

AGENDA

Meeting: Audit Committee

Place: [Online Meeting](#)

Date: Wednesday 22 July 2020

Time: 10.00 am

Please direct any enquiries on this Agenda to Jessica Croman, of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line 01225 718262 or email jessica.croman@wiltshire.gov.uk

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

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

Membership:

Cllr Richard Britton (Chairman)
Cllr Stewart Dobson (Vice-Chairman)
Cllr Gavin Grant
Cllr Mike Hewitt
Cllr Nick Holder
Cllr Edward Kirk

Cllr Andy Phillips
Cllr Pip Ridout
Cllr Ian Thorn
Cllr John Walsh
Cllr Stuart Wheeler
Cllr Pauline Church

Substitutes:

Cllr Anna Cuthbert
Cllr Peter Evans
Cllr Ross Henning
Cllr Ruth Hopkinson

Cllr Jim Lynch
Cllr Ricky Rogers
Cllr Jo Trigg

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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

3 **Declarations of Interests**

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

4 **Chairman's Announcements**

5 **Public Participation**

During the ongoing Covid-19 situation the Council is operating revised procedures to permit remote attendance of meetings.

Members of the public who wish to submit a statement in relation to an item on this agenda should submit it to the officer named on this agenda no later than 5pm on Tuesday 17 July 2020.

Statements should:

- State whom the statement is from (including if representing another person or organisation)
- State clearly the key points
- If read aloud, be readable in approximately 3 minutes Statements in accordance with the Constitution will be included in an agenda supplement.

Questions

Those wishing to ask questions in relation to an item on this agenda 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 Monday 15 July 2020 in order to be guaranteed of a written response. In order to receive a verbal response questions must be submitted no later than 5pm Wednesday 17 July 2020. Please contact the officer named on the front of this agenda for further advice. 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 **Wiltshire Council 2019-20 Annual Report and Opinion** (*Pages 11 - 42*)

SWAP will cover the following items:

- Internal Audit Annual Report
- Internal Audit Annual Opinion
- SWAP External Assessment

7 **Updated Internal Audit Plan 2020/21** (*Pages 43 - 48*)

SWAP will present the updated Internal Audit Plan 20/21

8 **Draft Annual Governance Statement**

To review the draft AGS.

9 **Annual SIRO Report**

To consider the annual SIRO report.

10 **SWAP - New Ways of Working**

To receive a presentation.

11 **2019/20 Accounts**

12 **Urgent Items**

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

13 **Date of Next Meeting**

To note that the next regular meeting of the Committee will be held on the 25 September 2020.

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

No items

14 **Minutes** (*Pages 49 - 54*)

To approve the confidential minutes of the meeting held on the 12 February 2020.

Audit Committee

**MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 12 FEBRUARY 2020
AT KENNET ROOM - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14
8JN.**

Present:

Cllr Richard Britton (Chairman), Cllr Stewart Dobson (Vice-Chairman),
Cllr Gavin Grant, Cllr Nick Holder, Cllr Edward Kirk, Cllr John Walsh and
Cllr Peter Evans (Substitute - Part II)

Also Present:

Cllr Simon Jacobs and Cllr Philip Whitehead

1 Apologies

Apologies were received from:

Cllr Andy Philips
Cllr Mike Hewitt
Cllr Pip Ridout
Cllr Stuart Wheeler who was substituted by Cllr Peter Evans

2 Minutes of the Previous Meeting

RESOLVED

The minutes of the meeting held on the 7 November 2019 were approved.

3 Declarations of Interests

There were no declarations of interest.

4 Chairman's Announcements

There were no Chairman's announcements.

5 Public Participation

No members of public were present.

6 Update on the Accounts

Ian Howse, Deloitte, informed the committee that the accounts were not yet signed off. A new system to record the values of fixed assets had been

implemented. This had changed the gross value and the depreciation of the assets by £50 million but had no change on the net values. More testing was being carried out to verify the changes and it was hoped that the accounts would be in a position to be signed off in the next couple of weeks. It was noted that neither the council tax or general fund out turn figures would be impacted and there is no net effect.

The committee noted that they were all happy with the current delegation for the Chairman in consultation with the S151 officer to sign off the accounts.

The Chairman thanked Ian for the update.

7 **External Audit Plan and Training - "The Anatomy of an External Audit"**

Ian Howse, Deloitte, presented the external audit plan and gave details of the 'anatomy of an external audit'.

It was noted that the elements of an external audit included:

- The first step was to create an audit plan which involved reviewing the previous audit plan, carrying out a risk assessment to identify the areas with: the most risk, which produced key financial data and where the most complex work was carried out and reviewing the Internal audit reports to identify any issues.
- Following the audit plan being agreed an interim audit is carried out which involved the checking and testing of controls, process designs and manual entries. Following the results of the interim audit the approach of the full audit may be adjusted.
- Once the accounts were published a full audit would take place.
- Following the full audit a final report would be presented to the Audit Committee and depending on whether any issues were identified, the accounts would be signed off.

The key points of the external audit plan included:

- The key risks identified were: property valuation, completeness of accrued expenditure, valuation of the council's share of the Wiltshire pension fund net liability and management override of controls. No risks had been identified in relation to the Value for Money assessment. Any additional significant risks would be reported to the Audit Committee.
- The three key areas within the scope of the audit were: Financial Statements, Annual Governance Statement and the Value for Money conclusion. The approach to audit these areas would be to liaise with internal audit, obtain an understanding of controls relevant to the audit by evaluating the design of the controls and determining whether they had been implemented and high quality and simplified reporting.
- Materiality was explained noting that it had been set at £17m.

In response to questions asked it was noted that:

- The auditing of the reserves was included within the Value for Money and medium term financial strategy. The auditors role was not to say what level the reserves should be. The National Audit Office was currently carrying out a consultation on the work involved with the Value for Money assessment and it was expected that auditors would have to do more work assessing the reserves.
- Materiality was set at 1.7% which was a calculation based on expenditure.
- Procurement was audited while examining major expenditure.
- External auditing aimed to identify discrepancies in accounts and did not aim to discover fraud, internal audit carried out more work in that area.
- Deloitte had considered coronavirus and currently had a team working on business continuity processes. Procedures had been put in place to restrict travel. They did not expect to be impacted by the virus.
- There was a lack of strong purchase order control in place, the relevant officers understood the need to improve the system.

8 **Q3 IA Report**

Charlotte Wilson, SWAP, introduced the report noting that a high risk level and no assurance opinion had been given to gross loans due to a lack of compliance. Five recommendations had been made and were in the process of being implemented by the end of the financial year. Management had provided an update noting that a new system had been implemented and there had been changes in personnel. Work was taking place to ensure that the process was robust, documented and up to date. A further internal audit would take place in the first quarter of 20/21.

Deferred payments had been given a partial assurance opinion, recommendations were made to improve the reporting arrangements and oversight, it was also suggested that the procedural guidance be updated.

In response to questions asked it was noted that:

- The draft audit plan would be available at the next audit committee.
- Changes to the IA plan would be brought to the committee meeting.
- There had been some resource issues which had caused the audit projects to run later than expected, more resources were being brought in to help. Some of the projects would run into the next financial year and SWAP would review their priorities.
- The review of partnership governance had been split into two parts. The first part to identify all partnerships had been carried out by the council and the second part to review the governance arrangements would be carried out by SWAP.

- SWAP would be reviewing the outstanding recommendations as many of them may have been superseded and SWAP recognised that having outstanding recommendations from October 2018 was unacceptable.
- The process of limiting the reporting of outstanding recommendations to 120 was questioned, it was decided that a meeting would take place outside of the committee to review the best reporting process going forward.
- Work had been ongoing since summer 2019 to bring reconciliations up to date and the project was making good progress and due to be completed mid February. Invoices would also be on track to go out on time within the next five weeks.

The Chairman thanked SWAP for their update.

9 **SWAP - Public Sector Internal Audit Standards Assessment**

David Hill, SWAP, introduced the report noting that there was a requirement to undertake the assessment every five years. SWAP had opted to undertake the assessment every three years. The assessment included with the agenda was a self-assessment which had identified some areas for improvement. External assessors had also carried out an assessment looking at what could be improved and the full report would be brought to the next meeting.

10 **Service Area Risk Presentation**

Peter Binley, Head of Highways Asset Management & Commissioning, introduced the item and gave an overview of the service area, their responsibilities and the high risk environment they work in.

The service area relied on external suppliers to carry out work, as such, risk was managed in a number of ways; by getting good suppliers, having a partnership approach and having joint and corporate mitigation plans in place. Part of the contractual system was for suppliers to inform the council on how they managed risks. They were also encouraged to work with the council to jointly manage shared risks. Suppliers had their own risk registers regarding issues which were not relevant to the council. The council and suppliers would agree which risks were shared and which were separately owned. The officer noted that there was a need for trust and openness in order for the service to operate effectively with regular meetings to identify and communicate risks and develop mitigation plans.

In response to questions, it was noted that some risks were extremely high and although mitigation plans were in place these still remained red risks.

11 **Governance Action Log Update**

David Bowater, Senior Corporate Support Manager, introduced the report which provided a update on the current status of improvement actions identified in the Annual Governance Statement for 2019.

The audit committee would have oversight over the principles outlined within the report via the internal audit plan and as part of the Annual Governance statement. It was noted that within principal B – Review the Wiltshire Compact and role of Wiltshire Assembly, a refresh of the national compact was taking place although it was not known when this would take place. For this reason the VCSE strategy would be launched regardless.

The Chairman welcomed the report noting the good progress being made and thanked the officer.

12 **Finance Director Appointment Update**

Cllr Simon Jacobs, Cabinet Member for Finance and Procurement, confirmed the committee that the new finance director would start on 1 March 2020. The current interim director would remain in post for an additional month to oversee specific projects.

The committee took the opportunity to thank Deborah Hindson, Interim Director for Finance, for her work.

13 **Forward Work Programme**

The forward work plan was noted.

14 **Urgent Items**

There were no urgent items.

15 **Date of Next Meeting**

The date of the next meeting was noted.

16 **Exclusions of the Public**

RESOLVED

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified in Item Number 19 because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 7 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

Reason for restricting the item:

Paragraph 14.4.7 of Part 5 of the Constitution: *Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.*

This item is in Part 2 of the Agenda because the audit concerns matters that relate to a potential prosecution and in all the circumstances the public interest in maintaining the exemption outweighs the public interest in disclosing the information at this stage.

17 **Part II**

The following items were discussed in private.

18 **SWAP Audit - Court of Protection**

Ian Gibbons, Director Legal, Electoral and Registration, informed the committee that the item was being held in part II due to a potential prosecution and in all the circumstances the public interest in maintaining the exemption outweighs the public interest in disclosing the information at this stage.

(Duration of meeting: 10.00 am - 12.05 pm)

The Officer who has produced these minutes is Jessica Croman of Democratic Services, direct line 01225 718262, e-mail jessica.croman@wiltshire.gov.uk

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Wiltshire Council

Annual Report and Opinion 2019-20

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Appendix B – Summary of Work Plan

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The Head of Internal Audit is required to provide an opinion to support the Annual Governance Statement.

Purpose

The Head of Internal Audit (SWAP Assistant Director) should provide a written annual report to those charged with governance to support the Authority's Annual Governance Statement (AGS). This report should include the following:

- An opinion on the overall adequacy and effectiveness of the organisation's governance, risk management and internal control environment, including an evaluation of the following:
 - the design, implementation and effectiveness of the organisation's ethics-related objectives, programmes and activities;
 - whether the information technology governance of the organisation supports the organisation's strategies and objectives;
 - the effectiveness of risk management processes; and
 - the potential for the occurrence of fraud and how the organisation manages fraud risk.
- Disclose any qualifications to that opinion, together with the reasons for the qualification.
- Present a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies.
- Draw attention to any issues the Head of Internal Audit judges particularly relevant to the preparation of the Annual Governance Statement.
- Compare the work actually undertaken with the work that was planned and summarise the performance of the internal audit function against its performance measures and criteria.
- Comment on compliance with these standards and communicate the results of the internal audit quality assurance programme.

The purpose of this report is to satisfy this requirement and Members are asked to note its content and the Annual Internal Audit Opinion given.

Three lines of defence

To ensure the effectiveness of an organisation’s risk management framework, the Audit Committee and senior management need to be able to rely on adequate line functions – including monitoring and assurance functions – within the organisation.

The 'Three Lines of Defence' model is a way of explaining the relationship between these functions and as a guide to how responsibilities should be divided:

- the first line of defence – functions that own and manage risk.
- the second line of defence – functions that oversee or specialise in risk management, compliance.
- the third line of defence – functions that provide independent assurance.

Scope

The Internal Audit service for Wiltshire Council is provided by SWAP Internal Audit Services. The team’s 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. The work of the team is guided by the Internal Audit Charter which is reviewed annually.

Internal Audit provides an independent and objective opinion on the Authority’s control environment by evaluating its effectiveness. Primarily the work of the service is based on the Annual Plan agreed by Senior Management and this Committee (see Appendix). This report summarises the activity of the Internal Audit team for the 2019/20 year against the Internal Audit Plan (approved by the Audit Committee on 17th April 2019).

The position of Internal Audit within an organisation’s governance framework is best summarised in the three lines of defence model shown below.



Adapted from ECIIA/FERMA *Guidance on the 8th EU Company Law Directive, article 41*

The Head of Internal Audit is required to provide an opinion to support the Annual Governance Statement.

Annual Opinion

I have considered the balance of 2019/20 audit work and assurance levels provided, together with the response from Senior Management and offer a **Reasonable Assurance** opinion in respect of the areas reviewed during the year.

Internal Audit has not reviewed all risks and assurances relating to Wiltshire Council and cannot provide absolute assurance on the internal control environment. Senior Management and Members through the various committees are ultimately responsible for ensuring an effective system of internal control. Our opinion is derived from the completion of the risk based internal audit plan at **Appendix B**, and as such it is one source of assurance on the adequacy of the internal control environment. Audit coverage is considered adequate, however, to be able to provide an overall opinion.

The Annual Opinion is made based on the following sources of information:

- Completed audits (during the year 2019/20) which evaluate risk exposures relating to the organisation's governance, operations 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.
- Significant/material risk where management has not accepted the need for mitigating action.
- Notable changes to the organisation's strategy, objectives, processes, or IT infrastructure.
- Assurances from other providers, including third parties, regulator reports etc.

Opinions are a balanced reflection, not a snapshot in time. Information to support this assessment is obtained from multiple engagements and sources. The results of these engagements, when viewed together, provide an understanding of the organisation's risk management processes and their effectiveness.

Over the year, the Internal Audit Team has found Senior Management of Wiltshire Council to be supportive of Internal Audit findings and responsive to the recommendations made. In addition, there is a good relationship with Management whereby they feel they can approach the Internal Audit Team openly in areas where they perceive potential problems.

In relation to the 2019/20 internal audit plan a total of 74 reviews have been delivered. In agreement with Management and this Committee, some changes have been agreed in the year as the need to respond to new and emerging risks was identified. The 'new' audits and those deferred/removed from the Plan can be identified in **Appendix B**.

72 of the audits are at final report stage. Of these, 40 have opinions with 11 receiving substantial (27%), 21 reasonable (52%), seven partial (18%) and one no assurance (3%). The findings within these audits have been accepted and are being appropriately addressed by Management. Any outstanding weaknesses in the governance, risk and control framework will continue to be followed up by Internal Audit as part of the 2020/21 Plan. Further details of audits with Limited assurance opinions can be found on page 6.

There are no specific concerns in relation to fraud risk at this time.

COVID-19 disrupted the delivery of the 2019/20 Internal Audit Plan in the final month of the financial year. As a result, delivery of a small proportion of audits slowed and reductions in scope agreed. I do not consider this impact significant to our work when forming the 2019/20 Annual Internal Audit Opinion.

Definitions of Corporate Risk

High Risk

Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.

Medium Risk

Issues which should be addressed by management in their areas of responsibility.

Low Risk

Issues of a minor nature or best practice where some improvement can be made.

High Corporate Risk

For those audits which have reached report stage through the year, we have assessed the following risk as 'High'.

Review

Gross Loans

Objective:

To provide assurance that Gross Loans as at 31st March 2019 have been appropriately managed with correct invoicing and accounting entries.

Risk:

The Council does not adequately collect all monies owed due to poor accounting and management practices leading to increased expenditure.

Updated Position:

Due to the current situation in relation to the Covid-19 pandemic, an updated management response to this risk has not been sought at this time.

A follow up audit of the service is due to be undertaken as part of the 2020/21 Internal Audit Plan to ensure all recommendations have been fully implemented by the target implementation dates set.

A further audit completed within 2019/20 also resulted in a risk consider to be high. This audit was reported in the February 2020 meeting of the Audit Committee within a restricted paper due to a potential prosecution. As such, it is felt the circumstances in maintaining the exemption outweighs the public interest in disclosing the information at this stage.

Assurance Definitions

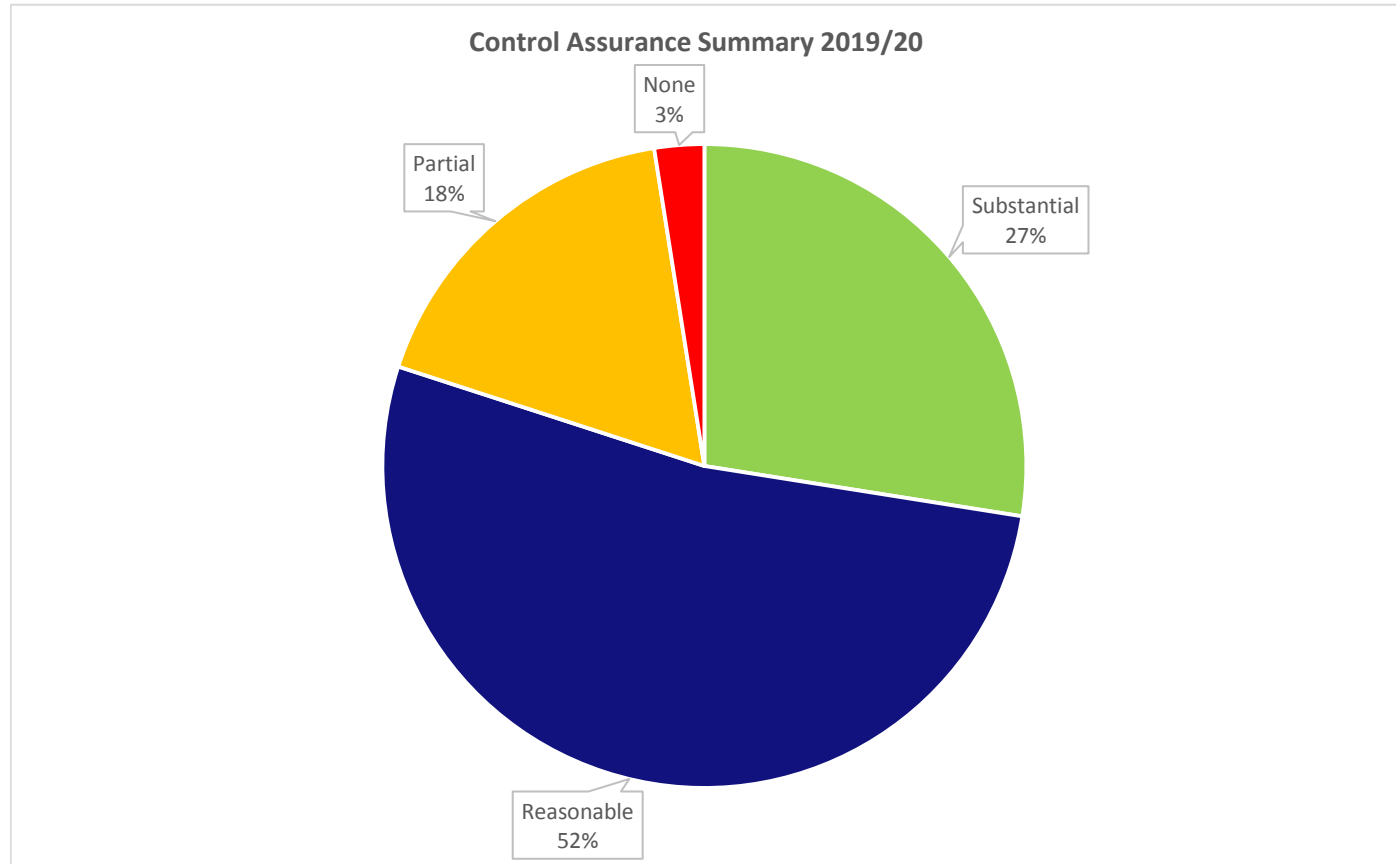
Partial and No Assurance Summary

The following audits received a Partial or No assurance opinion in respect of their control environments in 2019/20.

Audit Name	Key Issues
Gross Loans	Lack of compliance with documented procedures, including the financial regulations.
Court of Protection: Deputyship and Appointeeship for Service Users	Inconsistency in data collection due to lack of set procedures. No clear segregation of duties or quality assurance process. Client data not stored in line with current regulations.
Contract Management	Non-compliance with the Local Government Transparency Code and lack of monitoring of Key Performance Indicators.
Accounts Payable	Thorough verification checks were not performed on changes to vendor details. Some user profiles may be inappropriately assigned. Data was not being cleansed.
Christ the King Catholic School	The School moved into Special Measures in 2018. No formal deficit recovery plan had been documented. There were no delegated authority thresholds defined in the Scheme of Delegation.
Direct Payments	Out of date and insufficient procedures and guidance for staff.
St Patrick's Catholic School – HR & Payroll	Selection and interview panels were not consistently evidenced as appropriately selecting candidates. Identity documents were missing from personnel files and therefore employees' Right to Work in the UK could not be evidenced. Records are not retained/destroyed in line with legal requirements.
Holt VC Primary School – HR & Payroll	The School is categorised as vulnerable. It is lacking essential and appropriate recruitment and payroll processes.

At the conclusion of audit assignment work each review is awarded a Control Assurance Definition

Summary of Control Assurance Opinions



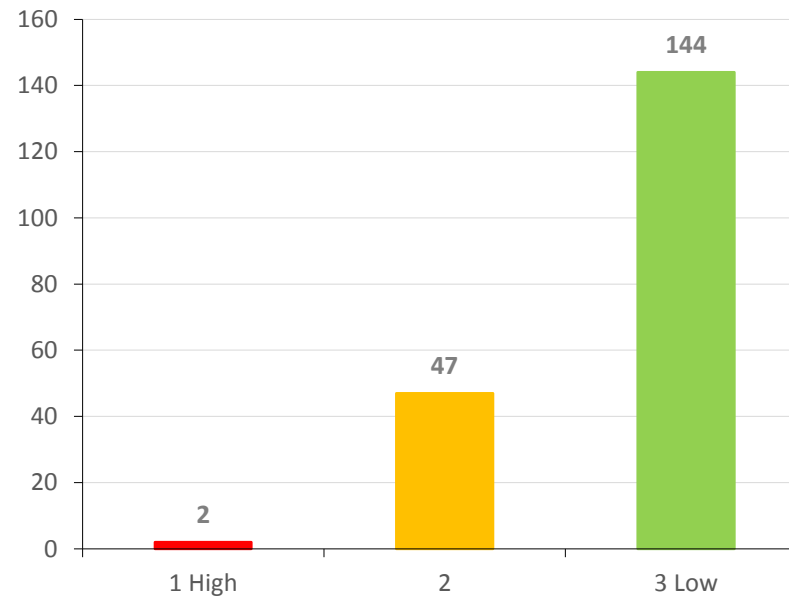
79% of opinion-based audits resulted in a Substantial or Reasonable assurance opinion (2018/19: 83%) and 21% in a Partial or No assurance opinion (2018/19: 17%).

Summary of Audit Recommendations by Priority

We rank our recommendations on a scale of 1 to 3, with 3 being medium or administrative concerns to 1 being areas of fundamental concern requiring immediate corrective action.

Summary of Recommendations

Audit Recommendations by Priority 2019/20



Summary of Key Control Audit Outcomes

Summary of Key Control Audit Outcome

Key Control system	Assurance Level 2017/18	Assurance Level 2018/19	Assurance Level 2019/20	Assurance Movement
Accounts Payable	Reasonable	Reasonable	Partial	↓
Accounts Receivable	Partial	Substantial	Reasonable	↓
Business Rates	Substantial	Substantial	Substantial	→
Council Tax	Substantial	Reasonable	Substantial	↑
Housing & Council Tax Benefits	Substantial	Substantial	Substantial	→
Housing Rents	Reasonable	Reasonable	Substantial	↑
Main Accounting	Substantial	N/A	Reasonable	↓
Payroll	Reasonable	Reasonable	Reasonable	→
Treasury Management	Substantial	Substantial	N/A	→

Within these results, there has been a decline in the control environments of 3 key control systems, but also an improvement in 2. It is pleasing to note that the remaining key control systems have remained at a consistent assurance level, 2 of these being substantial.

Value Added

'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.'



Value Added

Primarily Internal Audit is an assurance function and will remain as such. However, as we complete our audit reviews and through our governance audit programmes across SWAP, we seek to bring information and best practice to managers to help support their systems of risk management and control. The SWAP definition of "added value" is; "it refers to 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 cost".

In addition to audits undertaken in Appendix B, where requested by client officers we look to share risk information, best practice and benchmarking data/information. The following are some of the areas where Wiltshire Council has requested or participated in enabling us to produce benchmarking reports across the Partnership.

- **Fraud Bulletins** – We send out regular fraud bulletins highlighting where there are attempted frauds and what officers need to be on the lookout for.
- **Partners Newsletters** – We produce regular partner newsletters that provide information on topical areas of interest for the public sector bodies. We have increased the frequency of our newsflash to weekly during the COVID-19 pandemic to provide relevant information.
- **An Internal Audit View** – These are quarterly newsletters where SWAP and other Local Authority Audit Partnerships convey key audit matters that Local Authorities should be aware of.
- **Responsiveness** – We adapt our audit plans to address emerging risks and areas requiring assurance to management, such as special investigations undertaken throughout the year and advice and assistance in updating the Whistleblowing Policy.
- **Benchmarking and Best Practice** – We share best practice from our partners wherever possible and undertake benchmarking exercises in a number of audits.
- **Data Analytics** – We are increasing the use of data analytics across all audits to provide a greater level of assurance and insights to trends and themes.

Internal audit is responsible for conducting its work in accordance with the Code of Ethics and Standards for the Professional Practice of Internal Auditing as set by the Institute of Internal Auditors and further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS).

Internal Audit Team Performance

SWAP's performance is subject to regular monitoring and review by both the Board and the Member Meetings. The respective outturn performance results for Wiltshire Council for the 2019/20 year are as follows;

Performance Target	Performance
<u>Audit Plan – Percentage Progress</u>	
Final, Draft and Discussion – 90%	97%
Fieldwork Completed awaiting report	0%
In progress	3%
Yet to start	0%
<u>Quality of Audit Work*</u>	
Customer Satisfaction Questionnaire – 95%	98%

*At the close of each audit review, a Customer Satisfaction Questionnaire is sent out to the Service Manager or nominated officer. The aim of the questionnaires is to gauge satisfaction against timeliness, quality, professionalism and value added.

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

Under these standards we are required to be independently externally assessed at least every five years to confirm compliance to the required standards. SWAP was recently assessed in February 2020 and confirmed that we are in conformance to PSIAS.

Internal Audit Performance

Attribute Standard 1300 of the IPPF requires heads of internal audit to develop and maintain a Quality Assurance and Improvement Programme (QA&IP). Standard 1310 continues this dual aspect by stating that the programme must include both internal and external assessments. This acknowledges that high standards can be delivered by managers, but it also implies that improvements can be further developed when benchmarking is obtained from outside the organisation and the internal audit function. Following our External Assessment, we have pulled together our QA&IP and included additional improvements and developments identified internally that we want to make, as aligned to SWAP's Business Plan. The QA&IP is a live document and will be regularly reviewed by the SWAP Board to ensure continuous improvement and delivery on our actions. A Summary Report of SWAPs independent external assessment has been attached at **Appendix C**.

Control Assurance Definitions

None	The areas reviewed were found to be inadequately controlled. Risks are not well managed, and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Partial	In relation to the areas reviewed and the controls found to be in place, some key risks are not well managed, and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Reasonable	Most of the areas reviewed were found to be adequately controlled. Generally, risks are well managed, but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Substantial	The areas reviewed were found to be adequately controlled. Internal controls are in place and operating effectively and risks against the achievement of objectives are well managed.

Definition of Corporate Risks

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

Categorisation of Recommendations

In addition to the corporate risk assessment it is important that management know how important the recommendation is to their service. Each recommendation has been given a priority rating at service level with the following definitions:

Priority 1	Findings that are fundamental to the integrity of the service’s business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management.
Priority 3	Finding that requires attention.

The schedule below contains a list of audits agreed for inclusion in the Annual Audit Plan 2019/20 and the final outturn for the financial year. Audit completed that were not in the original plan reported to the Audit Committee are indicated with an *

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Major 2 = Moderate 3 = Minor Recommendation		
						1	2	3
						Opinion Based Audits		
Special Investigation	*Gross Loans	Q1	Completed	No Assurance	5	2	3	
Operational	Court of Protection: Deputyship and Appointeeship for Service Users	Q1	Completed	Partial	5		4	1
Operational	Transformation Delivery – Lessons Learnt	Q1	Completed	Reasonable	1		1	
School	Derry Hill CE (VA) Primary School	Q2	Completed	Reasonable	7		1	6
School	Newton Tony CE (VC) Primary School	Q2	Completed	Reasonable	8			8
School	Stanton St Quinton Primary School	Q2	Completed	Reasonable	9			9
Operational	*Pensions Code of Practice 14 Compliance	Q2	Completed	Reasonable	1		1	
Operational	Programme Management	Q2	Completed	Reasonable	7		2	5
School	The New Forest C of E (VA) Primary School	Q2	Completed	Reasonable	10			10
School	Sarum St Paul’s C of E (VA) Primary School	Q2	Completed	Reasonable	7		1	6
School	Kiwi Primary School	Q2	Completed	Reasonable	11		3	8
Operational	Financial Assessments and Deprivation of Assets	Q2	Completed	Reasonable	4		1	3
Operational	Contract Management	Q2	Completed	Partial	8		2	6

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Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Major 2 = Moderate 3 = Minor Recommendation		
						1	2	3
						School	Crudwell C of E Primary School	Q3
School	Woodlands Primary School	Q3	Completed	Reasonable	9		4	5
Operational	Accounts Receivable	Q3	Completed	Reasonable	5		2	3
Operational	Accounts Payable	Q3	Completed	Partial	7		1	6
School	Christ the King Catholic School	Q3	Completed	Partial	7		3	4
School	Sambourne C of E (VC) Primary School	Q3	Completed	Reasonable	9		2	7
Operational	Direct Payments	Q3	Completed	Partial	6		1	5
Operational	Council Tax	Q3	Completed	Substantial	2			2
Operational	Business Rates	Q3	Completed	Substantial	0			
Operational	Housing and Council Tax Benefits	Q4	Completed	Substantial	1			1
School	Colerne CofE Primary School – HR and Payroll	Q4	Completed	Reasonable	6		2	4
School	St Patrick’s Catholic Primary School – HR and Payroll	Q4	Completed	Partial	7		4	3
School	Frogwell Primary School – HR and Payroll	Q4	Completed	Substantial	2			2
School	Colerne CofE Primary School – Safeguarding	Q4	Completed	Substantial	0			
School	St Patrick’s Catholic Primary School – Safeguarding	Q4	Completed	Substantial	1			1
School	Frogwell Primary School – Safeguarding	Q4	Completed	Substantial	1			1

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Major 2 = Moderate 3 = Minor Recommendation		
						1	2	3
						Operational	Main Accounting	Q4
School	HR and Payroll – Themed Audit	Q4	Completed	Reasonable	1			1
School	Christchurch CofE Primary School – HR and Payroll	Q4	Completed	Substantial	1			1
School	Churchfields, The Village School – HR and Payroll	Q4	Completed	Reasonable	4		1	3
School	Holt VC Primary School – HR and Payroll	Q4	Completed	Partial	1		1	
School	Safeguarding – Themed Audit	Q4	Completed	Substantial	1			1
School	Christ Church CofE Primary School – Safeguarding	Q4	Completed	Substantial	1			1
School	Churchfields, The Village School – Safeguarding	Q4	Completed	Reasonable	2			2
School	Holt VC Primary School – Safeguarding	Q4	Completed	Reasonable	2			2
Operational	Payroll and Expenses	Q4	Completed	Reasonable	2		1	1
Operational	Housing Rents	Q4	Completed	Substantial	2			2
Follow Ups								
Follow Up	Clarendon Juniors	Q1	Completed	Follow Up	N/A			
Follow Up	Staff Travel and Expense Claims	Q1	Completed	Follow Up	N/A			
Follow Up	Fraud Referral Process	Q1	Completed	Follow Up	N/A			
Follow Up	Officers Declarations of Interests, Gifts and Hospitality	Q1	Completed	Follow Up	N/A			

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Major 2 = Moderate 3 = Minor Recommendation		
						1	2	3
						Follow Up	St Mary's Primary School	Q2
Follow Up	Parking Income	Q2	Completed	Follow Up	N/A			
Follow Up	Traded Services with Schools	Q3	Completed	Follow Up	N/A			
Follow Up	Adult Social Care Contracts	Q4	Completed	Follow Up	N/A			
Follow Up	Supply Chain Management	Q4	Completed	Follow Up	N/A			
Follow Up	Premises Health and Safety	Q4	Completed	Follow Up	N/A			
Grant Certification Work Completed								
Grant Certification	Public Health Grant	Q1	Completed	Certification	N/A			
Grant Certification	Pothole Action Fund & Flood Resilience Fund	Q1	Completed	Certification	N/A			
Grant Certification	Local Authority Bus Subsidy	Q2	Completed	Certification	N/A			
Grant Certification	Growth Hub	Q4	Completed	Certification	N/A			
Grant Certification	Troubled Families	Q1-Q4	Completed	Certification	N/A			
Work Incomplete as at 9th July 2019								
Healthy Organisation	Healthy Organisation	Q1-Q2	In Progress					
Operational	Pension Fund Investment Transfer	Q4	In Progress					

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Major 2 = Moderate 3 = Minor Recommendation		
						1	2	3
						Advice and Consultancy		
Advisory	*Relief Bank	Q1	Completed	Advisory	N/A			
Advisory	*SAP Systems Controls	Q1	Completed	Advisory	N/A			
ICT	ICT & Digital Strategy	Q1	Completed	Advisory	N/A			
ICT	Data Centre Operations	Q1	Completed	Advisory	N/A			
Operational	*Use of Fleet Vehicles in Respite Care	Q2	Completed	Advisory	N/A			
Operational	Corporate Debt Management – Phase 1 and 2	Q2	Completed	Advisory	3		2	1
Operational	Waste Management Contract	Q2	Completed	Advisory	4			4
Advisory	*Procurement Process Review	Q3	Completed	Advisory	8			8
Advisory	*Whistleblowing Policy and Procedure	Q3	Completed	Advisory	N/A			
Operational	Workforce Planning – Employee Engagement	Q3	Completed	Advisory	4			4
Operational	Housing Repairs	Q3	Completed	Advisory	2			2
Advisory	*Adult Social Care - Community Team for People with Learning Disabilities	Q4	Completed	Advisory	N/A			
ICT	Agile ICT Audit Project Assurance including Get Well	Q4	Completed	Advisory	N/A			
Advisory	*Intelligent-I Proposal Analysis	Q4	Completed	Advisory	N/A			
Advisory	*Provision of Advice through changes resulting from COVID-19	Q4	Completed	Advisory	N/A			

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Major 2 = Moderate 3 = Minor Recommendation		
						1	2	3
						Governance, Fraud & Corruption	National Fraud Initiative (NFI)	Q1-Q4
Governance, Fraud & Corruption	Organisational Fraud Awareness	Q1-Q4	Completed	Advisory	N/A			
Audits Removed from the Plan during the year								
Governance, Fraud & Corruption	Council Oversight of Maintained Schools	Q1	Deferred	Due to the onset of the COVID-19 pandemic, this audit has been deferred to 2020/21.				
	Deprivation of Assets	Q1	Merged	This audit was amalgamated with the Financial Assessments audit.				
Governance, Fraud & Corruption	Partnership Governance – Phase 1	Q1	Removed	The proposed scope of this audit was undertaken by the Council themselves.				
Operational	High Needs Block	Q1	Removed	This audit has been removed and replaced by the additions to the Internal Audit Plan.				
ICT	Management of Hybrid Cloud Operations	Q2	Removed	This audit has been removed and replaced by the additions to the Internal Audit Plan.				
Operational	Adult Social Care Transformation Stream	Q2	Removed	This audit was deemed no longer valuable following outcomes from the Families and Children Transformation audit. A request was made to look at another area of the service.				
ICT	High Level Cyber Security	Q2	Deferred	Due to the onset of the COVID-19 pandemic, this audit has been deferred to 2020/21.				
Operational	Medium Term Financial Strategy	Q2	Deferred	Due to the onset of the COVID-19 pandemic, this audit has been deferred to 2020/21.				
Governance, Fraud & Corruption	Financial Regulations and Contract Standing Orders Compliance	Q3	Removed	A new Head of Strategic Procurement is now in place and reviewing all processes and procedures in place. Internal Audit will be providing advice when requested on this process.				

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Major 2 = Moderate 3 = Minor Recommendation		
						1	2	3
						Operational	Adoption	Q3
ICT	General Data Protection Regulations (GDPR) Compliance	Q3	Deferred	Due to the onset of the COVID-19 pandemic, this audit has been deferred to 2020/21.				
Operational	Corporate Debt Management – Phase 2	Q3	Merged	This audit was merged with Phase 1 and undertaken as a single review.				
ICT	WAN Procurement Approach	Q4	Removed	This audit has been removed and replaced by the additions to the Internal Audit Plan.				
Operational	Public Health Contract Compliance	Q4	Removed	This audit has been removed and replaced by the additions to the Internal Audit Plan.				
Operational	Homelessness Strategy	Q4	Removed	The Homelessness Strategy has only just been approved; it would therefore not be valuable to undertake at this time. The scope of the Strategic Assets and Facilities audit was due to be broadened as a replacement.				
ICT	ICT Business Continuity	Q4	Deferred	Due to the onset of the COVID-19 pandemic, this audit has been deferred to 2020/21.				
Operational	Commercial Trading	Q4	Deferred	The Commercial Strategy has only recently been approved by Cabinet; this review has therefore been deferred to 2020/21.				
Governance, Fraud & Corruption	Fraud Intelligence Hub	Q4	Removed	This audit has been removed and replaced by the additions to the Internal Audit Plan.				
Operational	Planned Maintenance of Leasehold Properties	Q4	Removed	This audit has been removed and replaced by the additions to the Internal Audit Plan.				
Operational	Strategic Assets and Facilities	Q4	Removed	This audit has been removed and replaced by the additions to the Internal Audit Plan.				
Operational	SEN Children’s Transition to Adult Services	Q4	Removed	This audit has been removed and replaced by the additions to the Internal Audit Plan.				

SWAP - Independent External Assessment Report Summary

March 2020

Assessment Team:

Alix Wilson, BA/IPFA, Head of South West London Audit Partnership
Russell Banks CMIIA, Chief Internal Auditor, Orbis

CONTENTS

1. Introduction
 2. Objectives
 3. Executive Summary
 4. PSIAS Statement of Conformance
 5. Evaluation Actions Summary
- Appendix A – Rating Definitions

1 Introduction

1.1 The Public Sector Internal Auditing Standard (PSIAS) and the International Standards for the Professional Practice of Internal Auditing require that an external quality assessment (EQA) of an internal audit activity must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. The qualified assessor or assessment team must demonstrate competence in both the professional practice of internal auditing and the EQA process. The EQA can be accomplished through a full external assessment or a self-assessment with independent validation.

1.2 SWAP Internal Audit Services (SWAP) conducted a self-assessment of its internal audit activity and selected Orbis and South West London Audit Partnership (SWLAP) as the qualified, independent external assessment team to conduct a validation of the self-assessment by SWAP. In addition, the assessment team was also asked to consider, drawing on their previous extensive partnership experiences, what actions might be taken to further improve the overall quality and effectiveness of the service.

1.3 The assessment team was made up of Russell Banks, Chief Internal Auditor for Orbis and Alix Wilson, Head of SWLAP. Orbis deliver internal audit and counter fraud services to Surrey County Council, East Sussex County Council and Brighton & Hove City Council, as well as to range of external clients, including emergency services and district/borough councils. SWLAP is a 5 Borough shared audit service covering the Royal Borough of Kingston and the London Boroughs of Richmond, Wandsworth, Sutton and Merton. SWLAP also delivers internal audit services to a number of external clients including Achieving for Children, a wholly owned community interest company providing children's services to Kingston, Richmond and Windsor and Maidenhead councils.

2 Objectives

2.1 The principle objective of the EQA was to assess SWAP's conformance with the Standards and the Code of Ethics.

2.2 In addition, the assessment team has sought to draw on its own experiences of delivering professional internal audit services, in a partnership capacity, to a range of public sector organisations to help identify any further opportunities to improve the overall quality and effectiveness of the services delivered by SWAP.

3 Executive Summary

3.1 SWAP is a high performing and well managed internal audit partnership, delivering professional and high-quality services to its partner/client organisations in conformance with Public Sector Internal Audit Standards. Whilst some areas of partial conformance with the Standards have been identified, none of these are considered to be significant.

3.2 Interviews with stakeholders were overwhelmingly positive about the service they receive from SWAP, recognising the value and professionalism of the service. In the interest of continuous improvement, something quite rightly seen as being of great importance to the Chief Executive and SWAP management, we have taken the opportunity as part of this review to identify areas where the organisation can further improve and develop. In many cases, these are simply suggestions for management to consider as in some cases, they may not be appropriate for every internal audit service provider.

3.3 To demonstrate how the service is viewed we have captured a flavour of some of the comments made to us:

- ✚ *“The quality of reports is good and the recommendations are proportionate and well explained”* – s.151 Officer
- ✚ *“The auditors have good knowledge of the organisation and its risks. The organisation recognises that they have skills that can be used and trust their advice”* – Monitoring Officer
- ✚ *“Internal audit brings insight from other clients and a wider knowledge”* – s.151 Officer
- ✚ *“They are treated as a critical friend and are seen to add value”* – Executive Director

4 PSIAS Statement of Conformance

4.1 Based on the work carried out it is our overall opinion that SWAP generally conforms with the Standards and the Code of Ethics. A summary of Evaluation Actions to be taken by SWAP to address areas for improvement against individual Standards and the Code of Ethics is shown in *Section 5*.

4.2 The IIA’s Quality Assessment Manual for the Internal Audit Activity suggests a scale of three rankings when opining on the internal audit activity:

DEFINITIONS	
Generally Conforms	The internal audit activity has a charter, policies, and processes that are judged to be in conformance with the <i>Standards</i> and the Code of Ethics.
Partially Conforms	Deficiencies in practice are noted that are judged to deviate from the <i>Standards</i> and the Code of Ethics; however, these deficiencies did not preclude the internal audit activity from performing its responsibilities in an acceptable manner.
Does Not Conform	Deficiencies in practice are judged to deviate from the <i>Standards</i> and the Code of Ethics, and are significant enough to seriously impair or preclude the internal audit activity from performing adequately in all or in significant areas of its responsibilities.

(Ref: Institute of Internal Auditors)

4.3 A detailed description of conformance criteria can be found in *Appendix A*.

5 Evaluation Actions Summary

There were a small number of areas where partial conformance was identified. These were minor observations, none of which were significant enough to affect the overall opinion. Some were captured across more than one of the attribute standards or are recommendations for improvement, rather than failures in conformance. A summary of the actions agreed relating to these areas are as follows:

Task
Regular meetings will be held with all Audit Committee Chairs to further strengthen relationships and ensure that they are kept up to date with any issues outside of formal meetings. <i>(Attribute Standard 1000)</i>
We will consider establishing an Internal Audit Strategy which sits alongside the Charter and annual plan, which will cover the objectives and remit of the service, and how it will be delivered. This will include service and staff development. <i>(Attribute Standard 2010)</i>
There will be a consolidation of the templates used as part of the engagement planning process, to ensure that the fraud risks are properly considered. The pre-audit questionnaire will be reviewed and updated, the template loaded onto MK Insight and formally rolled out. The process of reviewing Audit Terms of Engagement will consistently include reviewing the results of the pre-audit questionnaire, to ensure that risks have been properly identified and reflected in the scope of the review. <i>(Attribute standard 1210)</i>
The Internal Audit Charter will be extended to cover the type of consultancy work which could be provided, and how independence will be maintained. This detail will also be reflected within the Internal Audit Strategy, once developed. <i>(Attribute standard 2200)</i>
Whilst it may not be proportionate to report the QAIP (Quality Assessment Improvement Plan) in its entirety to Audit Committees, an update on progress will be included in the annual opinion reports going forward. <i>(Attribute Standards 1300, 1310, 1311, 1320 and 2450)</i>
The inclusion of significant issues identified in AGS (Annual Governance Statement) reports helps ensure that internal audit provides holistic assurance of the organisation, particularly where there are known concerns. The identification of other sources of assurance aim to ensure that work is co-ordinated with other assurance bodies and limited resources are not duplicating effort. The Audit manual will be updated to ensure that the AGS forms part of the audit planning risk assessment process, and other sources of assurance are duly considered. <i>(Attribute standard 2010 and 2050)</i>
The Audit Manual and accompanying power point slides that have been embedded in the induction will be made accessible on the Intranet to all staff. <i>(Attribute Standard 2020)</i>
The QAIP will be maintained as a live document and reported to the Board and respective Audit Committees. <i>(Attribute Standards 1300, 1310, 1311, 1320 and 2450)</i>

The PSIAS can be viewed at <https://www.cipfa.org/policy-and-guidance/standards/public-sector-internal-audit-standards>.

Appendix A – Rating Definitions

GC – “Generally Conforms” means that the assessor or the assessment team has concluded that the relevant structures, policies, and procedures of the activity, as well as the processes by which they are applied, comply with the requirements of the individual standard or elements of the Code of Ethics in all material respects. For the sections and major categories, this means that there is general conformity to a majority of the individual standard or element of the Code of Ethics and at least partial conformity to the others within the section/category. There may be significant opportunities for improvement, but these should not represent situations where the activity has not implemented the Standards or the Code of Ethics and has not applied them effectively or has not achieved their stated objectives. As indicated above, general conformance does not require complete or perfect conformance, the ideal situation, or successful practice, etc.

PC – “Partially Conforms” means that the assessor or assessment team has concluded that the activity is making good-faith efforts to comply with the requirements of the individual standard or elements of the Code of Ethics, or a section or major category, but falls short of achieving some major objectives. These will usually represent significant opportunities for improvement in effectively applying the Standards or the Code of Ethics and/or achieving their objectives. Some deficiencies may be beyond the control of the internal audit activity and may result in recommendations to senior management or the board of the organisation.

DNC – “Does Not Conform” means that the assessor or assessment team has concluded that the internal audit activity is not aware of, is not making good-faith efforts to comply with, or is failing to achieve many or all of the objectives of the individual standard or element of the Code of Ethics, or a section or major category. These deficiencies will usually have a significantly negative impact on the internal audit activity’s effectiveness and its potential to add value to the organisation. These may also represent significant opportunities for improvement, including actions by senior management or the board.

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Wiltshire Council

Proposed Internal Audit Plan & Planning Approach Quarter 2 – 2020/21

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Agenda Item 7

Internal Audit Planning: A Revised Approach - Quarter 2 - 2020/21

As a result of the COVID-19 pandemic, SWAP has had to adapt and change its focus in the short-term.

This has involved the redeployment of SWAP staff directly into the Authority to assist with the response to the huge challenges faced.

Following liaison with the Audit Committee Chair and the S.151 Officer, we also effectively 'paused' our programme of internal audit work in March (through to the end of June) to allow the Authority to fully focus on the response effort.

With the Authority moving into a recovery phase from COVID-19, we are now looking to re-commence audit work in some areas; helping to assist with recovery efforts.

Revised Approach to Internal Audit Planning 2020/21

SWAP was due to present an internal audit plan covering 2020/21 to the Audit Committee on the 29th April 2020. However, due to the COVID-19 outbreak and subsequent lockdown, this Committee was postponed.

Clearly a lot has changed since that date, and as such, an updated approach to internal audit work and planning has had to be implemented. The plan that had previously been prepared is likely to remain relevant in many respects, but the huge effort the Authority is undertaking in relation to response and recovery from COVID-19 is likely to push back a significant proportion of this work. As such, we have briefly set out below our updated approach to Internal Audit Planning in 2020/21:

Quarter 1 – 2020/21

In liaison with the Authority's S.151 Officer and the Chair of the Audit Committee, we effectively 'paused' our programme of internal audit work in March (through to the end of June) to allow the Authority to fully focus on the response effort to COVID-19. Internal Audit staff were redeployed into areas of high need (Business Grant Payments & advice). However, we did maintain a level of internal audit work including investigations and grant certifications.

Quarter 2 – 2020/21

With the Authority moving into a recovery phase from COVID-19, we are now looking to re-commence audit work in several areas; helping to assist with recovery efforts. However, we recognise there are still likely to be priority & capacity challenges in certain service areas, and as such Quarter 2 is likely to involve a hybrid approach in terms of supporting the Authority with recovery efforts, as well as re-commencing internal audit assurance work.

Quarter 3 onwards – 2020/21

Dependent on any future re-emergence or residual COVID-19 challenges faced by the Authority, from Quarter 3 onwards we will look to fully re-align our audit plan & work with the key corporate risks. As such, a further programme of work will be brought to the November meeting of the Audit Committee.

Internal Audit Planning: A Revised Approach - Quarter 2 - 2020/21

2020/21 will clearly present an exceptional year for the Authority (as well as SWAP).

The approach we take to our audit planning and work will need to remain flexible; looking to achieve a balance of supporting the Authority in response and recovery efforts, whilst maintaining our statutory internal audit role.

Revised Approach to Internal Audit Planning 2020/21 (continued)

It is the responsibility of the Authority's Senior Leadership Team, and the Audit Committee, to determine that the audit coverage contained within the overall programme of work across 2020/21 is sufficient and appropriate in providing independent assurance against the key risks faced by the organisation (*set in the context of the unprecedented challenges faced by COVID-19*).

When reviewing the revised internal audit planning approach, key questions for CLT and the Audit Committee to consider include:

- Does the revised planning approach achieve a proportionate balance between assisting the Authority with the unprecedented challenges it faces, whilst maintaining our statutory internal audit role and independence?
- Will the revised planning approach provide sufficient, independent assurance to monitor the organisation's risk profile effectively?

Further Planning detail

Our planning paper which was due to be presented at Audit Committee on 29.04.20 was issued to the Chair of the Audit Committee on 14.05.20.

This provides further detail with regards to our internal audit planning process, the internal audit service from SWAP (including quality assurance and our performance), as well as our Internal Audit Charter which is presented annually. It also introduced the concept of Agile Auditing, which we will be looking to embrace throughout 2020/21.

Internal Audit Planning: A Revised Approach - Quarter 2 - 2020/21

Our documented risk assessment helps to ensure that sufficient and appropriate areas are identified for consideration in our internal audit programme of work.

As above, it is the responsibility of the Authority's Senior Leadership Team, and the Audit Committee to ensure that, with consideration of our risk assessment, the overall programme of work throughout the year contains sufficient and appropriate coverage.

Internal Audit Risk Assessment (updated)

Our original 2020/21 internal audit programme of work was based on the documented risk assessment below.

We have now updated this to highlight key areas where we believe the risk profile has increased following the COVID-19 pandemic (included in bold), as well as any new risk areas (included in italics):



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 Engagement for the piece of work, which includes the objective and scope for the review.

Areas of Coverage and Brief Scope	Senior Leadership Team Lead	Priority (H, M, L) and Proposed Timing (Earlier, Later)
Brokerage A full review of brokerage	Director Joint Commissioning	High / Earlier
Infection Control Funding Assurance Provide assurance over the allocation & oversight of Infection Control Funding to Care Providers	Director Joint Commissioning	High / Later
Test and Trace Funding Assurance Assurance over the use of the £1.6M to fund test and trace capabilities within Wiltshire	Acting Director Public Health	High / Later
Continuous Assurance and Data Analytics – Key Financial Controls A programme of regular assurance over the Authority's key financial controls	Director Finance & Procurement	Medium / Ongoing
Budget Management A series of budget management reviews across a number of areas	Director Families & Children	High / Earlier
Pension Fund Key Control Review A review of the key controls in place for the pension fund including data protection and MiFID II compliance	Director Finance & Procurement	Medium / Later
Small Business Grant Fund and Retail, Hospitality and Leisure Grant Fund Ongoing work providing assurance over the distribution of Government grants issued during the COVID-19 pandemic	Director Finance & Procurement	Medium / Ongoing
Cyber Security Framework This review consists of 20 key controls using a high-level approach to compliance testing	Director Digital, Data & Technology	High / Earlier
ICT Strategy Review to examine the approach to strategy to ensure it is realistic, deliverable, and managed going forward	Director Digital, Data & Technology	Medium / Earlier
Grant Certifications Certifying grant claims, to include Troubled Families, Public Health Grant, LA Transport Grants	Various	Medium / Ongoing
National Fraud Initiative (NFI) To assist the Council in monitoring and investigation of matches	CLT	Medium / Ongoing

Internal Audit Planning: A Revised Approach - Quarter 2 - 2020/21

Assurance work over the Authority's COVID-19 recovery plan; specifically gains made and lessons learnt	CLT	High / Later
Further requested assurance/ advisory/ support work, as required	CLT	High / Ongoing
Reactive investigations & independent complaint support work, as required	CLT	Medium / Ongoing

By virtue of paragraph(s) 2, 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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