

Wiltshire Council

Proposed Q4 Internal Audit Plan 2021/22

Internal Audit Planning 2021/22: A Revised Approach

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

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

It is the responsibility of the Senior Leadership Team, and the Audit & Governance Committee to ensure that the audit work scheduled and completed throughout the year contains sufficient and appropriate coverage of key risks.

Approach to Internal Audit Planning 2021/22

Background

Over the past year, as a result of the COVID pandemic, SWAP, like Wiltshire Council, has had to adapt, re-prioritise, and shift focus. Whilst 2020/21 was an exceptional year, it has demonstrated the need for a fully flexible and responsive approach to audit planning. Although 2021/22 is likely to offer more stability in operations, we are looking to build on our new planning approach, ensuring that we are supporting the Council by collaboratively aligning our work to its aims, objectives and key risks. This should ensure that we are auditing the right things, at the right time; enabling us to provide insight and value when and where it is required.

Approach to Internal Audit Planning 2021/22

Our approach to internal audit planning throughout 2021/22 will be a continuous risk assessment and rolling plan approach. Rather than present a proposed annual plan at the start of the year, which is subject to a high level of uncertainty and change, we will build our plan in conjunction with management as the year progresses, presenting a quarterly plan at each meeting of this Committee.

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

Audit planning meetings will be held with relevant officers and the plan for each quarter will be agreed with the Corporate Director Resources and the Corporate Leadership Team (CLT) prior to presenting to this Committee for formal approval. The quarter 4 plan was presented to and discussed with CLT on 4th November 2021.

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

The resulting programme will be a combination of requested audit work aligned to service priorities, combined with audit work recommended by SWAP driven by our continuous risk assessment. This risk assessment will be based on the live status of both the Council's strategic and service risk registers. Overlaid onto this assessment

The Internal Audit Plan: Approach

will be SWAP's sector-wide top 10 risk areas, and consideration of the eight strands of our 'Healthy Organisation' framework. The results of our risk assessments will be shared with senior management to obtain their view on the value of internal audit involvement. In developing risk assessments, we will also take account of other sources of assurance, where relevant.

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' assurance model. Key findings from our internal audit work should also be considered in conjunction with completion of the Authority's Annual Governance Statement.

It is the responsibility of the Authority's 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 Quarter 4 audit plan (as set out below), key questions to consider include:

- Are the areas selected for coverage appropriate?
- Does the internal audit plan cover the organisation's key risks as they are recognised by CLT and the Audit and Governance Committee?
- Is sufficient assurance being received within the 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.

Delivery of an internal audit programme of work that provides sufficient and appropriate coverage of key risks, will enable us to satisfy our requirement to provide a well-informed and comprehensive year-end annual internal audit opinion. Our audit work is governed by our Internal Audit Charter, attached at Appendix 1.

The Internal Audit Plan: Coverage

This page highlights any key risk areas where we believe Internal Audit coverage is currently missing.

Risk Coverage in 2021/22 Internal Audit Plan

Following our SWAP risk assessment and the preparation of the various 2021/22 quarterly audit plans, we have set out below proposed coverage for the 2021/22 year of corporate risks as defined by the Council.

Coverage of audits in the 2021/22 audit plan against the Strategic Risk Register

Corporate Risk	Inherent Risk Rating	Residual Risk Rating	2021/22 Coverage
CRR.01 – Safeguarding Children	12	8	
CRR.02 – Safeguarding Adults	8	8	
CRR.03 – Salisbury’s Economy	6	6	
CRR.04 – Interest Rates Changes	6	4	
CRR.05 – Cyber Resilience	16	8	
CRR.06 – Staff Capacity	6	6	
CRR.07 – Budget Management	16	16	
CRR.08 – Contract Management	12	12	
CRR.09 – Income Collection	9	6	
CRR.10 – Corporate Health, Safety & Wellbeing	4	4	
CRR.11 – Information Governance	6	6	

Coverage Key	
	Good internal audit coverage
	Adequate internal audit coverage
	Some aspects of internal audit coverage
	No internal audit coverage to date

The Internal Audit Plan: Approach

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 eight 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 2021/22 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, Tel: 07732 688505
Becky Brook, Principal Auditor – Becky.Brook@SWAPAudit.co.uk, Tel: 020 8142 5030

External Quality Assurance

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors (IPPF).

Every three 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.

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 and have included some focused proactive fraud work in the plan. We have a dedicated Counter Fraud Team 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.

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

Link to Corporate Priorities/ Corporate Risk Register	Areas of Coverage	Brief Description	Requested/Agreed by or Rationale for audit
Corporate and Resources (including ICT)			
An Innovative and Effective Council CRR.04 CRR.07 CRR.08 CRR.09	Key Financial Controls Main Accounting Accounts Payable Accounts Receivable Payroll Council Tax Business Rates Housing Benefit and Council Tax Support Housing Rents Treasury Management	All key financial systems are subject to cyclical audits to review key controls as a minimum and to provide assurance on effectiveness of controls. The Key Financial Control reviews will be undertaken via quarterly continuous assurance work throughout the year.	Review of the Authority's fundamental business processes and key services.
	Pension Fund Key Control Review	An annual review of the Pension Fund's internal financial controls during 2020/21, with specific focus on the Fund's newer significant processes in relation to i-Connect, Member Self Service (MSS) and treasury management arrangements. The audit will also include compliance with the Data Protection Act 2018/GDPR with regard to the newly implemented System and Security Access control arrangements.	Requested by the Pension Fund Committee.
	Various COVID Grants	Grant Certification – Full list to be confirmed and agreed.	Agreed with Corporate Director Resources.
An Innovative and Effective Council CRR.05	Segregation of Duties and Profiles for Key Financial Systems	SWAPs ICT Team will undertake a review of the current profiles and segregation of duties within the key financial systems to ensure they are appropriate.	Agreed with the Corporate Director Resources.

CRR.12	ICT Governance Risk Review Follow Up	Follow up on the high-risk areas identified within the ICT Governance Risk Review.	Agreed with the Corporate Director Resources.
People			
Protecting the Vulnerable	Use of Unregulated/ Unregistered Placements	A review to ascertain whether assessments for spot purchases are sufficient/correct.	Agreed with Director Families and Children.
CRR.01 CRR.07 CRR.08	Virtual Schools	This audit is to confirm whether there are effective processes in place which ensure the Virtual School are consulted when a Child Looked After (CLA) moves placement; and to determine how effectively the Virtual School supports children that are not in education, are being supported by the Youth Offending Team, were previously CLA or are post-16.	Agreed with Director Education and Skills.
Strong Communities	Supporting Families – Quarter 4	MHCLG requirement for audit of claims submitted reviewed a representative sample of families and achievement of outcomes.	Agreed with Director Families and Children.
CRR.01 CRR.07			
Follow Up Work and Support Activities			
Follow Up Work	Follow Up Contingency	Follow up of audits awarded Partial or No Assurance opinions. The work will assess responses to previous audit coverage and any changes to the control environment.	Inclusion of audit follow up work incorporating any prior year weaknesses identified.
Counter Fraud and Corruption	Proactive Fraud Work	Linked to risks in Protecting the Public Purse.	
	Reactive Fraud Work	To undertake ad-hoc unplanned investigations as agreed.	
	National Fraud Initiative	To assist the Council in monitoring and investigation of matches.	
Support Activities	Corporate Advice	Includes meetings and direct liaison with the Director Finance and Procurement	
	External Audit	Ongoing liaison with External Audit.	