

# AGENDA

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**Meeting:** Audit and Governance Committee

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

**Date:** Wednesday 23 November 2022

**Time:** 10.00 am

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Please direct any enquiries on this Agenda to Tara Hunt, of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line 01225 718352 or email [tara.hunt@wiltshire.gov.uk](mailto:tara.hunt@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](http://www.wiltshire.gov.uk)

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## 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

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## 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  
Cllr Pauline Church

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## **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

### Items to be considered while the meeting is open to the public

1 **Apologies**

To receive any apologies or substitutions for the meeting.

2 **Minutes of the Previous Meeting** (*Pages 5 - 10*)

To confirm and sign the minutes of the meeting held on 27 September 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 from the Chairman.

5 **Public Participation**

The Council welcomes contributions from members of the public.

#### Statements

If you would like to make a statement at this meeting on any item on this agenda, please register to do so at least 10 minutes prior to the meeting. 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 16 November 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 18 November 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 **Internal Audit updates** (*Pages 11 - 54*)

To include:

- Internal Audit updates
- Outstanding Audit actions
- Internal Audit Q3 plan for information and Internal Audit Q4 plan for approval
- A presentation on the future of Internal Audit

7 **Anti-Fraud risk update** (*Pages 55 - 78*)

To receive an update on anti-fraud activity, including baseline risk assessments and actions.

8 **Forward Work Programme** (*Pages 79 - 80*)

To note the Forward Work Programme

9 **Urgent Items**

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

10 **Date of Next Meeting**

To note that the next regular meeting of the Committee will be held on 8 February 2023.

**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

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**MINUTES OF THE AUDIT AND GOVERNANCE COMMITTEE MEETING HELD ON 27 SEPTEMBER 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 Mike Sankey and Cllr Martin Smith

**Also Present:**

Cllr Nick Botterill

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40 **Apologies**

Apologies were received from Cllr Pip Ridout.

41 **Minutes of the Previous Meeting**

The minutes of the meeting on 21 July 2022 were presented for consideration and it was,

**Resolved:**

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

42 **Declarations of Interests**

There were no declarations of interest.

43 **Chairman's Announcements**

There were no Chairman's announcements.

44 **Public Participation**

No public questions or statements were received.

45 **Annual Governance Statement 2021/22**

Perry Holmes (Director, Legal and Governance) presented a report on the Annual Governance Statement (AGS) 2021/22.

The officer stated that the Council required a framework to make decisions and the AGS tested that framework. The AGS would form part of the Statement of

Accounts. Improvement actions were detailed in the AGS and the Committee would receive updates on those actions.

In response to questions the officer stated that the areas for improvement were reviewed on a year-by-year basis. Regarding Procurement and Commissioning there would be an update later in the meeting on some of the work that was being undertaken in that area. It was acknowledged that actions did need to be implemented but it may be a bit early to give timescales as to when improvements would be complete. There were further questions regarding Procurement and Commissioning which strayed slightly out of the remit of the AGS. Contracts were managed and penalties applied when necessary for failure of providers to meet KPI's when it was possible contractually to do so. However, there was no shared benefit to aggressive contract management which could force suppliers out of business. The contract was a two-way process which involved the council setting standards, monitoring them and managing accordingly.

The Wiltshire Compact was still being worked on and it could be included as a stakeholder relationship in future versions of the AGS.

The Military Compact had been resigned which is why it was not referenced. The Leader led on the military civilian relationship and the officer was happy to include reference to that relationship in future versions of the AGS.

The Chairman proposed a motion to approve the Annual Governance Statement for 2021/22. This was seconded by Cllr Martin Smith. It was,

**Resolved:**

**That the Committee approve the Annual Governance Statement for 2021/22.**

#### 46 **Stone Circle Annual Governance Update**

Perry Holmes (Director Legal and Governance) presented the annual update on Stone Circle Governance.

The officer highlighted that part of the remit of the Committee was to be assured that there were proper governance arrangements in place for the Stone Circle companies. As such the Committee would receive an annual report containing a summary of the governance arrangements for the Stone Circle companies and this was set out in the report. The officer completed a review of the governance arrangements in September 2021 and some recommendations were made. Progress against the recommendations was set out in the report. The diagram at appendix 1 was particularly important in showing how the governance arrangements worked.

Members raised problems with the economy, such as rising interest rates and were concerned at how this could affect the companies. The officer explained that what was being presented today was not a review of how well the companies were doing, but the governance framework. Concerns such as those raised would be better put to the Shareholder group who held public meetings which Members were welcome to attend. The Shareholder group were responsible for the scrutiny of the companies, whereas the Audit and Governance Committee were responsible for ensuring that proper governance arrangements were in place. The officer would take away the suggestion that someone from the group should attend the Audit and Governance Committee to report back and would give it some thought. The Chairman felt that this was outside the Committee's remit. Further debate was had regarding the risks to the Council and the stability of the market.

The officer explained that the regarding recommendation 4, the term for the Chair was 3 years as this was to ensure consistency until the companies moved into the next phase. The term could be extended if required.

Members raised concerns that issues may got lost between the various types of oversight detailed at paragraph 25 of the report and whether the members of the Shareholder group had the skills required. The officer stated that the group could bring in external expertise if required and that the arrangements would be reviewed regularly. It was confirmed that the Financial Planning Task group would also be involved in scrutinising the companies.

The Chairman proposed the recommendations as set out in the report, with the exception of recommendation 3, as the Committee felt there were no changes that needed to be made at that time and the officer would consider everything raised at the meeting. This was seconded by Cllr Stuart Wheeler. It was,

**Resolved:**

- 1. To note the changes to governance arrangements for the Stone Circle companies that have been implemented since a governance review was conducted in September 2021.**
- 2. To note the changes to be implemented following a governance review in September 2021.**

47 **Corporate Risk**

Toby Eliot (Corporate Support Manager) presented a report on risk management, which would be taken as read. It was stated that under the constitution the Committee was responsible for monitoring and reviewing the performance and risk management framework.

The risk management process had been developed over the last 7 years and the Council had learned from other organisations and had tried to simplify the process. After the pandemic a full risk review had taken place, with many risks closed off and the removal of risks that were in fact issues (what had happened,

as opposed to what could happen). Risks also had to relate to the new business plan. A new national risk register was due to be published by government, that would go through forums first, to which the Council would respond. The Extended Leadership Team were being asked to sense check what was on the risk register for their areas.

Action planning still needed some revamping and simplification. The Performance and Risk Management Policy required review and this should take place within the next 12 months. The risk appetite would also be reviewed by Cabinet.

Members asked questions regarding the toleration, visibility and challenge of risks. In response the officer stated that tolerating a risk was one of the actions that could be taken, it did not necessarily mean they were happy with the risk, but resources could have an impact. Tolerated risks were reviewed at directorate level and the scrutiny function (select committees) of the council could also look at risks. Cabinet would also receive quarterly updates on Council performance and risk. Members suggested that it may be appropriate for the Chairs of the select committees and Audit and Governance to catch up separately to discuss the review of risks by scrutiny if that was possible.

The removal of risks was also highlighted as a concern by Members, the officer advised that this process was sense checked by the Corporate Leadership Team (CLT).

The details on page 55 of the agenda on how to read the risk register were highlighted by the officer.

Members stated that they thought this was an excellent piece of work by officers.

The Chairman, seconded by Cllr Gavin Grant, proposed a motion to note the update and that the Committee would like to review the risk management process annually as a minimum.

It was,

**Resolved:**

**To note the update and that the Committee would like to review the risk management process annually as a minimum.**



Jonathan Hopkins (Head of Strategic Procurement) presented a report on the Procurement Improvement Plan.

The officer explained that in response to two limited assurance audits on Exemptions and Category Management an update was being given to report on the progress made within the Commercial and Procurement Team.

The Commercial and Procurement Team had undergone a restructure and had been recruiting staff in response to the issues identified. The Service Plan within the agenda (page 65) contained details plans for the team. The Commercial Board had been created to have oversight and new processes had been developed that ensured legal compliance and proportionately robust ways to get value for money. The team would be able to report progress against the Annual Governance Statement next year.

Previously there had been too many exemptions, the team had redefined what an exemption was, and exemptions were now signed off by the Corporate Director Resources & Deputy Chief Executive (S.151 Officer) and the Director Legal and Governance (Monitoring Officer). The number of exemptions applied for had dropped considerably as a result which Members found reassuring.

Regarding the cost of living crisis and the effect that this would have it was stated that the Local Government Association was undertaking work to provide help and guidance to all Councils, there were also further details from government still to come.

Members agreed that good progress had been made in response to the audits. In response to questions the officer stated that some Councils look at exemptions from a percentage of total spend view, rather than as the number of exemptions. This may be more useful and was something Wiltshire Council could consider when further progress had been made. With regards to the case-by-case approach when there were problems with suppliers it was explained that you took the same approach within market areas. The aim was to get the best solution for both parties and the community within the context of the environment that they were operating in.

The officer explained that with regards to performance monitoring the KPI's had not yet been set. There would be 2 sets of KPI's, one would go through the Commercial Board and the other for the actions in the plan. With regard to staffing levels, it was hoped that within a few weeks all vacancies apart from 1 or 2 would be filled. It was,

**Resolved:**

**To note the update.**

49 **Policy Updates**

Lizzie Watkin (Assistant Director Finance and Deputy s151 Officer) presented the Anti-Money Laundering Policy for consideration. The policy set out the zero

tolerance position along with definitions and indicators. The policy applied to everyone who interacts with the Council.

In response to questions it was stated that the regulations that applied were detailed in section 3.1 – 3.5 of the policy. The Council was not as at much risk as financial institutions may be. Although there were certain areas within the Council, such as Estates and Legal where the risk may be higher. Those teams were very aware of their responsibilities.

The Chairman seconded by Cllr Adrian Foster, proposed a motion to approve the policy, it was,

**Resolved:**

**That the Audit and Governance Committee approve the Anti-Money Laundering policy.**

50 **Forward Work Programme**

The Forward Work Plan was presented for consideration, and it was,

**Resolved:**

**To note the Forward Work Plan.**

51 **Date of Next Meeting**

The next meeting of the Audit and Governance Committee would be held on 23 November 2022.

52 **Urgent Items**

There were no urgent items.

(Duration of meeting: 2.00 - 4.10 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](mailto:tara.shannon@wiltshire.gov.uk)

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

# Wiltshire Council

## Internal Audit Update Report 2022-23

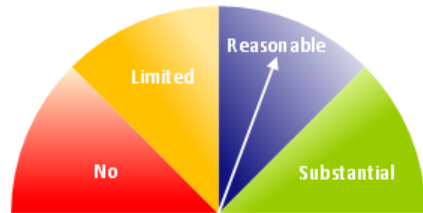
November 2022

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Agenda Item 6

# Internal Audit Update – 2022/23: ‘At a Glance’ November 2022

## Rolling Opinion



There is generally a sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives.

## The Headlines (Since our last update)

|  |   |
|--|---|
|  | <p><b>1 High Significant Risk identified</b><br/>                 1 Limited Opinion assigned<br/>                 1 Priority 1 Actions</p>  |
|  | <p><b>22 reviews completed as part of the 2022/23 Internal Audit Plan</b><br/>                 Includes 13 assurance reviews (including grant certifications), and 9 advisory and follow up pieces.</p>   |
|  | <p><b>Internal Audit activity supporting the Council in its duty to prevent and detect fraud.</b></p>   |
|  | <p><b>Improvements from the implementation of agreed actions</b><br/>                 Action tracking is ongoing, and the Council is provided with monthly updates on outstanding actions.</p>  |
|  | <p><b>Adding Value by spreading awareness and learning</b><br/>                 SWAP's Counter Fraud and Investigation Team have already delivered one fraud awareness training session, with further sessions planned for the near future.</p> |

## Internal Audit Assurance Opinions 2022/23

|                     | This Period | YTD       |
|---------------------|-------------|-----------|
| Substantial         | 3           | 3         |
| Reasonable          | 2           | 3         |
| Limited             | 1           | 1         |
| No Assurance        | 0           | 0         |
| Grant Certification | 7           | 10        |
| Advisory/Follow Up  | 9           | 9         |
| <b>Total</b>        | <b>22</b>   | <b>26</b> |

## Internal Audit Agreed Actions 2022/23

|              | This Period | YTD       |
|--------------|-------------|-----------|
| Priority 1   | 4           | 4         |
| Priority 2   | 4           | 4         |
| Priority 3   | 3           | 9         |
| <b>Total</b> | <b>11</b>   | <b>17</b> |

## Summary

As part of our rolling plan reports, we will provide an ongoing opinion to support the end of year annual opinion, detail progress against the approved plan and any updates in scope and coverage.

We will also provide details of any significant risks that we have identified in our work, along with the progress of mitigating significant risks previously identified through audit activity.

The contacts at SWAP in connection with this report are:

**Charlotte Wilson**

Assistant Director

Tel: 07732 688 505

[Charlotte.Wilson@swapaudit.co.uk](mailto:Charlotte.Wilson@swapaudit.co.uk)

### Rolling Opinion and Summary of Significant Risks

#### Introduction

This is the November 2022 update for the 2022/23 financial year and reports against the quarterly plans agreed by this Committee. Our planning process involves quarterly reviews with senior managers to ensure internal audit activity remains appropriate in scope and timing with the opportunity for risk-based flex.

#### Rolling Opinion

The Rolling Opinion is based on information obtained from multiple engagements and sources, the results of which, when viewed together, provide an understanding of the organisation's governance arrangements, risk management processes and internal control environment and facilitate an assessment of overall adequacy and effectiveness. These sources include:

- Completed reviews since our last update which evaluate risk exposures relating to the organisation's governance, operations, risk and information systems, reliability and integrity of information, efficiency and effectiveness of operations and programmes, safeguarding of assets and compliance with laws and regulations;
- Observations from consultancy/advisory support;
- Follow up of previous audit activity, including agreed actions;
- Notable changes to the organisation's strategy, objectives, processes or IT infrastructure; and
- Other assurances (1st and 2nd line) and from other providers, including third parties, regulators etc.

Based upon our completed work to date, which covers various assurance and advisory pieces and a range of grant certifications, our rolling opinion is **'Reasonable'**. Appendix B summarises internal activity completed, in progress and due to commence for the period covered by this report. This, along with the cumulative summary position is provided above in the 'At a Glance' section.

# Internal Audit Update






Our audit plan coverage assessment is designed to provide an indication of whether we have provided sufficient, independent assurance to monitor the organisation’s risk profile effectively.

For those areas where no audit coverage is planned, assurance should be sought from other sources to provide a holistic picture of assurance against key risks.

## SWAP Internal Audit Plan Coverage

Recent internal audit coverage, over a rolling 12-month period, and outcomes are reflected in the chart below. Where we have no coverage, Senior Management and the Audit and Governance Committee should seek and confirm assurance from alternative sources, or consider re-focussing internal audit resource to provide coverage of these areas

| Strategic Risk  | Audit Coverage                  |
|---|---------------------------------|
| SR01 – Unable to Meet demands for Special Educational Needs or Disability   | Some aspects of coverage        |
| SR02 – Lack of Capacity in the Social Care Market                           | Coverage in progress or planned |
| SR03 – Uncontrolled Cost of Social Care (Predominantly Adults)              | Coverage in progress or planned |
| SR04 – Failure to Manage Housing Development                                | Coverage in progress or planned |
| SR05 – Cyber Resilience   | Adequate coverage               |
| SR06 – Impact of Negative Media/Social Media Coverage on Council            | No coverage to date             |
| SR07 – Outbreak Management Control Plan                                     | Adequate coverage               |
| SR08 – Failure in Safeguarding Children                                     | Coverage in progress or planned |
| SR09 – Information Governance   | Adequate coverage               |
| SR10 – Income Collection  | Good coverage                   |
| SR11 – Corporate Health, Safety and Wellbeing                               | Some aspects of coverage        |
| SR12 – Hospital Discharges Resulting in Highly Restrictive Packages of Care | Some aspects of coverage        |
| SR13 – Budget Management  | Good coverage                   |
| SR14 – Not on Track for the Council to be Carbon Neutral by 2030            | Coverage in progress or planned |

| Coverage Key  |                                 |
|---|---------------------------------|
|  | Good coverage                   |
|  | Adequate coverage               |
|  | Coverage in progress or planned |
|  | Some aspects of coverage        |
|  | No coverage to date             |

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## Significant Corporate Risks:

Identified Significant Corporate Risks should be brought to the attention of the Audit Committee.

## Summary of Work Completed – Significant Corporate Risks

We provide a definition of the three Risk Levels for Corporate risk applied within audit reports within **Appendix A**. For those audits which have reached report stage through the year, we will report risks we have assessed as 'High'.

### Pension Payroll Reconciliation Project

An audit was undertaken of the Pensions Payroll Reconciliation Project. Our audit included the following areas:

- a) Project objectives and deliverables;
- b) Roles and responsibilities;
- c) Issues handling; and
- d) Project outsourcing.

The issues identified were raised by SWAP during the audit at the beginning of June 2022. Progress was subsequently made in some areas whilst the audit was being undertaken. It should be noted that the report was given a Limited Assurance rating, prior to the progress which was made during the audit in improving the project reconciliations and progressing the third-party tender process, a No Assurance rating would have been issued.

Since our audit work was concluded, updates provided to SWAP by the Head of Wiltshire Pension Fund in August and September 2022 indicate that there are ongoing problems with the conclusion of this project, including the discovery of an additional 53 cases at stage 2, 361 additional cases at stages 3-4, and errors being made in correcting pensions and paying arrears (note that these findings have not been investigated due to the timing of their discovery and escalation).

| Risk Reviewed  | Assessment |
|--|------------|
| 1. The project is not delivered efficiently and accurately, resulting in the inaccurate pensions payments to members not being resolved. | High       |

## Completed Assignments:

Summary of work completed with a focus on the high priority issues that we believe should be brought to the attention of the Audit and Governance Committee.

All audits awarded a Limited or No Assurance rating will be followed up to provide assurance to the Corporate Director, Senior Managers and the Audit and Governance Committee, that the agreed actions to mitigate risk exposure have been implemented.

## Summary of Work Completed – Limited and No Assurance Opinions

### Pension Payroll Reconciliation Project

#### Assurance Opinion



Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.

#### Key Findings

|  |  |
|--|--|
|  | There is not a clear project brief with measurable deadlines. The Head of Wiltshire Pension Fund has requested for regular measurable project updates, this has not been provided by the Pensions Administration Lead who oversees the project.                                  |
|  | The work at stage 2 of the project was not reviewed and signed off. Subsequent issues have been identified where cases were not included when they should have been. Furthermore, there are no targets to progress the backlog of cases which have subsequently been identified. |
|  | There is no robust process to reconcile the Master Control Workbook to the Pension Fund's System Altair and Payroll monthly.   |
|  | There is not a clear method to monitor the input from the project team when completing stage 3 project work. In addition, no targets were set to ensure the project progressed, the project meetings were not minuted and no actions were set.                                   |
|  | A clear plan is not in place to handover the project to the third party.   |

One Priority 1 action and four Priority 2 actions have been agreed with the Head of the Wiltshire Pension Fund, all have now reached their agreed implementation date. A follow up audit will be undertaken in due course.



## Added Value

We keep our audit plans under regular review to ensure that we are auditing the right things at the right time.

### Changes to the Audit Plan

We will regularly re-visit and adjust our rolling programme of audit work to ensure that it matches the changing risk profile of the organisation's operations, systems, and controls. Details of our current work areas are provided in **Appendix B**.

Unplanned work, special reviews or projects carried out on a responsive basis which are requested as a result of new and emerging risk areas, and which result in significant changes to the agreed plan will be reported to CLT and the Audit and Governance Committee. The agreed plan provides for flexibility in coverage and scope and includes some provision for responsive activity.

The following table highlights some notable changes to the plan.

| Assignment                                   | Amendment | Reason  |
|--|-----------|---|
| Financial Controls – Feeder Systems          | Addition  | Request from the Corporate Director Resources and Deputy Chief Executive.   |
| Housing Rents – Year End Balancing           | Addition  | As a result of the work already undertaken during the Housing Rents Continuous Audit process.                       |
| Contain Outbreak Management Fund             | Addition  | Late request received for Head of Internal Audit grant certification.   |
| Universal Drug Treatment Grant               | Addition  | Late request received for Head of Internal Audit grant certification.   |
| CASPAR Migration Investigation               | Addition  | Request from the Director Ageing and Living Well following a data loss incident.                                    |
| S.106 Financial Controls                     | Addition  | Audit to replace the deferred planning audit.   |
| School Cheque Fraud                          | Addition  | Request following a cheque fraud incident in a school.  |
| Evolve – HR                                  | Removed   | Removed and replaced with more generalised support for the Evolve Project.  |
| Brunel Pension Partnership Cost Transparency | Removed   | Removed at the request of the Wiltshire Pension Fund. This work will now be undertaken by an investment specialist. |
| Use of Unregistered/Unregulated Placements   | Removed   | Agreed with the Director Families and Children that this audit will no longer add value at this stage.              |

# Performance

Aged Analysis of Audit Actions  
Exceeding the Originally Agreed  
Target Implementation Date

## Summary of Actions

### Outstanding Audit Actions by Priority Non Schools

|               | < 30 Days | < 60 Days | < 90 Days | < 120 Days | 120+ Days | Totals    |
|---------------|-----------|-----------|-----------|------------|-----------|-----------|
| <b>3</b>      | 1         | 3         | 0         | 3          | 11        | <b>18</b> |
| <b>2</b>      | 4         | 5         | 0         | 7          | 15        | <b>31</b> |
| <b>1</b>      | 0         | 1         | 0         | 2          | 1         | <b>4</b>  |
| <b>Totals</b> | <b>5</b>  | <b>9</b>  | <b>0</b>  | <b>12</b>  | <b>27</b> | <b>53</b> |

**Appendix C** provides a summary of any outstanding Priority 1 and 2 non-schools actions.

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## Added Value

**Extra feature(s) of an item of interest (product, service, person etc.) that go beyond the standard expectations and provide something more while adding little or nothing to its cost.**

## Added Value

SWAP strives to add value wherever possible, and this can be demonstrated in a number of ways ranging from how we deliver your assurance requirements to how we optimise our reach across our partner base and the wider profession to deliver information, reflection and learning.

### **CIFAS**

SWAP continue to support the council to roll out the use of the CIFAS database. The aim of this work is to prevent fraud by sharing data, intelligence and learning. By preventing fraud, the Council can save time and money in fraud investigation work and attempting to recover fraudulent expenditure.

### **Benchmarking:**

Information on topical issues and good practice is gathered and appropriately shared across SWAP and sector partners – through a fortnightly *News Round Up*, attendance at professional groups and conferences and via benchmarking work.

### **Newsletters and updates**

SWAP regularly produces a newsletter and other relevant updates for partners such as fraud bulletins, which provide information on topical issues of interest.

# Performance

The Chief Executive Officer for SWAP reports performance on a regular basis to the SWAP Directors and Owner Bords.

We will build our audit plan as the year progresses to ensure that we are auditing the right things at the right time.

## SWAP Performance

SWAP performance is subject to regular review by both the Directors and Owners meetings. The respective outturn performance results for feedback received within 2022/23 year (as of 1<sup>st</sup> November 2022) are as follows:

| Performance Measure   | Performance |
|---|-------------|
| <b>Quality of Audit Work</b>  |             |
| <b>Overall Client Satisfaction</b><br><i>(Did our work meet or exceed expectations, when looking at our Communication, Auditor Professionalism and Competence, and Value to the Organisation)</i> | 96.36%      |
| <b>Value to the Organisation</b><br><i>(Client view of whether our audit work met or exceeded expectations in terms of value to their area)</i>   | 94.44%      |

## Performance

The role of SWAP as the internal auditors for Wiltshire Council is to provide independent assurance that the Council's risk management, governance and internal control processes are operating effectively. In order for senior management and members to be able to appreciate the implications of the assurance provided within an audit report, SWAP provide an assurance opinion. We have four opinion ratings defined as follows:

| Assurance Definitions |  |
|-----------------------|--|
| <b>No Assurance</b>   | Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited. |
| <b>Limited</b>        | Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.                       |
| <b>Reasonable</b>     | There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.                     |
| <b>Substantial</b>    | A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.  |

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**Advisory** – As well as our opinion-based work we will provide consultancy services. The advice offered by Internal Audit in its consultancy role may include risk analysis and evaluation, developing potential solutions to problems and providing controls assurance. Consultancy services from Internal Audit offer management the added benefit of being delivered by people with a good understanding of the overall risk, control and governance concerns and priorities of the organisation.

In addition to the assurance definitions above we have also introduced an 'assurance dial' which indicates on a range of high medium or low where within the range of that assurance a particular audit assurance sits.



As can be seen in this example the assurance provided is low limited as the dial is sitting on the lower end of the limited scale. It could equally have been a medium limited assurance where the dial sits midway or high limited when it is sitting at the upper end close to the reasonable assurance.

We provide the Committee with details of the overall assurance opinion for all completed audits, and they can be seen in the plan progress table in Appendix B below.

In addition to the corporate risk assessment, it is important that management know how important the action is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the action. Actions are prioritised from 1 to 3 on how important they are to the service/area audited. These are not necessarily how important they are to the organisation at a corporate level. Each action has been given a priority rating at service level with the following definitions:

| Categorisation of Actions |   |
|---------------------------|---|
| <b>Priority 1</b>         | Findings that are fundamental to the integrity of the service’s business processes and require the immediate attention of management. |
| <b>Priority 2</b>         | Important findings that need to be resolved by management.  |
| <b>Priority 3</b>         | Finding that requires attention.  |

Each audit covers key risks. For each audit a risk assessment is undertaken whereby with management risks for the review are assessed at the Corporate inherent level (the risk of exposure with no controls in place) and then once the audit is complete the Auditors assessment of the risk exposure at corporate level after the control environment has been tested. All assessments are made against the risk appetite agreed by the SWAP Management Board.

| Definitions of Risk |  |
|---------------------|--|
| <b>High</b>         | Issues that we consider need to be brought to the attention of both senior management and the Audit Committee. |
| <b>Medium</b>       | Issues which should be addressed by management in their areas of responsibility.                               |
| <b>Low</b>          | Issues of a minor nature or best practice where some improvement can be made.                                  |

# Summary of Internal Audit Work 2021/22

# APPENDIX B

| Audit Type          | Audit Area  | Status       | Opinion            | No of Actions | 1 = Major | ↔ | 3 = Medium |
|---------------------|---|--------------|--------------------|---------------|-----------|---|------------|
|                     |   |              |                    |               | Action    |   |            |
|                     |   |              |                    |               | 1         | 2 | 3          |
| <b>2021-2022</b>    |   |              |                    |               |           |   |            |
| <b>Complete</b>     |   |              |                    |               |           |   |            |
| Assurance           | Payroll Continuous Audit Q3 – Q4                              | Completed    | High Reasonable    | 3             |           |   | 3          |
| Assurance           | Housing Rents Continuous Audit Q3 - Q4                        | Completed    | Medium Substantial | 1             |           |   | 1          |
| Assurance           | Council Tax and Business Rates Continuous Audit Q3 - Q4       | Completed    | Medium Substantial | 1             |           |   | 1          |
| Assurance           | Main Accounting Continuous Audit Q3 – Q4                      | Completed    | Medium Reasonable  | 1             |           |   | 1          |
| Advisory            | Workforce Planning and Capacity & Mental Health and Wellbeing | Completed    | Advisory           | N/A           |           |   |            |
| <b>Reporting</b>    |   |              |                    |               |           |   |            |
| Assurance           | Adult Payment to Providers                                    | Draft Report |                    |               |           |   |            |
| Advisory            | Housing Private Finance Initiative Contracts                  | Draft Report |                    |               |           |   |            |
| Assurance           | Waste Collection Service                                      | Discussion   |                    |               |           |   |            |
| <b>2022-2023</b>    |   |              |                    |               |           |   |            |
| <b>Complete</b>     |   |              |                    |               |           |   |            |
| Assurance           | Pension Payroll Reconciliation Project                        | Completed    | Medium Limited     | 5             | 1         | 4 |            |
| Assurance           | Accounts Payable Continuous Audit – Period 1                  | Completed    | Medium Reasonable  | 0             |           |   |            |
| Assurance           | ICT Disaster Recovery   | Completed    | Reasonable         | 6             |           |   | 6          |
| Grant Certification | Supporting Families May Claim                                 | Completed    | Certification      | N/A           |           |   |            |

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| Audit Type          | Audit Area  | Status    | Opinion       | No of Actions | 1 = Major | ↔ | 3 = Medium |
|---------------------|---|-----------|---------------|---------------|-----------|---|------------|
|                     |   |           |               |               | Action    |   |            |
|                     |   |           |               |               | 1         | 2 | 3          |
| Grant Certification | Supporting Families August Claim                    | Completed | Certification | N/A           |           |   |            |
| Grant Certification | Growth Hub  | Completed | Certification | N/A           |           |   |            |
| Grant Certification | Universal Drug Treatment Grant                      | Completed | Certification | N/A           |           |   |            |
| Grant Certification | Contain Outbreak Management Fund                    | Completed | Certification | N/A           |           |   |            |
| Grant Certification | Superfast Broadband Annual Return                   | Completed | Certification | N/A           |           |   |            |
| Grant Certification | Public Health Grant                                 | Completed | Certification | N/A           |           |   |            |
| Grant Certification | Local Authority Bus Services Operators Grant (BSOG) | Completed | Certification | N/A           |           |   |            |
| Grant Certification | Local Transport Capital Grants                      | Completed | Certification | N/A           |           |   |            |
| Grant Certification | Peer Networks Certification                         | Completed | Certification | N/A           |           |   |            |
| Follow Up           | Baseline Assessment of Fraud Risk                   | Completed | Follow Up     | N/A           |           |   |            |
| Follow Up           | Brokerage – Adults                                  | Completed | Follow Up     | N/A           |           |   |            |
| Follow Up           | Brokerage – Childrens                               | Completed | Follow Up     | N/A           |           |   |            |
| Follow Up           | Care Home Alliance                                  | Completed | Follow Up     | N/A           |           |   |            |
| Follow Up           | Third Party Spend – Purchase to Pay                 | Completed | Follow Up     | N/A           |           |   |            |
| Advisory            | Housing Rents Data Analytics                        | Completed | Advisory      | N/A           |           |   |            |

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SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.



| Audit Type         | Audit Area  | Status     | Opinion  | No of Actions | 1 = Major | ↔ | 3 = Medium |
|--------------------|---|------------|----------|---------------|-----------|---|------------|
|                    |   |            |          |               | Action    |   |            |
|                    |   |            |          |               | 1         | 2 | 3          |
| Advisory           | Housing Rents – Year End Balancing                                  | Completed  | Advisory | N/A           |           |   |            |
| Advisory           | Financial Controls – Feeder Systems                                 | Completed  | Advisory | N/A           |           |   |            |
| <b>Reporting</b>   |   |            |          |               |           |   |            |
| Assurance          | Accounts Receivable Continuous Audit – Period 1                     | Draft      |          |               |           |   |            |
| ICT                | CASPAR Migration Investigation                                      | Discussion |          |               |           |   |            |
| <b>In Progress</b> |   |            |          |               |           |   |            |
| Assurance          | Housing Benefit and Council Tax Support Continuous Audit – Period 1 | Fieldwork  |          |               |           |   |            |
| Assurance          | Housing Rents Continuous Audit – Period 1                           | Fieldwork  |          |               |           |   |            |
| ICT                | ICT Network Boundary Defences                                       | Fieldwork  |          |               |           |   |            |
| Assurance          | Treasury Management Continuous Audit – Period 1                     | Fieldwork  |          |               |           |   |            |
| Advisory           | Grant Register  | Fieldwork  |          |               |           |   |            |
| Assurance          | Interim Loans   | Fieldwork  |          |               |           |   |            |
| Assurance          | S.106 Financial Controls  | Fieldwork  |          |               |           |   |            |
| Advisory           | School Cheque Fraud Investigation                                   | Fieldwork  |          |               |           |   |            |
| Assurance          | Children’s Home Inspections   | Initiating |          |               |           |   |            |
| Assurance          | Adults Transformation   | Initiating |          |               |           |   |            |

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| Audit Type         | Audit Area   | Status          | Opinion | No of Actions | 1 = Major  | ↔ | 3 = Medium |
|--------------------|--|-----------------|---------|---------------|--|---|------------|
|                    |  |                 |         |               | Action   |   |            |
|                    |  |                 |         |               | 1  | 2 | 3          |
| Assurance          | Pension Fund Key Financial Controls                        | Initiating      |         |               |  |   |            |
| Assurance          | Schools Audits (12 Individual Schools Audits)              | Initiating      |         |               |  |   |            |
| Advisory           | Evolve Programme Support                                   | Ongoing Support |         |               |  |   |            |
| Advisory           | National Fraud Initiative                                  | Ongoing Support |         |               |  |   |            |
| Advisory           | External Audit Liaison                                     | Ongoing Support |         |               |  |   |            |
| Advisory           | Anti-Fraud and Corruption Advice                           | Ongoing Support |         |               |  |   |            |
| Advisory           | CIFAS  | Ongoing Support |         |               |  |   |            |
| Advisory           | COVID-19 Advice  | Ongoing Support |         |               |  |   |            |
| <b>To Commence</b> |  |                 |         |               |  |   |            |
| Assurance          | Main Accounting Continuous Audit – Period 1                |                 |         |               | Data requested. Waiting for the 2021/22 Q3-Q4 audit to be finalised. |   |            |
| Assurance          | Payroll Continuous Audit – Period 1                        |                 |         |               | Data requested. Waiting for the 2021/22 Q3-Q4 audit to be finalised. |   |            |
| Assurance          | Council Tax and Business Rates Continuous Audit – Period 1 |                 |         |               | Data requested. Waiting for the 2021/22 Q3-Q4 audit to be finalised. |   |            |
| Assurance          | Risk Management  |                 |         |               | Audit deferred to Q4 2022-23.  |   |            |
| Assurance          | Planning   |                 |         |               | Audit deferred to Q4 2022-23.  |   |            |
| Assurance          | Housing Repairs  |                 |         |               | Audit deferred to Q4 2022-23.  |   |            |
| Assurance          | Fostering Excellence                                       |                 |         |               | Audit deferred to Q4 2022-23.  |   |            |

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| Audit Type          | Audit Area                           | Status | Opinion | No of Actions | 1 = Major | ↔ | 3 = Medium |
|---------------------|--------------------------------------|--------|---------|---------------|-----------|---|------------|
|                     |                                      |        |         |               | Action    |   |            |
|                     |                                      |        |         |               | 1         | 2 | 3          |
| Assurance           | Better Care Fund                     |        |         |               |           |   |            |
| ICT                 | ICT Identity Management in the Cloud |        |         |               |           |   |            |
| Assurance           | Climate Change                       |        |         |               |           |   |            |
| Grant Certification | Supporting Families December Claim   |        |         |               |           |   |            |

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# Consolidated Outstanding Priority 1 and 2 Internal Audit Actions

Wiltshire Council Outstanding Actions 03.11.2022

Non Schools

## Corporate Director Resources

### Main Accounting (Audit Report Issued 11th June 2020)

| Reference Number | Action  | Priority | Status      | Original Target Date | Revised Target Date | Responsible Officer       | Management Update |
|------------------|---|----------|-------------|----------------------|---------------------|---------------------------|-------------------|
| 43460            | We recommend that the Financial Manual is finalised, approved and published to the Council as a whole as soon as is practically possible. The published manual should be communicated to relevant officers to ensure they have an appropriate understanding of the practices they are required to follow. | 2        | Outstanding | 30-Sep-20            | 30-Sep-22           | Head of Corporate Finance |                   |

### Corporate Debt Management Management (Audit Report Issued 24th June 2020)

| Reference Number | Action  | Priority | Status      | Original Target Date | Revised Target Date | Responsible Officer                                | Management Update |
|------------------|---|----------|-------------|----------------------|---------------------|--|-------------------|
| 43749            | We recommend that the Debt Management Policy, Corporate Debt Management and Recovery Strategy and associated guidance are revisited to ensure they are complete, encompassing the requirements for full and proper records and adequately details responsibilities for all areas of income and debt management. These should then be finalised and approved. Once approved these should be rolled out with an appropriate programme of training for relevant officers to ensure that their obligations are fully communicated and understood. | 2        | Outstanding | 31-Mar-21            | 31-Mar-23           | Chief Accountant and Head of Revenues and Benefits |                   |

| Programme Management (Audit Report Issued 4th October 2019)           |   |          |             |                      |                     |   |                   |
|---|---|----------|-------------|----------------------|---------------------|---|-------------------|
| Reference Number  | Action  | Priority | Status      | Original Target Date | Revised Target Date | Responsible Officer                           | Management Update |
| 42099   | We recommend that the existing framework is developed to capture all projects and programmes being delivered across the whole Council so there is consistency of approach and a clear corporate wide view.  | 2        | Outstanding | 30-Nov-19            | 31-Jan-22           | Corporate Director Resources                  |                   |
| Pensions (Audit Report Issued 30th April 2019)                        |   |          |             |                      |                     |   |                   |
| Reference Number  | Action  | Priority | Status      | Original Target Date | Revised Target Date | Responsible Officer                           | Management Update |
| 41018   | We recommend that a full reconciliation be undertaken between Altair and SAP Payroll. This recommendation is carried over from last year's audit report.  | 2        | Outstanding | 01-Dec-19            | 31-Dec-20           | Head of Pensions Administration and Relations |                   |
| Pension Fund Key Control Review (Audit Report Issued 15th March 2022) |   |          |             |                      |                     |   |                   |
| Reference Number  | Action  | Priority | Status      | Original Target Date | Revised Target Date | Responsible Officer                           | Management Update |
| 46885   | We will carry out a reconciliation to identify transfers in that have been processed in the SAP system but not in Altair. We will ensure Altair is updated with any missing liabilities and embed the new process to monitor transfers in are accurately processed going forward. | 2        | Outstanding | 31-May-22            |                     | Head of Wiltshire Pension Fund                |                   |

| Reference Number | Action   | Priority | Status      | Original Target Date | Revised Target Date | Responsible Officer            | Management Update |
|------------------|--|----------|-------------|----------------------|---------------------|--------------------------------|-------------------|
| 46887            | <p>We will review the backlog of aggregations, frozen refunds and retired members and take necessary steps to ensure this is progressed where possible.</p> <p>We will develop controls to monitor backlog in these areas going forward and report updates to the Pensions Committee regularly.</p> <p>We will review the data stored for status 3 members and determine a way to remove any personal data which is no longer necessary.</p> | 1        | Outstanding | 31-May-22            |                     | Head of Wiltshire Pension Fund |                   |
| 46886            | <p>We will review the project methodology used to manage the Funds projects and implement changes to help improve oversight and efficiency.</p> <p>We will consider ways to proactively progress the i-Connect project, for example employer site visits.</p>  | 2        | Outstanding | 31-Jul-22            |                     | Head of Wiltshire Pension Fund |                   |

| Reference Number     | Action   | Priority | Status      | Original Target Date | Revised Target Date | Responsible Officer            | Management Update |
|----------------------|--|----------|-------------|----------------------|---------------------|--------------------------------|-------------------|
| 46883<br><br>Page 32 | <p>We will review the process of distributing tasks to team members and ensure there is a robust process to monitor SLAs and team capacity / backlog. KPIs will be reported to the Pensions Committee regularly.</p> <p>We will finalise the monthly performance dashboard and report updates to the Pensions Committee regularly.</p> <p>We will carry out a full reconciliation between Altair and SAP and ensure this is done on a regular basis.</p> <p>We will consider if the one-off payments module in Altair should be purchased.</p> | 1        | Outstanding | 31-Jul-22            |                     | Head of Wiltshire Pension Fund |                   |
| 46882                | <p>We will remind staff of the importance of saving evidence to support any changes made in Altair.</p> <p>We will monitor the timeliness of processing amendments and take further action if this is not improved.</p>  | 2        | Outstanding | 31-Oct-22            |                     | Head of Wiltshire Pension Fund |                   |



| Reference Number | Action  | Priority | Status      | Original Target Date | Revised Target Date | Responsible Officer            | Management Update |
|------------------|---|----------|-------------|----------------------|---------------------|--------------------------------|-------------------|
| 46881<br>Page 33 | <p>We will monitor the timeliness of processing lumpsum payments and take further action if this is not improved.</p> <p>We will remind staff of the importance of saving necessary documentation to support transactions on members files.</p> <p>We will review the payments approval process and structure to ensure payments are always approved independently by someone who has not been involved in calculating the payment.</p> <p>We will investigate the bug in the My Wilshire Portal which is preventing members from submitting documents and ensure any forms received from members via email are signed.</p> <p>We will advise staff which date should be used when processing retirement payments and update process notes accordingly.</p> | 2        | Outstanding | 31-Oct-22            |                     | Head of Wiltshire Pension Fund |                   |

| Reference Number | Action  | Priority | Status      | Original Target Date | Revised Target Date | Responsible Officer            | Management Update |
|------------------|---|----------|-------------|----------------------|---------------------|--------------------------------|-------------------|
| 46880            | <p>We will ensure the employer contribution rates schedule is finalised and procedures are put in place to make sure it is well controlled going forward.</p> <p>We will discuss roles and responsibilities with the team to ensure there is clear ownership with raising and resolving issues.</p> | 2        | Outstanding | 31-May-22            |                     | Head of Wiltshire Pension Fund |                   |

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**Pensions Payroll Reconciliation Project (Audit Report Issued 28th September 2022)**

| Reference Number | Action  | Priority | Status      | Original Target Date | Revised Target Date | Responsible Officer              | Management Update |
|------------------|---|----------|-------------|----------------------|---------------------|----------------------------------|-------------------|
| 47483            | The Pensions Administration Lead will provide clear updates on the progress to complete the remaining “in-progress” cases of the Pensions Payroll Reconciliation Project to the Head of the Wiltshire Pensions Fund on a regular basis. | 1        | Outstanding | 30-Sep-22            |                     | Pension Fund Administration Lead |                   |

| Reference Number | Action  | Priority | Status      | Original Target Date | Revised Target Date | Responsible Officer   | Management Update |
|------------------|---|----------|-------------|----------------------|---------------------|---|-------------------|
| 47484            | <p>The Pensions Team will introduce targets and deadlines for finalising the remaining “in-progress” stage 2 cases.</p> <p>We will also introduce a robust method to monitor progress against targets and this will be included in the progress updates introduced as part of action 47483.</p>   | 2        | Outstanding | 30-Sep-22            |                     | Pension Fund Administration Lead  |                   |
| 47485            | <p>The Pensions Team will review the reconciliation process and ensure the data is clear and up to date.</p> <p>A monthly reconciliation will be carried out to identify any errors or anomalies.</p>   | 2        | Outstanding | 30-Sep-22            |                     | Pension Fund Administration Lead & Pension Fund Accounting and Investment Officer |                   |
| 47486            | <p>The Pension Fund Administration Lead will remind the project team to ensure their progress is always up to date in the Master Control Workbook.</p> <p>We will set deadlines and targets to complete the part reviewed stage 3 cases.</p> <p>We will also implement a method to monitor the progress of the remaining “in-progress” stage 3 work, this will be included in the progress updates introduced under action 47483.</p> | 2        | Outstanding | 30-Sep-22            |                     | Pension Fund Administration Lead  |                   |
| 47487            | <p>The Fund will work with Procurement to progress the outsourcing of stage 3 work.</p>   | 2        | Outstanding | 30-Sep-22            |                     | Pension Fund Administration Lead  |                   |

**Director Legal and Governance****Complaint Handling (Audit Report Issued 1st March 2022)**

| Reference Number | Action   | Priority | Status      | Original Target Date | Revised Target Date | Responsible Officer  | Management Update |
|------------------|--|----------|-------------|----------------------|---------------------|--|-------------------|
| 46646            | <p>We will, as part of the on-going review:<br/>Provide training and guidance to Complaints Officers which will include the importance of accurately recording and monitoring complaints data.<br/>Review and update the Complaints Dashboard within Iken to ensure it presents the data available in a useable format (pending the implementation of an improved casework management system in 2023).<br/>Establish a method to monitor complaints information.</p> | 2        | Outstanding | 31-May-22            | 31-Aug-22           | Head of Democracy & Governance<br>Democracy & Complaints Manager |                   |
| 46647            | <p>We will produce up to date and accurate management information to ensure appropriate oversight of the council's performance.<br/>Additionally, the annual report will be based on complete, up to date and accurate information and published on a timely basis.</p>  | 2        | Outstanding | 31-Oct-22            | 31-Jan-23           | Head of Democracy & Governance<br>Democracy & Complaints Manager |                   |

## Director Procurement and Commissioning

### Brokerage - Adults (Audit Report Issued 14th January 2021)

| Reference Number | Action  | Priority | Status      | Original Target Date | Revised Target Date | Responsible Officer          | Management Update  |
|------------------|---|----------|-------------|----------------------|---------------------|------------------------------|--|
| 44432            | The Commissioning team will continue to enhance their relationship with providers in order to make these relationships more effective. This will be achieved by developing their knowledge of service providers supported by contract management quality assurance and the monitoring of data from providers. | 2        | Outstanding | 28-Feb-21            | 31-Jan-23           | Head of Commissioning Adults | Follow Up Response - After a meeting with the Head of Commissioning Adults, who was new in post as of April 2022, it has been agreed that this action will remain in progress. |
| 44455<br>Page 37 | The Head of Commissioning Adults will ensure due diligence processes are improved to ensure Care Providers included on the Framework Contract meet the standards as set by the Commissioning team and that an action plan is in place for providers that do not meet these standards.                         | 2        | Outstanding | 28-Feb-21            | 30-Nov-22           | Head of Commissioning Adults | Follow Up Response - After a meeting with the Head of Commissioning Adults, who was new in post as of April 2022, it has been agreed that this action will remain in progress. |

### Category Management (Audit Report Issued 21st April 2022)

| Reference Number | Action  | Priority | Status      | Original Target Date | Revised Target Date | Responsible Officer              | Management Update |
|------------------|---|----------|-------------|----------------------|---------------------|----------------------------------|-------------------|
| 46063            | As part of the procurement governance refresh, the Strategic Procurement Hub will consider an overarching Category Management Strategy which the individual category management plans/strategies can then be aligned to. There will be reference to this in the procurement manual. | 2        | Outstanding | 30-Sep-22            |                     | Head of Commercial & Procurement |                   |

| Reference Number | Action  | Priority | Status      | Original Target Date | Revised Target Date | Responsible Officer              | Management Update |
|------------------|---|----------|-------------|----------------------|---------------------|----------------------------------|-------------------|
| 46076            | Individual Category Management plans/strategies will be created or reviewed to ensure consistency and completeness. | 2        | Outstanding | 30-Sep-22            |                     | Head of Commercial & Procurement |                   |

**Procurement Exemption (Audit Report Issued 20th April 2022)**

| Reference Number | Action   | Priority | Status      | Original Target Date | Revised Target Date | Responsible Officer              | Management Update |
|------------------|--|----------|-------------|----------------------|---------------------|----------------------------------|-------------------|
| 46167            | We will review the definition of exemptions in the Constitution to ensure it is made clear the circumstances in which an exemption would be a legitimate route. We will also provide training for Officers on exemptions to include when it can be used and how to complete an exemption form. | 1        | Outstanding | 31-Jul-22            |                     | Head of Commercial & Procurement |                   |

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**Third Party Spend - Purchase to Pay (Audit Report Issued 5th July 2021)**

| Reference Number | Action   | Priority | Status      | Original Target Date | Revised Target Date | Responsible Officer           | Management Update   |
|------------------|--|----------|-------------|----------------------|---------------------|-------------------------------|---|
| 45376            | The lack of a Social Value Policy will be picked up by the Commercial Workstream as part of the creation of the new commercial governance framework. | 2        | Outstanding | 29-Oct-21            | 30-Nov-22           | Head of Strategic Procurement | Follow Up Response - We have been provided with a draft copy of Wiltshire Council's Socially Responsible Procurement Policy. However, until this policy has been approved, the action remains in progress.  |
| 45470            | A centralised record of collaborative or partnership arrangements should be held within the Strategic Procurement Hub.                               | 2        | Outstanding | 29-Oct-21            | 31-Oct-22           | Head of Strategic Procurement | Follow Up Response - After various updates, discussions with the Procurement Specialist - Transparency & Governance, and evidence provided, it is clear that work is underway on ensuring there is a centralised record of collaborative agreements. This action remains in progress. |

| Reference Number | Action  | Priority | Status      | Original Target Date | Revised Target Date | Responsible Officer           | Management Update   |
|------------------|---|----------|-------------|----------------------|---------------------|-------------------------------|---|
| 45488            | Discussions are underway with the Corporate Director Resources and S151 Officer and the Assistant Director Finance to facilitate this process for all commercial procurement activity to be overseen by the Commercial Board.                   | 2        | Outstanding | 29-Oct-21            | 30-Nov-22           | Head of Strategic Procurement | <p>Follow Up Response - Based on the 'verbal' update with no evidence being assessed, this action has been assessed as partially completed and is still in progress.</p> <p>Savings for all procurement activity going through the Commercial Board are captured and reported to the Corporate Director Resources. The Assistant Director Finance has established a mechanism to provide corporate oversight of savings spend and delivery and work is underway to align contract savings to this mechanism by means of the revamped Commercial Board. A specific action to devise a system to capture, classify and report all financial savings and all qualitative benefits is being implemented as part of the Commercial and Procurement Service Plan for 2022/23.</p> |
| 45263            | To note the procurement governance project has now been superseded by the Commercial Workstream and Organisation Recovery programmes, therefore the Procurement Strategy and Procurement Rules will be included as part of this overall review. | 2        | Outstanding | 29-Oct-21            | 31-Mar-23           | Head of Strategic Procurement | <p>Follow Up Response - Based on the 'verbal' update with no evidence being assessed, this action has been assessed as partially completed and is still in progress.</p> <p>We have been advised that the rules have been adjusted as necessary, however, fully refreshed rules will accompany the launch of the end to end process, and the new Whitehall Procurement Bill which is due in 2023.</p>   |

**Director Education and Skills****Virtual Schools (Audit Report Issued 12th May 2022)**

| Reference Number | Action  | Priority | Status      | Original Target Date | Revised Target Date | Responsible Officer   | Management Update |
|------------------|---|----------|-------------|----------------------|---------------------|---|-------------------|
| 47234            | <p>We will ensure any historical information can still be captured in the PEP when making changes to PEP templates going forward.</p> <p>We will continue to implement the moderation of PEPs, reminding VSOs of the importance of giving clear feedback that is fully aligned with the new quality assurance rubric when reviewing PEPs.</p> <p>We will remind schools that PEP completion should only be delegated to someone who has received PEP training, we will ensure this is carried out ASAP to minimise disruption.</p> <p>Whilst PP+ is only paid on amber PEPs in exceptional cases, we will continue to communicate timely with schools when a PEP does not meet the quality expectations to ensure that PP+ is only paid for green rated PEPs and funding is not impacted.</p> | 2        | Outstanding | 31-May-22            |                     | Head of Targeted Education and Virtual School Head Teacher Education and Skills |                   |



**Director Families and Children****Designated Officer for Allegations (DOFA) (Audit Report Issued 6th June 2022)**

| Reference Number | Action  | Priority | Status      | Original Target Date | Revised Target Date | Responsible Officer          | Management Update |
|------------------|---|----------|-------------|----------------------|---------------------|------------------------------|-------------------|
| 47049            | <p>We will amend the Practice Standards and Website timeframes to reflect working days rather than hours, to ensure it is clear that the DOFA service is working days only.</p> <p>We will ensure the timeframes in the Practice Standards and on the Website are consistent.</p>   | 2        | Outstanding | 31-Jul-22            |                     | Director Families & Children |                   |
| Page 41<br>47050 | <p>We will continue to work through historic cases in Liquid Logic and mark them as closed where appropriate.</p> <p>We will ensure KPI data clearly states if it is based on calendar days or working days. We will take this into account when presenting and comparing data on historical performance.</p> <p>We will ensure the Business Support team are reminded of their responsibility to monitor the DOFA's personal dashboard when they are absent.</p> <p>We will determine how the DOFA dashboard can be streamlined so tasks can be clearly prioritised.</p> | 2        | Outstanding | 31-Jul-22            |                     | Director Families & Children |                   |

| Reference Number | Action  | Priority | Status      | Original Target Date | Revised Target Date | Responsible Officer          | Management Update |
|------------------|---|----------|-------------|----------------------|---------------------|------------------------------|-------------------|
| 47052            | We will seek to ensure the Practice Standard timeframes are followed where possible and that the Service implements a tolerance for exceptions. In particular, we will ensure the meeting minutes and outcome letters are distributed on time.<br><br>We will introduce a process to help ensure all steps are completed before a case is closed. | 2        | Outstanding | 31-Jul-22            |                     | Director Families & Children |                   |
| 47049            | We will review the KPIs and amend them to include the time taken to distribute minutes, actions and letters.  | 2        | Outstanding | 31-Jul-22            |                     | Director Families & Children |                   |

## Director Ageing and Living Well

### Court of Protection (Audit Report Issued 13th February 2019)

| Reference Number | Action  | Priority | Status      | Original Target Date | Revised Target Date | Responsible Officer              | Management Update |
|------------------|---|----------|-------------|----------------------|---------------------|----------------------------------|-------------------|
| 40680            | We recommend that the Court of Protection Team Manager gives consideration to the most cost effective and efficient manner of document storage for the service. | 2        | Outstanding | 31-Aug-19            | 31-Dec-21           | Court of Protection Team Manager |                   |

## Corporate Director People

### Safeguarding Vulnerable People Partnership (Audit Report Issued 28th April 2022)

| Reference Number | Action   | Priority | Status      | Original Target Date | Revised Target Date | Responsible Officer   | Management Update |
|------------------|--|----------|-------------|----------------------|---------------------|-----------------------|-------------------|
| 46932            | <p>We will provide training to all members of the business support unit responsible for minute taking.</p> <p>We will capture consistent meeting minutes that will include:<br/>A consistent format;<br/>Clear reference to supporting documents;<br/>An appropriate level of detail for all discussions and responses;<br/>All decisions made;<br/>All actions and the responsible officer;<br/>Absences, apologies, and substitutes;<br/>Attendance registers detailing the capacity in which the member is attending; and<br/>In the absence of the Chair</p> | 2        | Outstanding | 31-Jul-22            |                     | SVPP Partnership Lead |                   |
| 46933            | <p>We will produce a strategic plan in a timely manner which will be reviewed on an annual basis.</p>  | 2        | Outstanding | 31-Jul-22            |                     | SVPP Partnership Lead |                   |

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# Wiltshire Council

Q3 2022-23 Internal Audit Plan – For Information  
Proposed Q4 2022-23 Internal Audit Plan

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## 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 Q4 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

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 2022/23

The factors considered in putting together the 2022/23 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.

We will regularly re-visit and adjust our programme of audit work to ensure that it matches the changing risk profile of the organisation's operations, systems and controls. Our 2022/23 audit plan therefore reflects an increased contingency allocation, in order that the plan can remain flexible to respond to new and emerging risks as and when they are identified.

# 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.

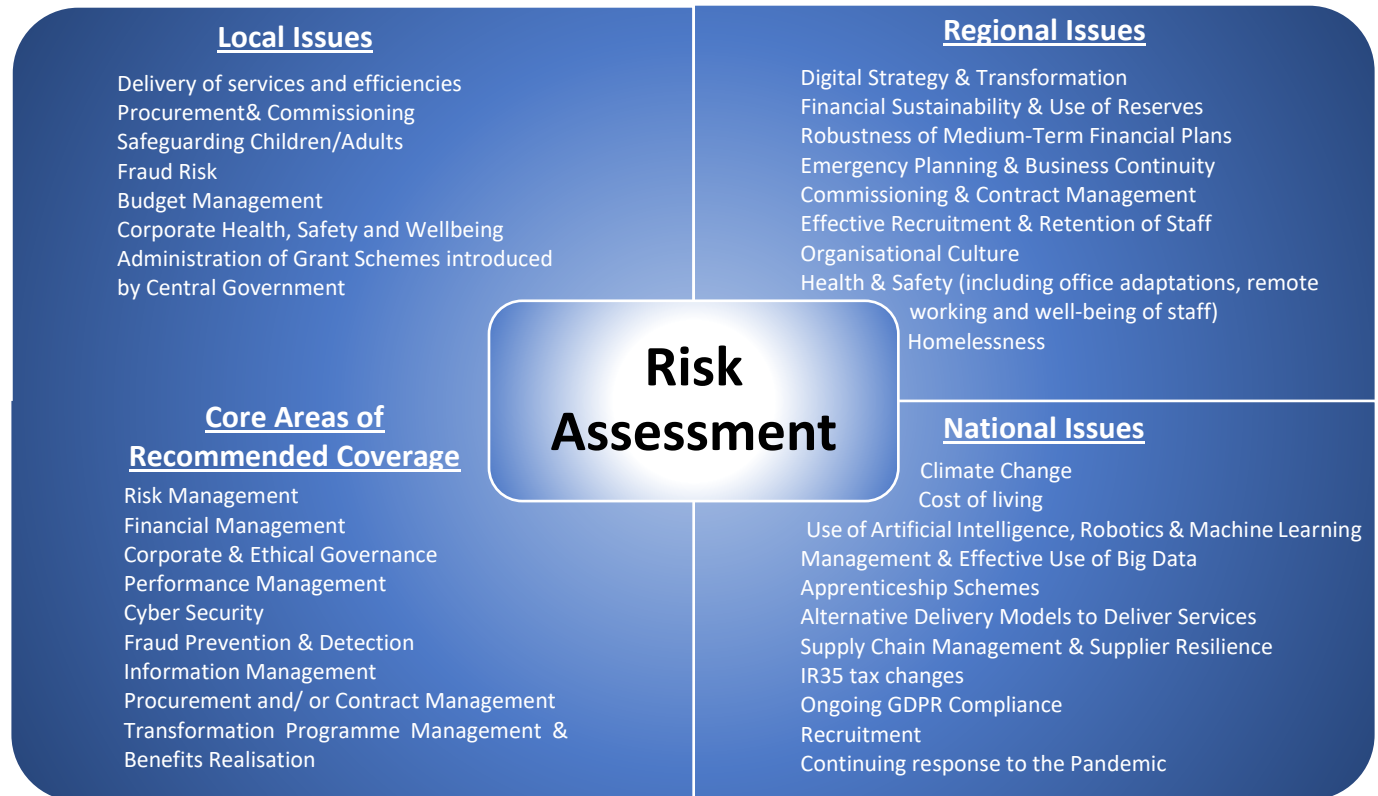
As above, it is the responsibility of the Authority's Corporate Leadership Team, and the Audit and Governance Committee to ensure that, following our risk assessment, the proposed plan contains sufficient and appropriate coverage.



## 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:





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

### **Audit Resources**

The 2022/23 internal audit programme of work will be equivalent to 1800 days. The current internal audit resources available represent a sufficient and appropriate mix of seniority and skill to be effectively deployed to deliver the planned work. The key contacts in respect of your internal audit service for Wiltshire Council are:

**Charlotte Wilson, Assistant Director – [Charlotte.Wilson@SWAPAudit.co.uk](mailto:Charlotte.Wilson@SWAPAudit.co.uk), 07732 688 505**

### **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.

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

### 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.

| Areas of Coverage                                      | Brief Description  | Audit Sponsor/ Senior Management Lead                           |
|--|--|---|
| <b>Corporate and Resources (including ICT)</b>         |  |   |
| <b>Evolve Programme Support</b>                        | Ongoing support for the implementation of the Evolve programme.  | Director of Resources & Deputy Chief Executive (S. 151 Officer) |
| <b>Treasury Management Continuous Audit – Period 1</b> | 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.  | Director of Resources & Deputy Chief Executive (S. 151 Officer) |
| <b>Grant Certifications/ Assurances</b>                | Existing and new grant activity – Full list to be confirmed and agreed.  | Director of Resources & Deputy Chief Executive (S. 151 Officer) |
| <b>Grant Register</b>                                  | Preparation of a register of all grants requiring Internal Audit certification.  | Assistant Director Finance                                      |
| <b>Pension Fund Key Financial Controls</b>             | An annual review of the Pension Fund's internal financial controls. A follow up of the previous No Assurance key financial control review will also be undertaken.                                       | Wiltshire Pensions Committee                                    |
| <b>Better Care Fund</b>                                | Review to ensure the Better Care Fund is being delivered in accordance with the Better Care Fund Plan, performance is being appropriately monitored and good value for money is received.                | Director Procurement & Commissioning                            |
| <b>ICT Identity Management in the Cloud</b>            | Review of the Council's ICT Identity Management in the Cloud. The full scope will be agreed during the initial meeting.  | Acting Assistant Director ICT                                   |
| <b>People</b>  |  |   |
| <b>Interim Loans</b>                                   | A proactive review of the controls in place for the prevention of fraud in relation to interim loans.  | Director Ageing & Living Well                                   |
| <b>Schools Audits</b>                                  | Review of a selection of schools to determine from the financial health check review, the effectiveness of financial management, governance, and compliance with SFVS and Wiltshire Schools regulations. | Director Education & Skills                                     |

| Areas of Coverage                            | Brief Description   | Audit Sponsor/ Senior Management Lead  |
|--|---|--|
| <b>Place</b>                                 |   |  |
| <b>Climate Change</b>                        | Audit to ensure the Council has effective governance arrangements in place to support and challenge the delivery of its corporate priority on Climate Change and the actions set out within its Climate Strategy. | Corporate Director Place   |
| <b>Supporting Families</b>                   | MHCLG requirement for audit of claims submitted reviewed a representative sample of families and achievement of outcomes.   | Director Families & Children   |
| <b>Follow Up Work and Support Activities</b> |   |  |
| <b>Follow Up Contingency</b>                 | 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.  |
| <b>Proactive Fraud Work</b>                  | Linked to risks in Protecting the Public Purse.   |  |
| <b>Reactive Fraud Work</b>                   | To undertake ad-hoc unplanned investigations as agreed.   | Agreed with Corporate Director of Resources & Deputy Chief Executive (S. 151 Officer). |
| <b>Corporate Advice</b>                      | Includes meetings and direct liaison with the Corporate Director of Resources and the Assistant Director of Finance.  |  |
| <b>External Audit</b>                        | Ongoing liaison with External Audit.  |  |

| Areas of Coverage  | Brief Description  | Audit Sponsor/ Senior Management Lead                           |
|--|--|---|
| <b>Corporate and Resources (including ICT)</b>   |  |   |
| <b>Key Financial Controls</b><br>Main Accounting<br>Accounts Payable<br>Accounts Receivable<br>Payroll<br>Council Tax<br>Business Rates<br>Housing Benefit and Council Tax Support<br>Housing Rents<br>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.<br><br>The Key Financial Control reviews will be undertaken via continuous assurance work throughout the year. | Director of Resources & Deputy Chief Executive (S. 151 Officer) |
| <b>Grant Certifications/ Assurances</b>  | Existing and new grant activity – Full list to be confirmed and agreed.  | Director of Resources & Deputy Chief Executive (S. 151 Officer) |
| <b>Wiltshire Pension Fund Treasury Management</b>  | Review of the Funds Treasury Management Controls   | Wiltshire Pensions Committee                                    |
| <b>Procurement Processes</b>   | Audit of the end-to-end procurement processes. Also, to include the controls in place for the prevention of procurement fraud.   | Director Procurement & Commissioning                            |
| <b>ICT Audit</b>   | The Full scope of this review is to be agreed with the Assistant Director ICT.   | Acting Assistant Director ICT                                   |
| <b>People</b>  |  |   |
| <b>Supporting Families</b>   | MHCLG requirement for audit of claims submitted reviewed a representative sample of families and achievement of outcomes.  | Director Families & Children                                    |

| Areas of Coverage                            | Brief Description   | Audit Sponsor/ Senior Management Lead  |
|--|---|--|
| <b>Place</b>                                 |   |  |
| <b>Energy Contracts</b>                      | An advisory piece of work looking at the procurement and management of the Councils energy contracts. To include some benchmarking work.  | Director Assets and Commercial Development   |
| <b>Follow Up Work and Support Activities</b> |   |  |
| <b>Follow Up Contingency</b>                 | 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. Follow Ups to include: <ul style="list-style-type: none"> <li>• Category Management</li> <li>• Procurement Exemptions</li> <li>• Good Lives Alliance</li> <li>• Pension Payroll Reconciliation Project</li> </ul> | Inclusion of audit follow up work incorporating any prior year weaknesses identified.  |
| <b>Proactive Fraud Work</b>                  | Linked to risks in Protecting the Public Purse.   |  |
| <b>Reactive Fraud Work</b>                   | To undertake ad-hoc unplanned investigations as agreed.   | Agreed with Corporate Director of Resources & Deputy Chief Executive (S. 151 Officer). |
| <b>Corporate Advice</b>                      | Includes meetings and direct liaison with the Corporate Director of Resources and the Assistant Director of Finance.  |  |
| <b>External Audit</b>                        | Ongoing liaison with External Audit.  |  |

**Wiltshire Council**

**Audit and Governance Committee**

**23 November 2022**

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**Subject: Fraud Risk update report**

**Executive Summary**

This report provides an update for the Audit and Governance Committee on Fraud Risk.

**Proposal(s)**

To note the update on Fraud Risk.

**Reason for Proposal(s)**

The Audit and Governance Committee have responsibility for the oversight of risk mitigation and more specifically fraud risk mitigation. As part of the governance and assurance controls an Anti-Fraud, Bribery and Corruption Policy is approved by the committee and it is best practice for the committee to receive updates on any activity associated with this policy and updates on fraud risk.

Andy Brown

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

**23 November 2022**

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**Subject: Fraud Risk update report**

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### **Purpose of Report**

1. This report provides an update for the Audit and Governance Committee on Fraud Risk.

### **Relevance to the Council's Business Plan**

2. Providing updates on areas of risk and specific fraud risk following the approval of the Anti-Fraud, Bribery and Corruption policy is best practice and supports a good governance framework that evidences a strong financial control environment to help protect the public purse.
3. The policies and reporting 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 committee approved a new Anti-Fraud, Bribery and Corruption Policy at its meeting on 27 April 2022. This policy set out the council's commitment and approach to tackling fraud, bribery and corruption, responsibilities for reporting any suspicions and the importance of tackling fraud.
5. A vital part of tackling fraud is understanding the risk of fraud and which service areas face greater risk of fraud attempts as well as ensuring officers in those services are aware of the risk and controls and mitigations.
6. As part of the services provided to us by SWAP, our internal auditors provide support on the detection and prevention of fraud from their specialist Counter Fraud team. As part of this support a Baseline Fraud Risk assessment was undertaken in 2021 to assess the general underlying risk of fraud and the maturity of fraud risk mitigation within the council.
7. There are six themed areas of consideration for the review which are Resource Management, Fraud Risk Management, Policy Related, Committee Related, Culture and Awareness and Reporting, Investigating and Monitoring. Each area also has specific requirements that set out the detailed action expected to be in place. There are 27 of these specific requirements and each requirement is given an assessment based on RAG assessment, with Red rated as mitigations and controls either not in place or not operating



effectively, Amber rated as mitigations and controls partially in place and Green with mitigations and controls in place and working effectively rating.

8. Officer representatives from services that are deemed at higher risk of fraud attempts were involved in this assessment exercise and controls that are in place for the council and mitigations to reduce the risk of fraud and to protect the public purse were set out.
9. A follow up review has recently taken place to review the position of the council and assess progress made since the assessment performed in 2021.

### **Main Considerations for the Council**

10. The follow up review findings are included in Appendix A. Progress can be seen with the 27 requirements originally rated as 2 red, 18 amber and 7 green now with a movement of 4 of the amber assessed requirements moving to a green rating.
11. Fraud risk mitigation is an important aspect of the control environment for the council and work continues implementing actions to address the areas not rated green, although it should be noted that individual recommended requirements set out by SWAP in isolation do not increase the likelihood of any fraud attempt.
12. An action plan is in place focusing on areas for improvement, and this action plan covers all requirements assessed as amber and red. The review highlights that 2 requirements rated as red remain which are associated with the corporate risk register not including fraud related risks and the absence of a mechanism for capturing and reporting progress of investigations. These specific areas are deemed to be of lower impact on the overall fraud risk mitigations, so activity has been focused on other areas of the requirements. Officers who are responsible for service areas at higher risk of fraud attempts are more aware through the engagement on the work associated with the baseline risk assessment and the initial awareness training that has been carried out and having an Anti-Fraud, Bribery and Corruption Policy supports the council's no tolerance position.
13. The action plan can be seen in Appendix B with actions set out to address all requirements, with clear owners and timescales for implementation.

### **Overview and Scrutiny Engagement**

14. Anti-Fraud, Bribery and Corruption activity and reporting is the responsibility of the Audit and Governance Committee there has been no engagement with the Overview and Scrutiny Committee.

### **Safeguarding Implications**

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

### **Public Health Implications**

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

### **Procurement Implications**

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

### **Equalities Impact of the Proposal**

18. The Anti-Fraud, Bribery and Corruption policy is designed to give workers, members and the public assurance that they have an avenue where they can raise any issues associated with any alleged attempts of fraud, bribery or 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**

19. 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**

20. This update on fraud risk report does not require any formal decision. By not providing updates, the committee will not have assurance and will not be aware of the fraud risk exposure for the council and action taking place to address any weaknesses or gaps.

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

21. This update on fraud risk report does not require any formal decision. By providing this update, the committee will gain assurance and will be aware of the fraud risk exposure for the council and action taking place to address weaknesses and gaps in mitigations.

### **Financial Implications**

22. The Anti-Fraud, Bribery and Corruption policy and reporting on specific fraud controls and mitigations in place 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.

### **Legal Implications**

23. There are no legal implications associated with this report. 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**

24. 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**

25. It is best practice for the council to have an approved Anti-Fraud, Bribery and Corruption policy with update reporting associated with this policy

### **Conclusions**

26. It is recommended that Audit and Governance Committee note this update report.

### **Andy Brown**

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

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

10/11/2022

### **Appendices**

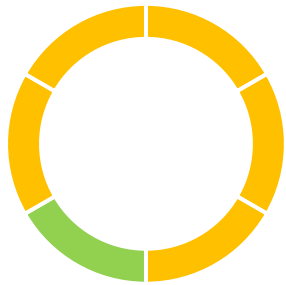
Appendix A – Baseline Assessment of Maturity in relation to Fraud – October 2022 – Follow-up report with Appendix 1 & 2  
Appendix B – Fraud Risk action plan

### **Background Papers**

Anti-Fraud, Bribery and Corruption Policy

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### Baseline Assessment of Six Themed Areas



- Resource and Communication
- Fraud Risk Management
- Policy Related
- Committee Related
- Culture and Awareness
- Reporting, Investigating and Monitoring

### Scope and Ambition






This baseline assessment is a corporate view of fraud maturity within the organisation. This exercise is a revisit of the assessment performed in 2021 and shows any progress with regards to counter fraud work and any increase in the level of maturity at the authority.

Management should ensure the key findings from this work are considered to reduce risk of fraud and to protect the public purse.

SWAP's Counter Fraud Team is committed to helping Partners and Clients in the battle against fraud and corruption.

### Key Findings

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|   |  |
|---|--|
|    | A fraud risk assessment was facilitated by SWAP in 2021 but while there is an ongoing update of the corporate risk register, it still does not include fraud related risks.  |
|    | We found in 2021 that statistics were not kept regarding the areas of counter fraud activity and outcomes. The mechanism to capture the progress of investigations and to report on them is yet to be implemented.   |
|   | Following the fraud risk assessment, the audit plan has been amended to include fraud risk areas. It will be suggested to the Audit & Governance (A&G) committee to audit Interim Loans and Procurement, for which the fraud residual risk was assessed as High.   |
|  | Whilst new Anti-Fraud and whistleblowing policies have been presented to the A&G committee, they still need to be further shared with the ELT. The code of conduct documents do not include direct fraud reference and the annual process for declaration of interest has not been implemented yet.            |
|  | Several actions have been implemented since the baseline review: <ul style="list-style-type: none"> <li>- Increase use of data analysis with Cifas / Spotlight tools;</li> <li>- Delivery of a fraud awareness pilot session to senior officers;</li> <li>- Appointment of a lead member for Fraud.</li> </ul> |

### 2022 Assessments per Area Reviewed









### Comparison of Results Between Years



- Assessed not to be in place/ operating ineffectively – requires significant improvement.
- Assessed to be partially in place – requires improvement.
- Assessed as in place/ operating effectively.

Appendix 1 Findings & Outcomes

| Theme 1: Resource and Communication   |  | Overall Assessment for 2022:   |
|---|--|--|
| 2021 assessment:   | 2022 assessment:    | Findings in Support of the Assessment:   |
| <p><b>Requirement 1a</b></p> <p>The organisation has internal audit and external audit planning aligned to fraud risks. Fraud resources are assessed proportionately to the risk the local authority faces and are adequately resourced.</p>  |  | <p>We found in the 2021 review that Wiltshire Council drafted an Anti-Fraud, Theft, Corruption and Bribery Action Plan for 2019, which included a focus on culture, prevention, detection, and reporting. The plan was not implemented, partly due to changes in key officer posts. There has been no similar plan for 2020 or 2021, although there are 80 internal audit days assigned to fraud work in the 2020-21 audit plan. Elements of fraud work are also completed within routine internal audit programmes and it is a focus from External Audit during their annual statement of accounts.</p> <p><b>2022 Update</b><br/>                     The results of the fraud baseline maturity assessment were presented to the S151 officer and his deputy. It was also meant to be presented to the Audit and Governance Committee. However, the report was not distributed further, hence the amber rating for 2022. The deputy S151 officer will share the output of the current fraud baseline review to the Executive Leadership Team.</p> <p>Furthermore, a fraud risk assessment was undertaken by SWAP and management at the Council to help identify areas of risk and to align resource to the outcomes. The audit plan has been amended to include fraud risk areas.</p> |
| 2021 assessment:   | 2022 assessment:    | Findings in Support of the Assessment:   |
| <p><b>Requirement 1b</b></p> <p>There is a programme of counter fraud work to ensure a strong counter fraud culture across all departments and delivery agents led by counter fraud experts. There is an annual fraud plan which is agreed by Audit Committee and reflects resources mapped to risks and arrangements for reporting outcomes.</p> |  | <p>We found in the 2021 review that the counter fraud work at Wiltshire Council is undertaken predominantly by SWAP, although there was no structured plan as per the above. There was some in-house resource within the Revenues and Benefits Team, although this has decreased over time when staff were transferred to the Department for Work and Pensions.</p> <p><b>2022 Update</b><br/>                     Following the baseline assessment (February 2021) and the fraud risk assessment (September 2021), the audit plan has been amended to include fraud risk areas. As part of the Q3 plan report being presented to the Audit &amp; Governance committee in November 2022 Interim Loans and Procurement will be included, for which the fraud residual risk was assessed as High. This is assessed as amber because the plan has not been formally adopted.</p>   |
| 2021 assessment:   | 2022 assessment:  | Findings in Support of the Assessment:   |
| <p><b>Requirement 1c</b></p> <p>The local authority has put in place arrangements to prevent and detect fraud and corruption and a mechanism for ensuring that this is effective and is reported to committee.</p>  |  | <p>We found in the 2021 review that Wiltshire Council has put in place arrangements to prevent and detect fraud and corruption, including the Strategy and supporting policies. Although these are approved by the Audit and Governance Committee, there was no mechanism for ongoing reporting or measuring of counter fraud progress and delivery.</p> <p><b>2022 Update</b><br/>                     There is no mechanism yet to capture the progress of investigations and to report on them.</p>   |



| 2021 assessment:  | 2022 assessment: | Findings in Support of the Assessment:  |
|---|------------------|---|
| <p><b>Requirement 1d</b><br/>The counter fraud team works jointly with other enforcement agencies and encourages a corporate approach and co-location of enforcement activity</p> |                  | <p>We found in the 2021 review that there was no in-house Counter Fraud Team, however SWAP supports the Council with Counter Fraud work. In addition, the Council are part of the National Fraud Initiative programme. The Council has a working relationship with both the Police and with other enforcement bodies at service level, such as Trading Standards.</p> <p>We noted that there were further opportunities to explore in this area, including use of national databases through organisations such as Cifas and through continued partnership with SWAP, who cover multiple local authority areas and attend various fraud intelligence sharing groups. An action was included to ensure data analytics was utilised in prevention and detection of fraud.</p> <p><b>2022 Update</b><br/>Data analytics are already considered for the Revenues and Benefits activities by using available Cifas data. For the business grants process, the team uses Spotlight data to perform some checks before releasing payments. Regarding the running energy rebate, intelligence is cross checked with Spotlight data to prevent the risk of fraud.</p> <p>For all new activities undertaken, the Council considers the use of either Cifas and / or Spotlight. The assessment has been moved up to green as a result.</p> |
| <p><b>Requirement 1e</b><br/>The organisation has access to a trained counter fraud resource.</p>   |                  | <p>We found in the 2021 review that SWAP's Counter Fraud Team are the Council's trained counter fraud resource. In addition, there is a dedicated investigations officer for benefit fraud.</p> <p><b>2022 Update</b><br/>There has been no change since 2021.</p>  |



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Theme 2: Risk Management

Overall Assessment for 2022:



|  |  |  |
|--|--|--|
| 2021 assessment:    | 2022 assessment:  | Findings in Support of the Assessment:   |
| <p><u>Requirement 2a</u><br/>The risks of fraud and corruption are specifically considered in the local authority’s overall risk management process.</p> |  | <p>We found in the 2021 review that anti-fraud and corruption are not specifically mentioned in the corporate risk register. We can acknowledge that there are existing policies in place to include fraud and corruption, but it is not clear how this links in with risk management arrangements. This was evident from the lack of consideration in the corporate risk register. Service risk registers are managed by Directors and there is no evidence to support the consistent inclusion of fraud risk across the Council. An action was made to incorporate fraud risk into corporate risk management processes.</p> <p><b>2022 Update</b><br/>Service managers identify their risks in a service level registers. Risks that meet some criteria (e.g., risks with an impact across the organisation, responsibility for mitigation in another team, significant risks, risks that have emerged rapidly, etc) are escalated to the Strategic/Corporate risk register. The current Strategic/Corporate risk register has still not got any reference to fraud/bribery/corruption risks but there is ongoing work done to update the risks at service level (and therefore update the Strategic/Corporate risk register). Fraud risk is/will be considered..</p> <p>There are a number of reasons there is no mention of fraud/bribery/corruption risks in the Strategic/Corporate risk register:</p> <ul style="list-style-type: none"> <li>• The risk assessment has been paused during Covid;</li> <li>• There may be a lack of fraud awareness among certain service managers.</li> </ul> |

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| 2021 assessment:   | 2022 assessment:  | Findings in Support of the Assessment:   |
| <p><u>Requirement 2b</u><br/>The local authority has made a proper assessment of its fraud and corruption risks, has an action plan to deal with them and regularly reports to its senior Board and its members. Horizon scanning is completed to look for future fraud and corruption risks.</p> |  | <p>We found in the 2021 review that, although there is a significant number of days allocated to fraud work in the internal audit plan for 2020-21, there was no consideration to the specific areas of risk and priority. This assessment of baseline maturity by SWAP will be followed by a formal risk assessment process, which will give the Council a live picture of fraud risk and provide opportunity to horizon scan and align resources to risk areas more explicitly. It is important that a dedicated resource is assigned to the maintenance and management of the risk assessment document moving forward.</p> <p><b>2022 Update</b><br/>A full scope fraud risk self-assessment (facilitated by SWAP) was conducted in August 2021 on the back of the Fraud baseline report. The fraud self-assessment report was issued in September 2022. The results of the fraud baseline maturity assessment were presented to the S151 officer and his deputy, who is responsible for the maintenance of the assessment database. The deputy S151 officer will share the output of the current fraud baseline review to the Executive Leadership Team.</p> |

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Theme 3: Policy Related

Overall Assessment in 2022:

2021 assessment:

2022 assessment:

Findings in Support of the Assessment:

Requirement 3a

The local authority has put in place arrangements for monitoring compliance with standards of conduct across the local authority covering: Codes of conduct including behaviour for counter fraud, anti-bribery, and corruption; Register of interests; Register of gifts and hospitality; and Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality and business. This is checked independently.

We found in the 2021 review that Wiltshire Council has in place for employees:

- A Code of Conduct Policy & Procedure which does not explicitly reference counter fraud, anti-bribery or corruption but sets out minimum standards of behaviour for employees which is aligned to the Council’s behaviour principles of honesty, integrity, accountability, selflessness and openness. Compliance is monitored through the ongoing performance arrangements including 121s and annual appraisals.
- A register of interests - Staff must register any interest which could potentially conflict with their employment or role within Wiltshire Council which can be done online and is included as part of the terms and conditions of employment. These are held centrally and managed by the Legal Team. There is however no annual process for declaration of interests including the requirement to provide a NIL return.
- A register of gifts and hospitality - All staff must register any offer of gifts or hospitality whether or not the offer is accepted. This is done via an online form and Included as part of the terms and conditions of employment. These are held centrally and managed by the Legal Team.

Wiltshire Council has in place for councillors:

- A Code of Conduct Policy & Procedure which does not explicitly reference counter fraud, anti-bribery or corruption but sets out minimum standards of behaviour for councillors.
- A register of interests - All councillors and co-opted members of Wiltshire Council must register their disclosable pecuniary and non-pecuniary interests for public view.
- A register of gifts and hospitality - A register is available for councillors, though there is no requirement for them to complete it.









Actions were made in the 2021 review to:







- Update staff and Member code of conduct documents to include direct fraud reference.
- Implement annual process for declaration of interest, including nil, returns.
- Ensure relevant strategies and policies are subject to ongoing scrutiny and review by trained counter-fraud resource.

2022 Update

**The code of conduct has not been updated yet to include direct fraud reference.**

**There is a conflict of interest register and each member of staff needs to declare any conflict when joining the organisation. However, there is still no regular update to ensure that changes of situation have been reflected on an annual basis. There is currently reliance on staff to self-declare any change that would impact the register. The implementation of a yearly review process is still deemed necessary but in view of other priorities, it is agreed to revise the target date of this action and reclassify it as "Medium term" instead of "Immediate future".**

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|  |   | <p><b>SWAP provided some input on the newly created anti-fraud, bribery and corruption policies, which have been presented to the Audit &amp; Governance committee. However, there has been no formal review of those policies by a trained counter fraud resource (e.g. SWAP) but this will be considered for the upcoming reviews.</b></p> |
| <p>2021 assessment:  2022 assessment: </p> <p><u>Requirement 3b</u><br/>There are employee and member Code of Conducts in place, which include reference to fraud.</p>   | <p>Findings in Support of the Assessment:</p> <p>We found in the 2021 review that there are employee and member Code of Conducts in place. Although they do not reference fraud directly, they do refer to the principles of not committing fraud, corruption, bribery or theft, more specifically the Nolan Principles of public life and other expectations around behaviour.</p> <p>An action was included to update staff and Member code of conduct documents to include direct fraud reference.</p> <p><b>2022 Update</b><br/><b>The code of conduct has not been updated yet to include direct fraud reference.</b></p>  |  |
| <p>2021 assessment:  2022 assessment: </p> <p><u>Requirement 3c</u><br/>The organisation has an appropriate and approved Anti-Fraud and Corruption Policy available to stakeholders.</p>   | <p>Findings in Support of the Assessment:</p> <p>We found in 2021 that there is an Anti-Fraud, Theft and Bribery Strategy and Policy 2019/22 and this has been acknowledged by those charged with governance, although not communicated throughout the Authority. The Authority was in the process of moving intranet sites. The latest full Anti-Fraud, Theft and Bribery Strategy and Policy was not available on either site. The document available on the internet site was out of date (2014-17). The only access to the most recent document is via the minutes of the Audit and Governance Committee on the 17 April 2019.</p> <p>An action was included to present and publish anti-Fraud, Theft, Bribery and Corruption Strategy and Policy to key stakeholders.</p> <p><b>2022 Update</b><br/><b>The anti-fraud, bribery and corruption policy has been published as part of the Audit and Governance committee papers. However, it is planned to disseminate them further when presenting the results of the fraud baseline actions to ELT.</b></p> |  |
| <p>2021 assessment:  2022 assessment: </p> <p><u>Requirement 3d</u><br/>There is a counter fraud and corruption strategy applying to all aspects of the local authority's business which has been communicated throughout the local authority and acknowledged by those charged with governance. There is a zero-tolerance approach.</p> | <p>Findings in Support of the Assessment:</p> <p>We found in 2021 that the 2019/22 Policy indicates that the Council has a zero-tolerance approach to fraud, however as per the above, this has not been effectively communicated to key stakeholders.</p> <p>An action was included to present and publish anti-Fraud, Theft, Bribery and Corruption Strategy and Policy to key stakeholders.</p> <p><b>2022 Update</b><br/><b>The anti-fraud, bribery and corruption policy has been published as part of the Audit and Governance committee papers. However, it is planned to disseminate them further when presenting the results of the fraud baseline actions to ELT.</b></p>   |  |
| <p>2021 assessment:  2022 assessment: </p> <p><u>Requirement 3e</u><br/>The organisation has an appropriate and approved money laundering policy available to stakeholders</p>   | <p>Findings in Support of the Assessment:</p> <p>We found in 2021 that Wiltshire Council had an appropriate and approved Money Laundering Policy, although it is not widely accessible to stakeholders. The only access to the most recent policy is via the minutes of the Audit and Governance Committee on the 17 April 2019. The information available on the intranet is out of date and does not include the whole policy.</p> <p>An action was included to update the Money Laundering Policy content available to stakeholders.</p>   |  |

|   |  |
|---|--|
|   | <p><b>2022 Update</b><br/>                 The policy was approved by Audit and Governance Committee in September 2022. The new policy will be further distributed to the ELT in the upcoming weeks.</p>   |
| <p>2021 assessment:  2022 assessment: </p> <p><u>Requirement 3f</u><br/>                 There is an independent and up-to-date whistleblowing policy which is monitored for take up and can show that suspicions have been acted upon without internal pressure.</p> | <p>Findings in Support of the Assessment:</p> <p>We found in 2021 that there is a Whistleblowing policy available which is easily accessible internally and externally. The policy provides contact details for whistle-blowers to raise concerns outside the organisation to ensure there is no internal pressure. The policy outlined on the internet is not dated and the policy accessible via the intranet is dated 2018, suggesting a review is due. There are some inaccuracies in the policy, for example the deputy officer for reporting a whistleblowing has left the authority and KPMG are noted as the external auditors but have been replaced with Deloitte.</p> <p>An action was included to update the Whistleblowing Policy content available to stakeholders.</p> <p><b>2022 Update</b><br/>                 The whistleblowing policies have been reviewed and published as part of Audit and Governance committee papers. They will be further distributed to the ELT in the upcoming weeks.</p> |
| <p>2021 assessment:  2022 assessment: </p> <p><u>Requirement 3g</u><br/>                 Counter fraud staff are consulted to fraudproof new policies, strategies and initiatives across departments and this is reported upon to committee.</p>                      | <p>Findings in Support of the Assessment:</p> <p>We found in 2021 that SWAP Counter Fraud Team staff were consulted in the development of the latest Anti-Fraud, Theft and Bribery Strategy and Policy. These were taken to Audit and Governance Committee for approval.</p> <p><b>2022 Update</b><br/>                 The latest Anti-fraud, bribery and corruption / Anti-Tax evasion / Whistleblowing policies were presented to the Audit Committee in April 2022.</p>  |
| <p>2021 assessment:  2022 assessment: </p> <p><u>Requirement 3h</u><br/>                 Contractors and third parties sign up to the whistleblowing policy and there is evidence of this. There should be no discrimination against whistle-blowers.</p>             | <p>Findings in Support of the Assessment:</p> <p>We found in 2021 that the Council's standard terms and conditions for goods and services include requirements for contractors to sign up to the Council's fraud and whistleblowing policies without discrimination.</p> <p><b>2022 Update</b><br/>                 There has been no change since 2021.</p>   |

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Theme 4: Committee Related

Overall Assessment:

| 2021 assessment: | 2022 assessment: | Findings in Support of the Assessment:  |
|------------------|------------------|---|
| Requirement 4a   |                  | <p>In 2021 we found that there were clear terms of reference for the Audit and Governance Committee in place, outlining the roles and responsibilities in relation to fraud management, and they have been agreed by members. This mentions the development and implementation of the Council’s Anti-Fraud Policy and Strategy.</p> <p>There is evidence that fraud is discussed at the Committee meetings, including private updates from SWAP.</p> <p>Members show awareness and support of counter fraud activity and receive training throughout the year internally and externally from internal and external audit.</p> <p>However, there is no appointed Portfolio Lead from Members for fraud.</p> <p><b><u>2022 Update</u></b><br/> <b>A member has been identified to oversee fraud risk. This Member is the Chair of the Audit and Governance committee and has practical and necessary knowledge on Fraud. The Member is also made aware of all ongoing investigations and approves already the key fraud related policies.</b></p> |

Theme 5: Culture and Awareness







Overall Assessment:







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| 2021 assessment:   | 2022 assessment: | Findings in Support of the Assessment:  |
|--|------------------|---|
| <p><b>Requirement 5d</b></p> <p>The organisation routinely publicises successful cases of proven fraud and corruption to raise awareness and this is endorsed by the communications/ media team.</p> |                  | <p>We found in 2021 that the decision to publicise successful cases of proven fraud and corruption are taken on a case-by-case basis. If senior officers and communications decide a case is high profile and in the public interest, they will proactively produce the relevant communications. Due to the limited number of frauds referenced previously, it's difficult to assess how well this process is working and how complete it is.</p> <p><b>2022 Update</b><br/>There has been no recent example therefore it is still difficult to assess how well this process is working and how complete it is.</p> |
| <p><b>Requirement 5e</b></p> <p>The local authority undertakes recruitment vetting of staff prior to employment by risk assessing posts and undertaking the relevant checks.</p>                     |                  | <p>We found in 2021 that the Council use the GLPC/ HAY evaluation schemes to risk assess posts and create role profiles which are generic for each grade.</p> <p>There is a Recruitment Policy, Procedure and Candidate and Employee Pre-Employment Checks Policy in place. These set out the recruitment procedures to follow including what pre-employment checks may be carried before a potential employee can start work with the Council. The hiring manager is responsible for deciding which checks are required.</p> <p><b>2022 Update</b><br/>There has been no change since 2021.</p>                    |

Theme 6: Reporting, Investigating and Monitoring

Overall Assessment:

|  |   |                  |   |   |
|--|---|------------------|---|---|
| 2021 assessment:   |  | 2022 assessment: |  | Findings in Support of the Assessment:  |
| <u>Requirement 6a</u><br>Statistics are kept and reported which cover all areas of activity and outcomes. Are number of investigations and outcomes recorded.  |   |                  |   | <p>We found in 2021 that statistics are not kept regarding the areas of counter fraud activity and outcomes.</p> <p>An action was made to report counter fraud activity and outcomes to key stakeholders.</p> <p><b><u>2022 Update</u></b><br/><b>There is no mechanism yet to capture the progress of investigations and to report on them.</b></p>  |
| 2021 assessment:   |  | 2022 assessment: |  | Findings in Support of the Assessment:  |
| <u>Requirement 6b</u><br>All allegations of fraud and corruption are risk assessed.  |   |                  |   | <p>We found in 2021 that the Anti-Fraud Policy indicates that all fraud, bribery and corruption risks would be considered as part of the Council’s strategic risk management arrangements. Essentially the allegations should be dealt with using the flowchart which makes up part of the strategy. This has not been rolled out across the Authority yet, so in theory there is a risk here that if allegations are reported at service level, the head of service might handle the allegation without reporting it, resulting in an inconsistent approach.</p> <p>An action was made to ensure key officers are informed with regards to consistency of reporting allegations in line with Strategy.</p> <p><b><u>2022 Update</u></b><br/><b>The fraud awareness sessions that have been designed and will be rolled out to the heads of service and their team will also be used to remind staff of the requirement to report allegations to senior management. This will also be mentioned in the presentation of this baseline report to ELT in the coming weeks.</b></p> |
| 2021 assessment:   |  | 2022 assessment: |  | Findings in Support of the Assessment:  |
| <u>Requirement 6c</u><br>Prevention measures and projects are undertaken using data analytics where possible and sharing of data across internal departments and between other enforcement agencies. |   |                  |   | <p>We found in 2021 that the Council participates in the National Fraud Initiative which matches electronic data within and between public and private sector bodies to prevent and detect fraud. There is though no data analytics used across the Council in relation to fraud.</p> <p>An action was made to formally implement data analytics techniques to prevent and detect fraud.</p> <p><b><u>2022 Update</u></b><br/><b>As per the above, data analytics are already considered for the Revenues and Benefits activities by using available Cifas data. For the business grants process, the team uses Spotlight data to perform some checks before releasing payments. Regarding the running energy rebate, intelligence is cross checked with Spotlight data to prevent the risk of fraud. For all new activities undertaken, the Council considers the use of either Cifas and / or Spotlight.</b></p>  |

|  |   |                  |   |   |
|--|---|------------------|---|---|
| 2021 assessment:   |  | 2022 assessment: |  | Findings in Support of the Assessment:  |
| <u>Requirement 6d</u>  |   |                  |   | We found in 2021 that the Council has provided anonymous ways to report suspected violations of the ethics and anti-fraud programmes through external organisations, a 24 hotline and an online portal ‘mywiltshire’.   |
| The organisation provides an anonymous way to report suspected violations of the ethics and anti-fraud programs.   |   |                  |   | We sent a report of fraud through ‘mywiltshire’ as a test and this was picked up by the Senior Investigations Officer (Benefits).   |
| <u>2022 Update</u>   |   |                  |   | <b>There has been no change since 2021.</b>   |
| <hr/>  |   |                  |   |   |
| 2021 assessment:   |  | 2022 assessment: |  | Findings in Support of the Assessment:  |
| <u>Requirement 6e</u>  |   |                  |   | We found in 2021 that fraud incidents are promptly and thoroughly investigated should they meet the requirements of the flowchart assessment outlined above. SWAP’s Counter Fraud Team have been working on a recent investigation and were provided with unfettered access to premises and documents for the purposes of counter fraud investigation.  |
| Fraud incidents are promptly and thoroughly investigated by a designated and qualified resource, with unfettered access to premises and documents for the purposes of counter fraud investigation. |   |                  |   | <u>2022 Update</u><br><b>There has been no change since 2021.</b>   |
| <hr/>  |   |                  |   |   |
| 2021 assessment:   |  | 2022 assessment: |  | Findings in Support of the Assessment:  |
| <u>Requirement 6f</u>  |   |                  |   | We found in 2021 that the Anti-Fraud, Theft and Bribery Strategy and Policy 2019/22 was written using the Fighting Fraud and Corruption Locally Strategy and therefore includes prevention, detection, investigation, sanctions and redress. Although the Strategy has not been made available to all staff, there is evidence to support its use by the Head of Legal Services, including two recent investigations which were discussed with and allocated to SWAP. |
| There is a fraud and corruption response plan which covers all areas of counter fraud work: – prevention – detection – investigation – sanctions – redress   |   |                  |   | <u>2022 Update</u><br><b>There has been no change since 2021.</b>   |

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Appendix 2

Action Plan

ROADMAP OF ACTIONS

Now as a priority

- Present this report to key stakeholders and assign responsibility for management of actions and timescale of implementation.
- Present and publish Anti-Fraud, Theft, Bribery and Corruption Strategy and Policy to key stakeholders.

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Immediate Future

- Align resources to results of the risk assessment, with consideration to proactive work.
- Ensure key officers are informed with regards to consistency of reporting allegations in line with Strategy.
- Make Whistleblowing and Money Laundering Policy content available to key stakeholders.

Shorter-term

- Report counter fraud activity and outcomes to key stakeholders.
- Incorporate fraud risk into the corporate risk management process.

Medium-term

- Implement a training plan for staff and Members in relation to fraud and ethics.
- Update staff/Member code of conduct documents to include fraud reference.
- Implement annual process for declaration of interest, including nil, returns.

Longer-term

- Ensure relevant strategies and policies are subject to ongoing scrutiny and review by trained counter-fraud resource



Improved  
Baseline  
Maturity  
Assessment

Actions completed since 2021 review

- ✓ Completed Fraud Risk Assessment (FRA) exercise
- ✓ Presented FRA to key stakeholders
- ✓ Results of FRA linked into proactive work plan
- ✓ Cifas/ Spotlight tools now in place for assessment and new activity
- ✓ Assigned a lead for Fraud

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Fraud Risk - Action Plan

| Theme Area                   | Requirement | Finding   | Rating  | Action   | Business Owner   | Implementation date           |
|------------------------------|-------------|---|---|--|--|-------------------------------|
| Resources and Communications | 1a          | The organisation has internal audit and external audit planning aligned to fraud risks. Fraud resources are assessed proportionately to the risk the local authority faces and are adequately resourced.  | Amber   | Baseline Assessment report to be shared with ELT, along with the Anti-Fraud, Bribery & Corruption policy for onwards circulation. Baseline Assessment report to be shared with the Audit & Governance committee. | Assistant Director of Finance  | December 2022<br>23/11/2022   |
|                              | 1b          | There is a programme of counter fraud work to ensure a strong counter fraud culture across all departments and delivery agents led by counter fraud experts. There is an annual fraud plan which is agreed by Audit Committee and reflects resources mapped to risks and arrangements for reporting outcomes. | Amber   | The audit plan for Q3 includes a specific audit where the service residual risk is high. The plan is being presented to the Audit & Governance committee at its meeting on 23/11/2022.                           | Assistant Director of Finance  | 23/11/22                      |
|                              | 1c          | The local authority has put in place arrangements to prevent and detect fraud and corruption and a mechanism for ensuring that this is effective and is reported to committee.  | There is no mechanism yet to capture the progress of investigations and to report on them | Amber  | A mechanism will be designed and implemented for capturing the progress of investigations. | Assistant Director of Finance |
| Risk Management              | 2a          | The risks of fraud and corruption are specifically considered in the local authority's overall risk management process.   | Red   | A review will be carried out to assess whether it is appropriate for the strategic risk register to include specific reference to fraud, bribery and/or corruption risk  | Assistant Director of Finance & Head of Executive Office                                   | 31/03/23                      |

| Theme Area     | Requirement | Finding   | Rating | Action   | Business Owner | Implementation date  |   |
|----------------|-------------|---|--------|--|----------------|--|---|
| Policy Related | 3a          | The local authority has put in place arrangements for monitoring compliance with standards of conduct across the local authority covering: Codes of conduct including behaviour for counter fraud, anti-bribery, and corruption; Register of interests; Register of gifts and hospitality; and Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality and business. This is checked independently. |        | The code of conduct has not been updated yet to include direct fraud reference. There is a conflict of interest register and each member of staff needs to declare any conflict when joining the organisation. However, there is still no regular update to ensure that changes of situation have been reflected on an annual basis. There is currently reliance on staff to self-declare any change that would impact the register. The implementation of a yearly review process is still deemed necessary but in view of other priorities, it is agreed to revise the target date of this action and reclassify it as "Medium term" instead of "Immediate future".<br>SWAP provided some input on the newly created anti-fraud, bribery and corruption policies, which have been presented to the Audit & Governance committee. However, there has been no formal review of those policies by a trained counter fraud resource (e.g. SWAP) but this will be considered for the upcoming reviews | Amber          | An annual review of 'Interests Register' will be undertaken.   | Head of Democracy & Governance<br>wef 1/4/2023  |
|                | 3b          | There are employee and member Code of Conducts in place, which include reference to fraud.  |        | The code of conduct has not been updated yet to include direct fraud reference.  | Amber          | The Anti-Fraud, Bribery & Corruption Policy sets out the responsibilities for employees and members. When the Codes of Conduct are next review there will be an assessment on whether inclusion of a direct reference to either the Anti-Fraud, Bribery & Corruption Policy or Fraud will be made. | Assistant Director of HR&OD and Head of Democracy & Governance<br>At the Codes of Conducts next reviews |
|                | 3c          | The organisation has an appropriate and approved Anti-Fraud and Corruption Policy available to stakeholders.  |        | The anti-fraud, bribery and corruption policy has been published as part of the Audit and Governance committee papers. However, it is planned to disseminate them further when presenting the results of the fraud baseline actions to ELT.  | Amber          | Baseline Assessment report to be shared with ELT, along with the Anti-Fraud, Bribery & Corruption policy for onwards circulation.  | Assistant Director of Finance<br>Dec-22   |

| Theme Area            | Requirement | Finding  | Rating | Action  | Business Owner  | Implementation date            |                     |
|-----------------------|-------------|--|--------|---|---|--------------------------------|---------------------|
|                       | 3d          | There is a counter fraud and corruption strategy applying to all aspects of the local authority's business which has been communicated throughout the local authority and acknowledged by those charged with governance. There is a zero-tolerance approach. | Amber  | The anti-fraud, bribery and corruption policy has been published as part of the Audit and Governance committee papers. However, it is planned to disseminate them further when presenting the results of the fraud baseline actions to ELT.   | Baseline Assessment report to be shared with ELT, along with the Anti-Fraud, Bribery & Corruption policy for onwards circulation.       | Assistant Director of Finance  | Dec-22              |
|                       | 3e          | The organisation has an appropriate and approved money laundering policy available to stakeholders   | Amber  | The policy was approved by Audit and Governance Committee in September 2022. The new policy will be further distributed to the ELT in the upcoming weeks.   | Baseline Assessment report to be shared with ELT, along with the Anti-Fraud, Bribery & Corruption policy for onwards circulation.       | Assistant Director of Finance  | Dec-22              |
|                       | 3f          | There is an independent and up-to-date whistleblowing policy which is monitored for take up and can show that suspicions have been acted upon without internal pressure.   | Amber  | The whistleblowing policies have been reviewed and published as part of Audit and Governance committee papers. They will be further distributed to the ELT in the upcoming weeks.   | A link to the updated approved Whistleblowing Policy will be shared with ELT.   | Head of Democracy & Governance | Dec-22              |
| Culture and Awareness | 5a          | The organisation educates and trains employees regarding the importance of ethics and anti-fraud programs and senior management exhibit and encourage ethical behaviour.   | Amber  | A fraud awareness session has been designed to remind staff of red flags. A pilot was conducted on 28/04/2022 with a Heads of Service group. Based on the feedback from the participants, the fraud awareness session has been amended and will be rolled out to other officers.                                  | Fraud awareness sessions will be held with every Head of Service and their managers/teams where the service is at higher risk of fraud. | Assistant Director of Finance  | starting April 2023 |
|                       | 5b          | The local authority has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.  | Amber  | As per the above sections, except for the Codes of Conduct, the policies have been presented to the Audit Committee in April 2022 but not yet further distributed. These will be shared with the ELT in the coming weeks.   | Baseline Assessment report to be shared with ELT, along with the Anti-Fraud, Bribery & Corruption policy for onwards circulation.       | Assistant Director of Finance  | Dec-22              |
|                       | 5c          | Relevant staff and members are up to date with latest anti-fraud practice and trends in fraud.   | Amber  | As the per the above sections, a fraud awareness session is being designed to remind staff of red flags. A pilot was conducted on 28/04/2022 with a group of heads of service. Based on the feedback from the participants, the fraud awareness session has been amended and will be rolled out to other officers | Fraud awareness sessions will be held with every Head of Service and their managers/teams where the service is at higher risk of fraud. | Assistant Director of Finance  | starting April 2023 |
|                       | 5d          | The organisation routinely publicises successful cases of proven fraud and corruption to raise awareness and this is endorsed by the communications/ media team.   | Amber  | There has been no recent example therefore it is still difficult to assess how well this process is working and how complete it is.   | This will be kept in review and will be included in the mechanism for capturing the progress of investigations.                         | Assistant Director of Finance  | 45016               |

| Theme Area                              | Requirement  | Finding   | Rating | Action  | Business Owner                | Implementation date |
|---|--|---|--------|---|-------------------------------|---------------------|
| Reporting, Investigating and Monitoring | 6a<br>Statistics are kept and reported which cover all areas of activity and outcomes. Are number of investigations and outcomes recorded. | There is no mechanism yet to capture the progress of investigations and to report on them.  | Red    | A mechanism will be designed and implemented for capturing the progress of investigations.  | Assistant Director of Finance | 31/03/23            |
|   | 6b<br>All allegations of fraud and corruption are risk assessed.   | The fraud awareness sessions that have been designed and will be rolled out to the heads of service and their team will also be used to remind staff of the requirement to report allegations to senior management. This will also be mentioned in the presentation of this baseline report to ELT in the coming weeks. | Amber  | Fraud awareness sessions will be held with every Head of Service and their managers/teams where the service is at higher risk of fraud. | Assistant Director of Finance | starting April 2023 |

**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

| <b>Meeting Date</b>   | <b>Item</b>   | <b>Responsible Officer</b>          | <b>Draft Report Deadline</b> | <b>Publication Deadline</b> |
|-----------------------|---|-------------------------------------|------------------------------|-----------------------------|
| <b>8 Feb<br/>2023</b> | <b>Statement of Accounts 2020/21 TBC</b><br>To approve the SoA 2020/2021 including:<br>Report to those Charged with Governance (ISA 260) 2019/20<br>To include assurance from the Pension Committee, 2 Letters of representation, AGS, statements | Lizzie Watkin/ Andy Brown/ Deloitte | 25 Jan 2023                  | 31 Jan 2023                 |
|                       | <b>Internal Audit Reports</b> <ul style="list-style-type: none"> <li>• IA updates</li> <li>• Possible Q3 for IA Report</li> <li>• Q1 plan 2023/24</li> </ul>  | SWAP                                |                              |                             |
|                       | Governance Update on AGS  | Perry Holmes/Maria Doherty          |                              |                             |
|                       | Corporate Risk Update   | Martin Nicholls                     |                              |                             |

**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

| <b>Meeting Date</b>  | <b>Item</b>   | <b>Responsible Officer</b>          | <b>Draft Report Deadline</b> | <b>Publication Deadline</b> |
|----------------------|---|-------------------------------------|------------------------------|-----------------------------|
| <b>26 April 2023</b> | <b>Statement of Accounts 2021/2022 TBC</b><br>To approve the SoA 2021/2022 including:<br>Report to those Charged with Governance (ISA 260) 2019/20<br>To include assurance from the Pension Committee, 2 Letters of representation, AGS, statements | Lizzie Watkin/ Andy Brown/ Deloitte | 12 April 2023                | 18 April 2023               |
|                      | <b>Internal Audit Reports</b> <ul style="list-style-type: none"> <li>• IA updates</li> <li>• Q2 plan 2023/24</li> </ul>   | SWAP                                |                              |                             |
|                      | <b>External Audit Plans</b>   | Deloitte                            |                              |                             |
|                      | <b>Accounting Policies 2022/23</b>  | Lizzie Watkin / Sally Self          |                              |                             |