions have particular relevance to the council's work:

- The Audit Commission for England (www.audit-commission.gov.uk)
- The Certification Officer (www.certoffice.org)
- The Care Quality Commission (www.cqc.org.uk)
- Ofsted
- The Office of the Children's Commissioner (www.childrenscommissioner.gov.uk)
- Her Majesty's Revenue and Customs (HMRC) (www.hmrc.gov.uk)
- Serious Fraud Office Confidential (www.sfo.gov.uk)
- The Environment Agency (www.environment-agency.gov.uk)
- The Food Standards Agency (www.food.gov.uk)
- The Health and Care Professions Council (HCPC) (www.hpc-uk.org)
- The Health & Safety Executive (www.hse.gov.uk)
- The Homes and Communities Agency (HCA)

(www.homesandcommunities.co.uk)

The Information Commissioner (www.ico.org.uk)

- Relevant professional bodies or regulatory organisations
- A solicitor or legal advisor
- The Police
- The Local Government Ombudsman (www.lgo.gov.uk)
- The Council's External Auditors (Deloitte) (www2.deloitte.com/uk)

7. RESPONSIBILITY FOR IMPLEMENTING

7.1 The responsibility for ensuring that the Council adheres to this Policy rests with the Corporate Leadership Team.

8. MONITORING AND REPORTING

8.1 The Assistant Director (SWAP) will provide an annual report to the Council's Audit and Governance Committee which has responsibilities for overseeing the effectiveness of the Council's governance arrangements as well as the Standards Committee. All reporting will be anonymised and will only identify common themes, numbers of disclosures year on year and will highlight actions taken to improve systems and policies.

9. REVIEW

9.1 This Policy will be regularly reviewed in line with future changes and developments and at least every two years.

10. RELATED POLICIES AND OTHER STRATEGIES

10.1 The following policies support or are linked to the Whistleblowing Policy and Procedure.

- Anti-Fraud, Theft, and Bribery Strategy and Policy
- Codes of Conduct (employees and councillors)
- Grievance Policy and Procedure
- Disciplinary Procedures

APPENDIX 1

INVESTIGATION ARRANGEMENTS

All allegations should also be passed to the Section 151 Officer (Corporate Director Resources), the Monitoring Officer (Director Legal & Governance), and the Head of Internal Audit (SWAP Assistant Director) irrespective of who was contacted in the first instance.

All initial investigations will be undertaken by SWAP Internal Audit Services. The Monitoring Officer will advise on the legal implications and will:

- a) Arrange support and counselling for the employee who reported the concern as necessary; and,
- b) Provide advice on any necessary disciplinary action, if required.

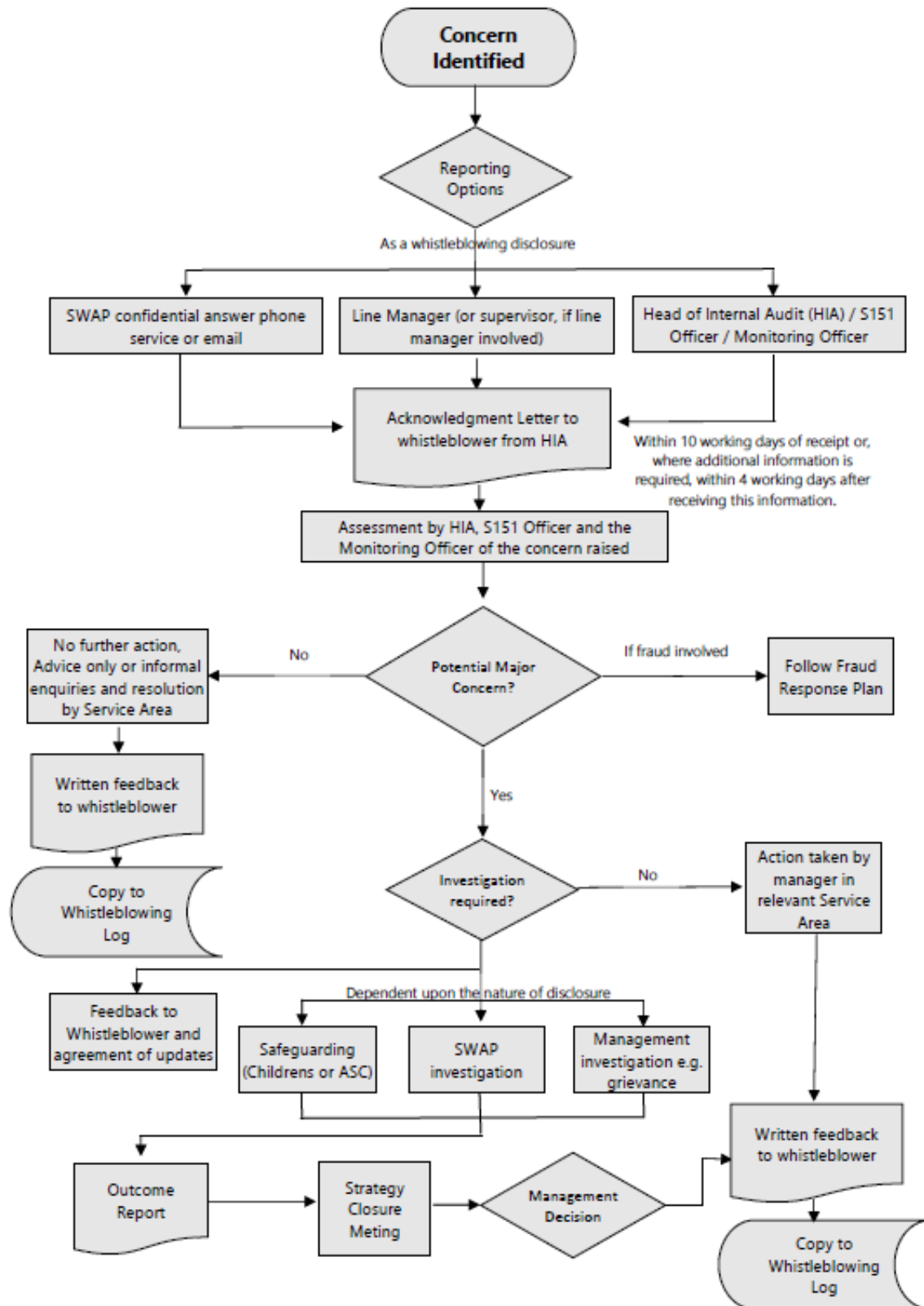
Any investigation carried out by SWAP Internal Audit Services will adopt the following good practice points:

- Deal promptly with the allegation or concern.
- Contact the Police and other agencies as appropriate at an early stage and keep them and the employee who reported the concern informed of progress.
- Prepare a background or objectives statement and consider the likely outcome, i.e. prosecution and/or internal disciplinary action.
- Record all evidence received, ensure that it is sound, adequately supported and kept secure.
- Notify the Council's insurers where appropriate.
- Notify and liaise with the Monitoring Officer (Director Legal & Governance) and the Section 151 Officer (Corporate Director Resources);
- Identify actions required, systems weaknesses and lessons learnt.

Any investigation carried out by other investigative teams shall adopt similar good practice points where relevant.

APPENDIX 2

Whistleblowing Procedure Flowchart



Version 2 April 2021

APPENDIX 3

WHISTLEBLOWING POLICY – Report Form for Whistleblowing Complaints

Wiltshire Council is committed to the highest possible standards of openness, professionalism, and accountability. In line with that commitment we expect employees, partners, members of the public and others that we deal with, who have serious concerns about any aspect of the Council's work to come forward and voice those concerns.

Description of the concern

Where possible include:

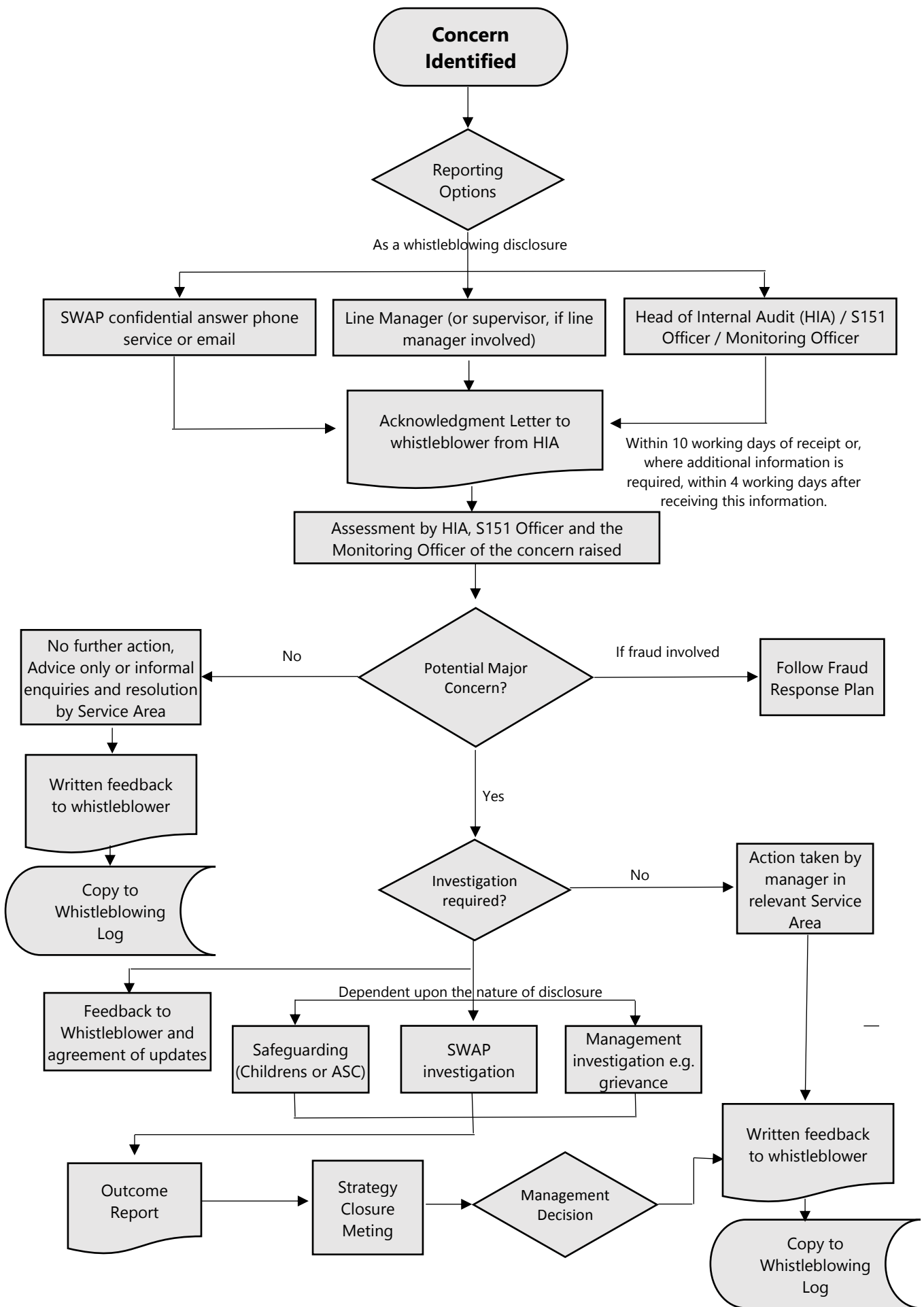
- Dates of
- Whether there were any
- Who was involved/other witnesses
- Why this is a concern
- Whether you have tried to raise this with your/a manager
- What the result was

You are encouraged to put your name to this report. Concerns expressed anonymously are much harder to investigate but will be considered at the discretion of the Monitoring Officer.

Name:		Service (if staff member)	
Address:		Contact Number:	
Date:		Signature:	

This page is intentionally left blank

Wiltshire Council – Whistleblowing Procedure Flowchart



This page is intentionally left blank

Wiltshire Council

Audit and Governance Committee

27 April 2022

Subject: Accounting Policies 2021/22

Executive Summary

This report presents the Accounting Policies for the 2021/22 financial year end and these will be used in the preparation of the draft Statement of Accounts for the financial year ending 31 March 2022.

Proposal(s)

To recommend the approval of the council's accounting policies for the financial year 2021/22 by those charged with governance.

Reason for Proposal(s)

Adopting policies in line with proper accounting practice supports the production of a high-quality set of annual accounts that meet the requirements of accounting codes of practices.

Andy Brown

Corporate Director of Resources and Deputy Chief Executive (S.151 Officer)

27 April 2022

Subject: Accounting Policies 2021/22

Purpose of Report

1. This report presents the Accounting Policies for the 2021/22 financial year end and these will be used in the preparation of the draft Statement of Accounts for the financial year ending 31 March 2022. The report recommends the approval of these policies for the final Statement of Accounts for that financial year and presenting these policies in advance of the production of the accounts provides a best practice approach and allows these policies to be fully considered by those charged with governance before the accounts are produced.

Relevance to the Council's Business Plan

2. Adopting policies in line with proper accounting practice supports the production of a high-quality set of annual accounts that meet the requirements of accounting codes of practices.

Background

3. The production of annual accounts is a statutory requirement and provides financial information on a consistent basis on which the council can be compared to other Local Authorities. The accounts include disclosure of the accounting policies that set out the basis on which the accounts have been prepared and are presented and includes all key accounting matters that affect the figures disclosed in the accounts.
4. The policies are in line with Chartered Institute of Public Finance and Accountancy (CIPFA)'s Code of Practice on Local Authority Accounting for the year ending 31 March 2022 and take account of local circumstances. However, there is little discretion to the Council, as the proper accounting practices, which apply to all local authorities, are set down in the Code.
5. Some elements of the CIPFA code of practice are currently under review and consultation. This may affect the accounting conventions contained in the document, for example, Infrastructure Asset Accounting. Any amendments resulting from these changes will be amended and presented at the same time as the Statement of Accounts are presented for approval.
6. The disclosed policies are those which are fundamental to the understanding of the Statement of Accounts. The matters covered in the proposed policy statement have a significant impact on the way the accounts are prepared and are those commonly adopted by other local authorities.

Main Considerations for the Council

7. The Council's accounting policies are regularly reviewed by suitably qualified officers to ensure they are up to date. The policies also fall within the scope of the annual audit of the Statement of Accounts and therefore independently reviewed by the council's external auditors to ensure they are in line with the Code of Practice.
8. There have been no significant changes to the accounting regulations since last year (2020/21).
9. The accounting policies are included annually in the Statement of Accounts that is approved by Audit and Governance committee each year. They are included in Appendix A.

Overview and Scrutiny Engagement

10. No overview and scrutiny engagement has taken place due to the statutory nature of the accounting policies and annual accounts process. Those charged with governance are responsible for the review and approval of all matters concerning the annual accounts.

Safeguarding Implications

11. There are no safeguarding implications associated with this report.

Public Health Implications

12. There are no public health implications associated with this report.

Procurement Implications

13. There are no procurement implications associated with this report.

Equalities Impact of the Proposal

14. There are no equalities impacts arising from this report.

Environmental and Climate Change Considerations

15. There are no environmental and climate change considerations arising from this report.

Risks that may arise if the proposed decision and related work is not taken

16. The accounting policies are required to be approved by the Audit and Governance Committee as part of the overall requirement of the approval of the annual accounts. This paper gives the committee the opportunity to review the policies in advance of the statutory deadline for approval of the annual accounts and before the annual accounts are brought forward following the audit process.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

17. The accounting policies will be presented again as part of the presentation of the annual accounts to Audit and Governance Committee.

Financial Implications

18. The accounting policies presented will be used in the production of the draft annual accounts for the financial year ending 31 March 2022 and these policies and the annual accounts will be reviewed by officers and the council's independent external auditors.

Legal Implications

19. There are no legal implications associated with this report.

Workforce Implications

20. There are no workforce implications associated with this report.

Options Considered

21. There is a statutory requirement for the approval of the annual accounts by Audit Committee. These accounts are produced and based on the accounting policies. The accounting policies could be considered and approved alongside the annual accounts, however this does not allow for early discussion and adoption to allow for any changes to be made and any subsequent amendments applied to the annual accounts.

Conclusions

22. It is recommended that Audit and Governance Committee approve the council's accounting policies for the financial year 2021/22.

Andy Brown

Corporate Director of Resources and Deputy Chief Executive (S.151 Officer)

Report Author: Sally Self, Chief Accountant, sally.self@wiltshire.gov.uk, 01225 713065

13/04/2022

Appendices

Appendix A – Accounting Policies 2021/22

Background Papers

The following documents have been relied on in the preparation of this report:

CIPFA Code of Practice 2021/22

This page is intentionally left blank

Subject: Accounting Policies 2021/22 – Appendix A

Notes to Accounts Annex 1 Accounting Policies

i. General Principles

The Statement of Accounts summarises the Council's transactions for the 2021/2022 financial year and its position at the year-end of 31 March 2022. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 in accordance with proper accounting practices.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2021/22 supported by International Financial Reporting Standards (IFRS).

The Statement of Accounts has been prepared on a "going concern" basis. The accounting conventions adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

ii. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption; they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- Housing benefits expenditure is payable on a weekly or monthly basis throughout the year. No adjustments are made to account for payments in respect of part weeks / months at the beginning or end of the financial year.

iii. Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all the payment required to settle a provision is expected to be recovered from another party (e.g., from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation, the existence of which will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset, the existence of which will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

iv. Reserves

Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service revenue account in that year and included in the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement, and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant policies. A separate reserve is maintained for the ring-fenced Housing Revenue Account (HRA).

v. Government Grants and Third-Party Contributions & Donations

Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- the Council will comply with the conditions attached to the payments and
- the grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement.

Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Community Infrastructure Levy

The Council has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds (chargeable developments for the Council) with appropriate planning consent. The Council charges for and collects the levy, which is a planning charge. The income from the levy will be used to fund a number of infrastructure projects to support development in the area.

CIL is received without outstanding conditions, it is therefore recognised at the commencement date of the chargeable development in the Comprehensive Income & Expenditure Statement in accordance with the accounting policy for government grants and third-party contributions & donations set out above. CIL charges will be largely used to fund capital expenditure. However, a proportion of the charges may be used to fund revenue expenditure.

vi. Employee Benefits

Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g., cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Council.

An accrual is made for the cost of holiday entitlements (or any form of leave, e.g., time off in lieu) earned by employees but not taken before the year-end, which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the Non Distributed Costs line in the Comprehensive Income and Expenditure Statement when the Council is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

Post-Employment Benefits

Employees of the Council are eligible to join the following separate pension schemes:

- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE)
- The Local Government Pension Scheme, administered by Wiltshire Council.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. The scheme is therefore accounted for as if it were a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The Children's and Education Services line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year.

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme.

The liabilities of the Wiltshire pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e., an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of projected earnings for current employees.

Liabilities are discounted to their value at current prices, based on the indicative rate of return on high quality corporate bonds.

The assets of Wiltshire pension fund attributable to the Council are included in the Balance Sheet at their fair value:

- quoted securities – current bid price
- unquoted securities – professional estimate
- unitised securities – current bid price
- property – market value.

The change in the net pension liability is analysed into the following components:

- current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked
- past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs
- interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- expected return on assets – the annual investment return on the fund assets attributable to the Council, based on an average of the expected long-term return – credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement

- gains or losses on settlements and curtailments – the result of actions to relieve the Council of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – debited to the Pensions Reserve
- contributions paid to the Wiltshire pension fund – cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than when benefits are earned by employees.

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

vii. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty’s Revenue & Customs. VAT receivable is excluded from income.

viii. Overheads and Support Services

The costs of overheads and support services are not recharged to services as part of normal management accounts reporting. Therefore, they are no recharges for overheads and support services within the Comprehensive Income & Expenditure Statement.

ix. Intangible Fixed Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

Internally generated assets are capitalised where it is demonstrated that the project is technical, feasible and is intended to be completed (with adequate resources being available) and the authority will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributed to the asset and is restricted to that incurred during the development phase.

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council’s goods and services.

Amortisation, impairment losses and disposal gains and losses can be charged to the Comprehensive Income and Expenditure Statement. However, they are not permitted to have an impact on the General Fund Balance, so the gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement.

x. Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition: Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accrual's basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred. The Council does not have a fixed de minimis level for the recognition of capital expenditure but recognises expenditure as capital where appropriate.

Measurement: Assets are initially measured at cost, comprising the purchase price and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Assets are carried in the Balance Sheet using the following measurement bases:

- Infrastructure, community assets and assets under construction – depreciated historical cost
- Dwellings – fair value, determined using the basis of existing use value for social housing (EUV-SH)
- Surplus Assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective
- All other assets – fair value, determined as the amount that would be paid for the asset in its existing use value (EUV).

Where there is no market-based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value.

Assets included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every three years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Where decreases in value are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment: Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired.

Where impairment losses are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)

- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e., freehold land and certain Community Assets) and assets that are not yet available for use (i.e., assets under construction).

Depreciation is calculated on the following bases:

- dwellings and other buildings – straight-line allocation over the remaining useful life of the property as estimated by a suitable qualified officer
- vehicles, plant, and equipment – straight line allocation over the useful life of each class of assets in the balance sheet, as advised by a suitably qualified officer. The useful lives vehicles, plant and equipment is generally between 5 to 20 years
- infrastructure – straight-line allocation over 60 years as estimated by a suitably qualified officer

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Any receipts from disposals are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received from a disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals (75% for dwellings, 50% for land and other assets) are payable to the Government. The balance of receipts is required to be credited to the Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement).

The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing.

xi. Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at the highest and best use. Properties are not depreciated but revalued annually according to market conditions at the year end. Gains and losses on revaluation are posted to the financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal. Rentals received in relation to investment properties result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance and are therefore reserved out in the Movement in Reserves Statement.

xii. Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- amortisation of intangible fixed assets attributable to the service.

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance of a Minimum Revenue Provision (MRP).

Housing Revenue Account capital charges are calculated in accordance with the prescribed statutory determination.

xiii. Revenue Expenditure Funded from Capital Under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

xiv. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant, or equipment from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Council as Lessee

Finance Leases

Property, plant, and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant, or equipment – applied to write down the lease liability; and
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant, or equipment.

The Council as Lessor

Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet is written off to the Comprehensive Income and Expenditure Statement as a gain or loss on disposal.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received)
- finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

xv. Financial Instruments**Financial Liabilities**

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the Council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Loans and receivables**Financial Assets**

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. There are three main classes of financial assets measures at:

- Amortised cost.
- Fair value through profit or loss; and
- Fair value through other comprehensive income

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except for those whose contractual payments, are not solely payment of principal and interest.

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Income and Expenditure line in the Comprehensive Income & Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance sheet is the outstanding principal receivable (plus accrued interest) and interest is credited to the Comprehensive Income & Expenditure Statement is the amount receivable for the year in the loan agreement.

Expected Credit Loss Model

The Council recognises expected credit losses on all its financial assets held at amortised cost either on a 12 month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime leases are recognised for trade receivables (debtors) held by the Council.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk platys a crucial part is assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime bases of 12 month expected losses.

Financial Assets measured at Fair Value through Profit or Loss

Financial assets that are measured by FVPL are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:

- Instruments with quoted market prices - the market prices
- Other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following 3 levels:

- Level 1 inputs– quoted prices (unadjusted) in active markets for identical assets that the Council can access at the measurement date
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly
- Level 3 inputs – unobservable inputs for the asset.

xvi. Inventories and Long-Term Contracts

Inventories are included in the Balance Sheet at the lower of cost or net realisable value. Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

xvii. Interest in companies and other entities

The Council has a material interest in three subsidiary companies: Stone Circle is a wholly owned subsidiary of Wiltshire Council that was set up for the benefit of Wiltshire residents, aiming to provide quality affordable housing. It comprises the holding company Stone Circle Development Company; Stone Circle Housing Company which purchases residential property for let to tenants and the dormant Stone Circle Energy Company. The Council will produce group accounts for 2020/21 based on a line-by-line consolidation following the elimination of inter-company balances / transactions and alignment of accounting policies. In the Council's own single-entity accounts, the interest in Stone Circle is recorded as financial assets at cost, less any provision for losses.

xviii. Private Finance Initiative (PFI) and similar contracts

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Council is deemed to control the services that are provided under its PFI schemes, and as ownership of the property, plant and equipment will pass to the Council at the end of the contracts for no additional charge, the Council carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment. The original recognition of these assets at fair value (based on the cost to purchase the property, plant, and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Council.

The amounts payable to the PFI operators each year are analysed into five elements:

- i. Fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement

- ii. Finance cost – an interest charge made on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- iii. Contingent rent – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement
- iv. Payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease)
- v. Lifecycle replacement costs – proportion of the amount's payable is posted to the Balance Sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

xix. Exceptional Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Council's financial performance.

xx. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

xxi. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e., in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

xxii. Events after the Balance Sheet Date

Events after the Balance Sheet date are those events that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue.

Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts are not adjusted to reflect such events. Where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

xxiii. Non-Compliance with Code of Practice

For operational reasons, the accounts do not fully comply with the Code of Practice on minor points. The main non-compliance is in relation to debtors and creditors. Whilst the accounts are maintained on an accruals basis, i.e. all sums due to or from the Council are included whether or not the cash has actually been received or paid in the year, exceptions are made for quarterly utilities payments based on meter reading dates. Since these policies are applied consistently year-on-year, they have no material effect on any one year's accounts.

xxiv. Foreign Currency

Where the Council has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date of the transaction. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March. Resulting gains or losses are recognised in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

xxv. Heritage Assets

The Council's Heritage Assets are assets that are kept to increase the knowledge, understanding and appreciation of the Council's history and local area. Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant, and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below. The accounting policies in relation to heritage assets that are deemed to include elements of intangible heritage assets are also presented below.

If items are of a material nature, a separate external revaluation exercise would be commissioned, and the assets carried at market value in the Balance Sheet. Alternatively, insurance valuations would be used to establish value. If this was the case these assets would be reviewed for impairment on a regular basis and the figures in the Balance Sheet updated accordingly. Any disposals would be treated in the same way as other assets. If the values of the assets are of limited or no value, then they will be disclosed in a note to the accounts only and not brought onto the Balance Sheet with a value. This decision is made based on whether the cost of obtaining a valuation exceeds the benefits to the users of the accounts.

For Wiltshire Council, which does not hold museum or art collections, the costs of commissioning external valuations exceed the benefit to the users of the accounts therefore the assets are disclosed in a note to the accounts only. The assets disclosed in note 20 include a property (the East Grafton Windmill), the White Horse in Westbury, and a small collection of art held across the county.

xxvi. Fair value measurement

The Council measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) in the principal market for the asset or liability, or
- b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – unobservable inputs for the asset or liability.

xxvii. Council Tax and Non-domestic Rates

Billing authorities act as agents. Collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund, (the Collection Fund) for the collection and distribution due in respect of council tax and NDR. Under legislation framework for the Collection fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be more or less than predicted.

Accounting for Council Tax and Non-Domestic Rates (NDR)

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement (CIES) is the Council's share of the accrued income for the year. However, regulations determine the amount of the council tax and NDR that must be in the Council's General Fund. Therefore, the difference between the CIES and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the movement in Reserves Statement.

The Balance Sheet includes the Council's share of the end of year balances in respect of council tax and NDR relating to arrears impairment allowances for doubtful debts, overpayments and prepayments and appeals.

xxviii. Accounting for Agency / Principal relationships

The Council acts as Principal where it acts on its own behalf and as Agent where it acts as an intermediary. Where it acts as principal, transactions are included in the financial statements in full. Where it acts as agent, only the cash collected and or expenditure incurred are included in the council's statements, with the creation of a debtor or creditor and any cash being shown in the council's cash flow statement under financial activities. An

example of such a principal / agent relationship is where the council acts as billing authority for NDR and council tax attributable to the police and fire authorities. In this example, the council is principal and shows cash collected on behalf of the other authorities in its net cash balance and two creditors. A further example would be in respect of Covid Grants provided by Government, the council is acting as an agent where the council is not in control of funding where it is responsible only for distributing amounts to beneficiaries with rules supplied by the funder, so that the recipient and the amounts they receive would be no different if Government had distributed the funding itself.

This page is intentionally left blank

Wiltshire Council

Proposed Q1 Internal Audit Plan 2022/23 and Internal Audit Charter

Page 87

Agenda Item 9

The Internal Audit Plan: Summary

The internal audit plan represents a summary of the proposed audit coverage that the internal audit team will deliver throughout Q1 of the 2022/23 financial year.

Delivery of an internal audit programme of work that provides sufficient and appropriate coverage, will enable us to provide a well-informed and comprehensive year-end annual internal audit opinion.

Introduction and Objective of the Internal Audit Plan

Internal audit provides an independent and objective opinion on the Authority's risk management, governance, and control environment by evaluating its effectiveness.

The outcomes of each of the audits in our planned programme of work, will provide senior management and Members with assurance that the current risks faced by the Authority in these areas are adequately controlled and managed.

It should be noted that internal audit is only one source of assurance, and the outcomes of internal audit reviews should be considered alongside other sources, as part of the 'three lines of defence' assurance model. Key findings from our internal audit work should also be considered in conjunction with completion of the Authority's AGS.

It is the responsibility of the Authority's Corporate Leadership Team (CLT), and the Audit and Governance Committee, to determine that the audit coverage contained within the proposed audit plan is sufficient and appropriate in providing independent assurance against the key risks faced by the organisation.

When reviewing the proposed internal audit plan (as set out in Appendix 1), key questions to consider include:

- Are the areas selected for coverage this coming quarter appropriate?
- Does the internal audit plan cover the organisation's key risks as the Corporate Leadership Team and the Audit and Governance Committee recognise them?
- Is sufficient assurance being received within our plan to monitor the organisation's risk profile effectively?

Internal audit coverage can never be absolute and responsibility for risk management, governance and internal control arrangements will always remain fully with management. As such, internal audit cannot provide complete assurance over any area, and equally cannot provide any guarantee against material errors, loss or fraud.

The Internal Audit Plan: Approach

The work of internal audit should align strategically with the aims and objectives of the organisation, taking into account key risks, operations and changes.

In order to do this Internal Audit needs to be flexible in adapting audit plans to handle rapidly changing risks, priorities and challenges.

Approach to Internal Audit Planning 2020/21

Approach to Internal Audit Planning 2022/23

Our approach to internal audit planning throughout 2022/23 will be a continuous risk assessment and rolling plan approach. Rather than present a proposed annual plan at the start of the year, which is subject to a high level of uncertainty and change, we will build our plan in conjunction with management as the year progresses, presenting a quarterly plan at each meeting of this Committee.

A quarterly planning process will provide the same assurances as an annual plan but will better reflect the changing risk landscape.

Audit planning meetings will be held with relevant officers and the plan for each quarter will be agreed with the Corporate Director Resources & Deputy Chief Executive (S. 151 Officer) and the Corporate Leadership Team (CLT) prior to presenting to this Committee for formal approval.

For the remaining three quarters of the plan, meetings will be held with management to discuss the audit plan. These meetings will lead to a 12 month 'rolling wave plan' place-marking key areas of coverage to support the annual opinion. This is then underpinned by quarterly risk-based work plans which draw from meetings with management and the 'rolling wave plan' throughout the financial year to ensure we are auditing the right areas, with the correct scope, at the right time and reported through our quarterly progress updates.

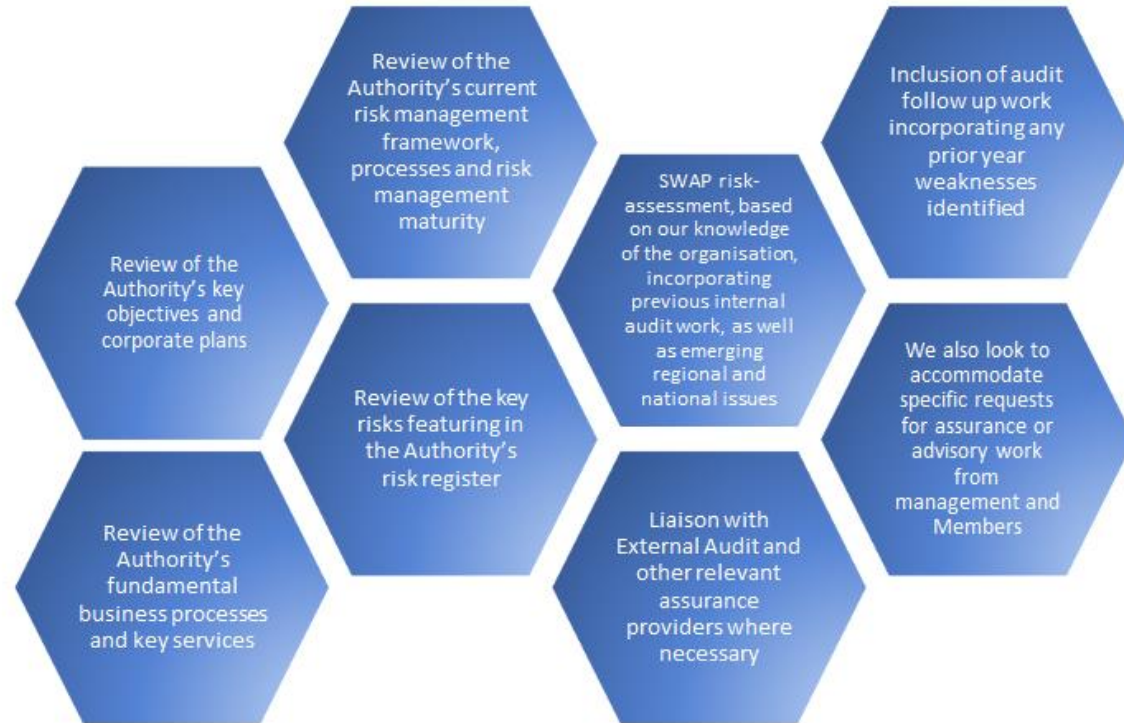
The resulting programme will be a combination of requested audit work aligned to service priorities, combined with audit work recommended by SWAP driven by our continuous risk assessment. This risk assessment will be based on the live status of both the Council's strategic and service risk registers. Overlaid onto this assessment will be SWAP's sector-wide top 10 risk areas, and consideration of the eight strands of our 'Healthy Organisation' framework. The results of our risk assessments will be shared with senior management to obtain their view on the value of internal audit involvement. In developing risk assessments, we will also take account of other sources of assurance, where relevant.

The Internal Audit Plan: Approach

To develop an appropriate risk-based audit plan, SWAP have consulted with senior management, as well as reviewing key documentation, in order to obtain an understanding of the organisation's strategies, key business objectives, associated risks, and risk management processes.

Approach to Internal Audit Planning 2020/21

The factors considered in putting together the 2020/21 internal audit plan have been set out below:



Due to the pace of change within Local Authorities and now the impact of the Pandemic, it is becoming increasingly difficult to accurately predict longer-term key organisational risks. Our approach to internal audit planning therefore reflects this. The risk-assessed work plan contains key areas of coverage, to ensure that we are auditing the right areas at the right time. The precise scope of each audit will be determined at the start of the review, in line with local risk factors at that time.

The Internal Audit Plan: Risk Assessment

A documented risk assessment prior to developing an internal audit plan, ensures that sufficient and appropriate areas are identified for consideration.

As above, it is the responsibility of the Authority's Corporate Leadership Team, and the Audit and Governance Committee to ensure that, following our risk assessment, the proposed plan contains sufficient and appropriate coverage.



Internal Audit Annual Risk Assessment

Our 2022/23 internal audit programme of work is based on a documented risk assessment, which SWAP will revisit regularly, but at least annually. The input of senior management as well as review of the Authority's risk register will be considered in this process.

Below we have set out a summary of the outcomes of the risk assessment for Wiltshire Council:



The Internal Audit Plan: SWAP

SWAP Internal Audit Services is a public sector, not-for-profit partnership, owned by the public sector partners that it serves. The SWAP Partnership now includes 25 public sector partners, crossing nine Counties, but also providing services throughout the UK.

As a company, SWAP has adopted the following values, which we ask our clients to assess us against following every piece of work that we do:

- Candid
- Relevant
- Inclusive
- Innovative
- Dedicated



Your Internal Audit Service

Conformance with Public Sector Internal Audit Standards

SWAP's framework and methods comply with the International Professional Practices Framework of the Institute of Internal Auditors (IPPF), and further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

Every five years, SWAP is subject to an External Quality Assessment of Internal Audit Activity. The last of these was carried out in February 2020 which confirmed general conformance with the IPPF. An annual self-assessment process confirms ongoing compliance.

Conflicts of Interest

We are not aware of any conflicts of interest within Wiltshire Council that would present an impairment to our independence or objectivity. Furthermore, we are satisfied that we will conform with our IIA Code of Ethics in relation to Integrity, Objectivity, Confidentiality, & Competency.

Consultancy Engagements

As part of our internal audit service, we may accept proposed consultancy engagements, based on the engagement's potential to improve management of risk, add value and improve the organisation's operations. Consultancy work that is accepted, will contribute to our annual opinion and will be included in our plan of work.

Approach to Fraud

Internal audit may assess the adequacy of the arrangements to prevent and detect irregularities, fraud and corruption. We have a dedicated counter fraud resource available to undertake specific investigations if required. However, the primary responsibility for preventing and detecting corruption, fraud and irregularities rests with management who should institute adequate systems of internal control, including clear objectives, segregation of duties and proper authorisation procedures.

Internal Audit Charter

The nature, role, responsibility, status and authority of internal audit within Wiltshire Council, and an outline of the scope of internal audit work is provided in the Audit Charter at Appendix 2.

The Internal Audit Plan: Approach

Over and above our internal audit service delivery, SWAP will look to add value throughout the year wherever possible. This will include:

- **Benchmarking and sharing of best practice between our public-sector Partners**
- **Regular newsletters and bulletins containing emerging issues and significant risks identified across the SWAP partnership**
- **Communication of fraud alerts received both regionally and nationally**
- **Annual Member training sessions**

Our Reporting

A summary of internal audit activity will be reported quarterly to senior management and the Audit and Governance Committee. This reporting will include any significant risk and control issues (including fraud risks), governance issues and other matters that require the attention of senior management and/or the Audit and Governance Committee. We will also report any response from management to a risk we have highlighted that, in our view, may be unacceptable to the organisation.

It should be noted that the audit titles and high-level scopes included below are only indicative at this stage for planning our resources and will be subject to a rolling plan assessment including regular risk and horizon scanning. At the start of each audit, an initial discussion will be held to agree the specific terms of reference for the piece of work, which includes the objective and scope for the review.

Areas of Coverage and Brief Rationale	Brief Description	Requested/Agreed by or Rationale for Audit
Corporate and Resources (including ICT)		
Key Financial Controls Main Accounting Accounts Payable Accounts Receivable Payroll Council Tax Business Rates Housing Benefit and Council Tax Support Housing Rents Treasury Management	All key financial systems are subject to cyclical audits to review key controls as a minimum and to provide assurance on the effectiveness of controls. The Key Financial Control reviews will be undertaken via continuous assurance work throughout the year.	Review of the Authority’s fundamental business processes and key services.
Grant Certifications/Assurances	Existing and new grant activity – Full list to be confirmed and agreed.	Agreed with Corporate Director of Resources & Deputy Chief Executive (S. 151 Officer).
ICT Disaster Recovery	Review of the Council’s ICT Disaster Recovery processes. The full scope will be agreed during the initial meeting.	Agreed with Assistant Director ICT.
Risk Management	Review of the risk management arrangements in place for Wiltshire Council.	Agreed with Corporate Director of Resources & Deputy Chief Executive (S. 151 Officer).
People		
Supporting Families	MHCLG requirement for audit of claims submitted reviewed a representative sample of families and achievement of outcomes.	Agreed with Director Families and Children.
Place		
Planning	Audit to ensure the Local Plan and Local Transport Plans are on track.	Agreed with Corporate Director of Resources & Deputy Chief Executive (S. 151 Officer).

Growth Hub Grant	Certification for the 2021/22 financial year.	Agreed with Corporate Director of Place.
Follow Up Work and Support Activities		
Follow Up Contingency	Follow up of audits awarded Partial or No Assurance opinions. The work will assess responses to previous audit coverage and any changes to the control environment.	Inclusion of audit follow up work incorporating any prior year weaknesses identified.
Proactive Fraud Work	Linked to risks in Protecting the Public Purse.	
Reactive Fraud Work	To undertake ad-hoc unplanned investigations as agreed.	Agreed with Corporate Director of Resources & Deputy Chief Executive (S. 151 Officer).
Fraud Awareness Training	Provision of Fraud Awareness Training by the SWAP Corporate Fraud Service.	
Corporate Advice	Includes meetings and direct liaison with the Corporate Director of Resources and the Assistant Director of Finance.	
External Audit	Ongoing liaison with External Audit.	

The Internal Audit Charter

Purpose

The purpose of this Charter is to set out the nature, role, responsibility, status and authority of internal auditing within Wiltshire Council and the Wiltshire Pension Fund, and to outline the scope of internal audit work.

Provision of Internal Audit Services

The internal audit service is provided by the SWAP Internal Audit Services (SWAP). This charter forms part of the legal agreement between SWAP Partners and should be read in conjunction with the Service Agreement and any other key documents, including the Data Sharing Protocol.

The budget for the provision of the internal audit service is determined by Wiltshire Council, in conjunction with the SWAP Members Meeting. The general financial provisions are laid down in the legal agreement, including the level of financial contribution by the organisation, and may only be amended by unanimous agreement of the Members Meeting. The budget is based on an audit needs assessment that was carried out when determining the organisation's level of contribution to SWAP. This is reviewed each year by the S151 Officer in consultation with the Chief Executive of SWAP.

Role of Internal Audit

The Accounts and Audit (England) Regulations 2015, state that: *"A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the public sector internal auditing standards or guidance."*

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve the Organisation's operations. It helps Wiltshire Council and the Wiltshire Pension Fund accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Responsibilities of Management, Audit and Governance Committee and Internal Audit

Management¹

Management is responsible for ensuring SWAP has:

- the support of management and the organisation; and
- direct access and freedom to report to senior management, including the Chief Executive and the Audit and Governance Committee; and
- Notification of suspected or detected fraud, corruption or impropriety.

Management is responsible for maintaining internal controls, including proper accounting records and other management information suitable for running the Organisation. Management is also responsible for the appropriate and effective management of risk.

Audit and Governance Committee²

The Audit and Governance Committee is responsible for approving the scope of internal audit work, receiving communications from the SWAP Assistant Director (as the Chief Audit Executive³) on the progress of work undertaken, reviewing the independence, objectivity, performance, professionalism and effectiveness of the Internal Audit function, and obtaining reassurance from the SWAP Assistant Director as to whether there are any limitations on scope or resources.

¹ In this instance Management refers to the Senior Management Team and Statutory Officers.

² In this instance Audit and Governance Committee relates to "The Board" referred to in the PSIAS.

³ PSIAS refers to the 'Chief Audit Executive'.

Internal Audit

The SWAP Assistant Director, as Head of Internal Audit, is responsible for determining the scope, except where specified by statute, of internal audit work and for recommending the action to be taken on the outcome of, or findings from, their work designed to provide assurance and add value.

Internal audit is responsible for operating under the policies established by management in line with best practice. A range of SWAP policies exist to underpin staff and service development, including to seek out and implement new innovative audit techniques and increase technological solution to ensure provision of an efficient and effective service and consolidate the role of Trusted Advisor.

Internal audit is responsible for conducting its work in accordance with the mandatory elements of the Code of Ethics and Standards for the Professional Practice of Internal Auditing as set by the Institute of Internal Auditors and further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note. SWAP has been independently assessed and found to be in Conformance with the Standards.

Internal audit is not responsible for any of the activities which it audits. SWAP staff will not assume responsibility for the design, installation, operation or control of any procedures. SWAP staff who have previously worked for the organisation will not be asked to review any aspects of their previous activity until a minimum of one year has elapsed.

Relationship with the External Auditors/Other Regulatory Bodies

Internal Audit will co-ordinate its work with others wherever this is beneficial to the organisation.

Status of Internal Audit in the Organisation

The Chief Executive of SWAP is responsible to the SWAP Board of Directors and the Members Meeting. Appointment or removal of the Chief Executive of SWAP is the sole responsibility of the Members Meeting.

The Chief Executive for SWAP, the Executive Director and Assistant Director also report to the Section 151 Officer, and reports to the Audit and Governance Committee as set out below.

The Assistant Director will be the first and primary point of contact for the organisation for all matters relating to the Audit and Governance Committee, including the provision of periodic reports, as per company policy. The Assistant Director is also responsible for the design, development and delivery of audit plans, subject to the agreement of Wiltshire Council and the Wiltshire Pension Fund.

Scope and Authority of Internal Audit work

There are no restrictions placed upon the scope of internal audit's work. SWAP staff engaged on internal audit work are entitled to receive and have access to whatever information or explanations they consider necessary to fulfil their responsibilities to senior management. In this regard, internal audit may have access to any records, personnel or physical property of the organisation. Internal audit work will normally include, but is not restricted to:

- reviewing the reliability and integrity of financial and operating information used for operational and strategic decision making, and the means used to identify, measure, classify and report such information;
- evaluating and appraising the risks associated with areas under review and make proposals for improving the management and communication of risks;
- appraise the effectiveness and reliability of the enterprise risk management framework and recommend improvements where necessary;
- assist management and Members to identify risks and controls with regard to the objectives of the organisation and its services;

- reviewing the systems established by management to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on operations and reports, and determining whether the organisation is in compliance;
- reviewing the means of safeguarding assets and, as appropriate, verifying the existence of assets;
- appraising the economy, efficiency and effectiveness with which resources are employed;
- reviewing operations or programmes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being carried out as planned, with performance and accountabilities established.
- reviewing the operations of the organisation in support of their anti-fraud and corruption policy (and investigating where necessary), ethical expectations and corporate, social and environmental values and responsibilities; and
- at the specific request of management, internal audit may provide consultancy services (e.g. data analytics, benchmarking, strategic/project reviews and fraud investigation services) provided:
 - the internal auditor's independence is not compromised
 - the internal audit service has the necessary skills to carry out the assignment, or can obtain such skills without undue cost or delay
 - the scope of the consultancy assignment is clearly defined, and management have made proper provision for resources the work.
 - management understand that the work being undertaken is not internal audit work, although the outcomes may contribute to the annual opinion.

Planning and Reporting

SWAP will submit internal audit plans to management and the Audit and Governance Committee for approval, setting out the recommended scope of work and which will be developed with reference to current and emerging risks. The plans will be reviewed at least quarterly to ensure they remain relevant and adequately resourced.

SWAP will carry out the work as agreed, report the outcome and findings both during and on completion of reviews, and make recommendations on the action to be taken to the appropriate officers and copied to the S151 Officer. SWAP will present a regular summary of their work to management and the Audit and Governance Committee, including assessing the Organisation's implementation of previous actions along with any significant, persistent and outstanding issues.

Internal audit reporting will normally comprise a brief presentation to relevant officers and accompanied by an appropriately detailed report in writing with the format tailored as necessary to the nature of the work.

The Assistant Director will submit an annual report to management and the Audit and Governance Committee providing an overall opinion of the status of risk and internal control within Wiltshire Council and the Wiltshire Pension Fund based on and limited to, the internal audit work conducted during the year.

In addition to the reporting lines outlined above, the Chief Executive of SWAP, SWAP Executive Directors and Assistant Director (Chief Audit Executive) have the unrestricted right to report directly to the Leader of the Council, the Chair of the Audit and Governance Committee, the organisation's Chief Executive Officer or the External Audit Manager.

April 2022

Audit and Governance Committee
Proposed Forward Work Plan 2022

Please note that the FWP is a dynamic document, updated on a regular basis as required

Meeting Date	Item	Responsible Officer	Draft Report Deadline	Publication Deadline
27 April 2022	External Audit Plans – verbal updates <ul style="list-style-type: none"> • Updated External Audit Plan 2019/20 • Updated External Audit Plan 2020/21 	Deloitte	8 Apr 2022	19 Apr 2022
	Policies on Anti-Fraud and Corruption, Anti-Tax Evasion, Whistleblowing	Lizzie Watkin / Frank Cain / Perry Holmes		
	Accounting Policies 2021/22	Lizzie Watkin / Sally Self		
	Q1 Internal Audit Plan 2022/23	SWAP		

Audit and Governance Committee
Proposed Forward Work Plan 2022

Please note that the FWP is a dynamic document, updated on a regular basis as required

Meeting Date	Item	Responsible Officer	Draft Report Deadline	Publication Deadline
21 July 2022	Internal Audit Reports <ul style="list-style-type: none"> • Q4 IA Report 2020/2021, including Head of Internal Audit opinion and consolidated IA outstanding management actions report 	SWAP/ Andy Brown	6 July	13 July
	AGS 2021/22	Perry Holmes/Maria Doherty		
	Good Lives Alliance (in response to limited assurance audit)	Helen Jones / Victoria Bayley		
	Corporate Risk	Toby Elliot		
	Updates <ul style="list-style-type: none"> • Redmond Review – TBC • SWLEP and the Committees role in relation to SWLEP – TBC • Progress on recruitment of independent co-opted lay members 	Lizzie Watkin Andy Brown Perry Holmes		
Training on Statement of Accounts (private, after Committee)	Lizzie Watkin/Tara Shannon			

Audit and Governance Committee
Proposed Forward Work Plan 2022

Please note that the FWP is a dynamic document, updated on a regular basis as required

Meeting Date	Item	Responsible Officer	Draft Report Deadline	Publication Deadline
27 Sep 2022	Internal Audit Reports Q1 IA Report 2022/23 and consolidated IA outstanding management actions report	SWAP/ Andy Brown	14 Sep	19 Sep
Date to be moved	Stone Circle Annual Governance Update	Perry Holmes/Stone Circle		

Audit and Governance Committee
Proposed Forward Work Plan 2022

Please note that the FWP is a dynamic document, updated on a regular basis as required

Meeting Date	Item	Responsible Officer	Draft Report Deadline	Publication Deadline
23 Nov 2022	Statement of Accounts 2020/21 TBC To approve the SoA 2020/2021 including: Report to those Charged with Governance (ISA 260) 2019/20 To include assurance from the Pension Committee, 2 Letters of representation, AGS, statements	Lizzie Watkin/ Andy Brown/ Deloitte	9 Nov	15 Nov
	Statement of Accounts 2021/2022 TBC To approve the SoA 2021/2022 including: Report to those Charged with Governance (ISA 260) 2019/20 To include assurance from the Pension Committee, 2 Letters of representation, AGS, statements	Lizzie Watkin/ Andy Brown/ Deloitte		
	Internal Audit Reports Q2 IA Report 2022/23 and consolidated IA outstanding management actions report	SWAP/ Andy Brown		
	Private meeting with External Auditors (after Committee)	Deloitte/Tara Shannon		

Audit and Governance Committee
Proposed Forward Work Plan 2022

Please note that the FWP is a dynamic document, updated on a regular basis as required

Meeting Date	Item	Responsible Officer	Draft Report Deadline	Publication Deadline
8 Feb 2023	Internal Audit Reports Q3 IA Report 2022/23 and consolidated IA outstanding management actions report	SWAP/ Andy Brown	25 Jan 2023	31 Jan 2023
	Governance Update on AGS	Perry Holmes/Maria Doherty		
	Corporate Risk Update	Toby Eliot		
	Private meeting with External Auditors (after Committee)	Deloitte/Tara Shannon		

Audit and Governance Committee
Proposed Forward Work Plan 2022

Please note that the FWP is a dynamic document, updated on a regular basis as required

Meeting Date	Item	Responsible Officer	Draft Report Deadline	Publication Deadline
Late April 2023 – date tbc	Internal Audit Reports Q4 IA Report 2022/23 and consolidated IA outstanding management actions report	SWAP/ Andy Brown	TBC	TBC
	External Audit Plans	Deloitte		
	Policies on Anti-Fraud and Corruption, Anti-Tax Evasion, Whistleblowing	Lizzie Watkin / Frank Cain / Perry Holmes		
	Accounting Policies 2022/23	Lizzie Watkin / Sally Self		
	Members private meeting with SWAP (after Committee)	SWAP/Tara Shannon		