

Wiltshire Council

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

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.

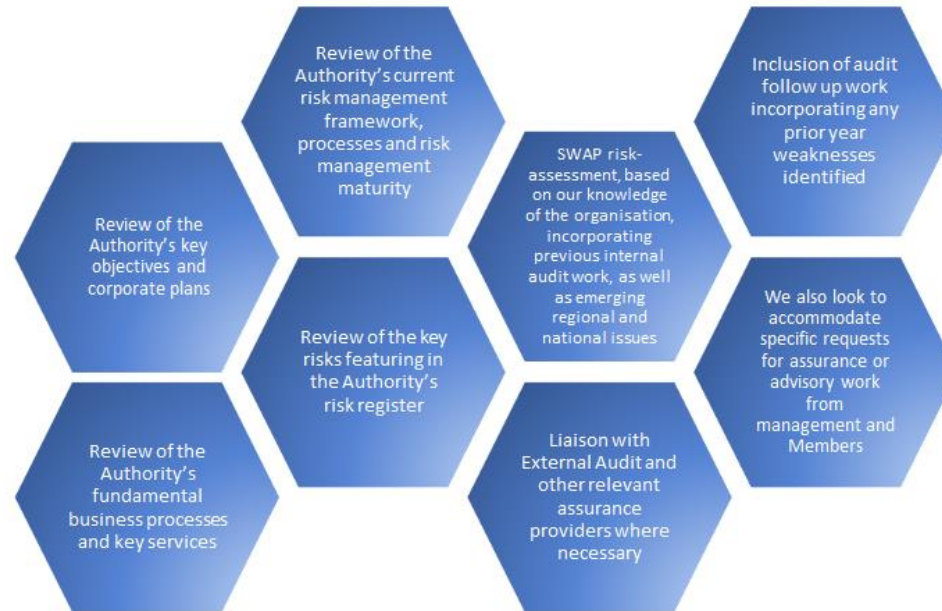
The Internal Audit Plan: Approach

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.

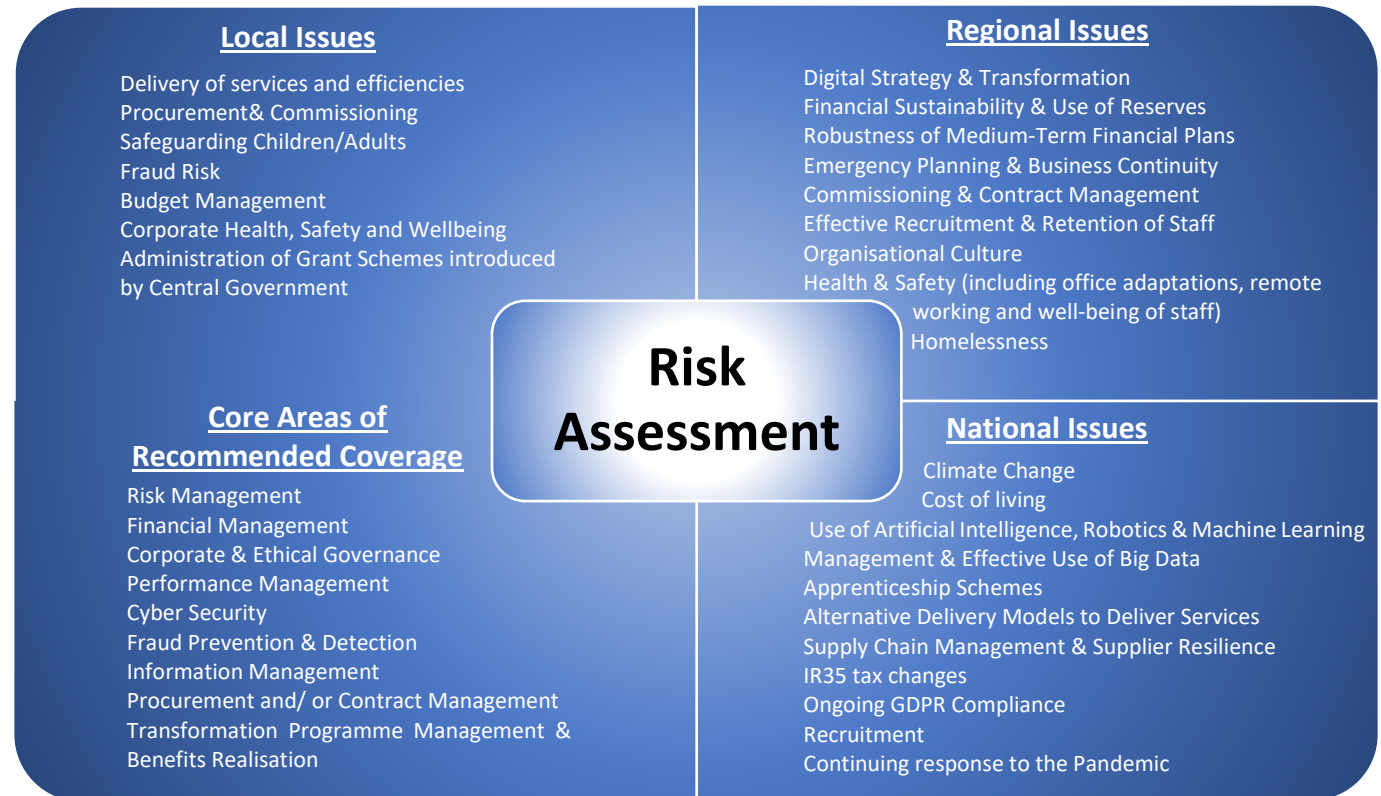


Internal Audit Annual Risk Assessment

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:

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.



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, 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.

The Internal Audit Plan: SWAP

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 |
|--|--|---|
| Corporate and Resources (including ICT) | | |
| Evolve Programme Support | Ongoing support for the implementation of the Evolve programme. | Director of Resources & Deputy Chief Executive (S. 151 Officer) |
| Treasury Management Continuous Audit – Period 1 | 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) |
| Grant Certifications/ Assurances | Existing and new grant activity – Full list to be confirmed and agreed. | Director of Resources & Deputy Chief Executive (S. 151 Officer) |
| Grant Register | Preparation of a register of all grants requiring Internal Audit certification. | Assistant Director Finance |
| Pension Fund Key Financial Controls | 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 |
| Better Care Fund | 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 |
| ICT Identity Management in the Cloud | 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 |
| People | | |
| Interim Loans | A proactive review of the controls in place for the prevention of fraud in relation to interim loans. | Director Ageing & Living Well |
| Schools Audits | 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 |
|--|---|--|
| Place | | |
| Climate Change | 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 |
| Supporting Families | MHCLG requirement for audit of claims submitted reviewed a representative sample of families and achievement of outcomes. | Director Families & Children |
| Follow Up Work and Support Activities | | |
| Follow Up Contingency | Follow up of audits awarded Partial or No Assurance opinions. The work will assess responses to previous audit coverage and any changes to the control environment. | Inclusion of audit follow up work incorporating any prior year weaknesses identified. |
| Proactive Fraud Work | Linked to risks in Protecting the Public Purse. | |
| Reactive Fraud Work | To undertake ad-hoc unplanned investigations as agreed. | Agreed with Corporate Director of Resources & Deputy Chief Executive (S. 151 Officer). |
| Corporate Advice | Includes meetings and direct liaison with the Corporate Director of Resources and the Assistant Director of Finance. | |
| External Audit | Ongoing liaison with External Audit. | |

| Areas of Coverage | Brief Description | Audit Sponsor/ Senior Management Lead |
|--|--|---|
| Corporate and Resources (including ICT) | | |
| Key Financial Controls Main Accounting Accounts Payable Accounts Receivable Payroll Council Tax Business Rates Housing Benefit and Council Tax Support Housing Rents Treasury Management | All key financial systems are subject to cyclical audits to review key controls as a minimum and to provide assurance on the effectiveness of controls. The Key Financial Control reviews will be undertaken via continuous assurance work throughout the year. | Director of Resources & Deputy Chief Executive (S. 151 Officer) |
| Grant Certifications/ Assurances | Existing and new grant activity – Full list to be confirmed and agreed. | Director of Resources & Deputy Chief Executive (S. 151 Officer) |
| Wiltshire Pension Fund Treasury Management | Review of the Funds Treasury Management Controls | Wiltshire Pensions Committee |
| Procurement Processes | Audit of the end-to-end procurement processes. Also, to include the controls in place for the prevention of procurement fraud. | Director Procurement & Commissioning |
| ICT Audit | The Full scope of this review is to be agreed with the Assistant Director ICT. | Acting Assistant Director ICT |
| People | | |
| Supporting Families | 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 |
|--|---|--|
| Place | | |
| Energy Contracts | 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 |
| Follow Up Work and Support Activities | | |
| Follow Up Contingency | Follow up of audits awarded Partial or No Assurance opinions. The work will assess responses to previous audit coverage and any changes to the control environment. Follow Ups to include: <ul style="list-style-type: none"> • Category Management • Procurement Exemptions • Good Lives Alliance • Pension Payroll Reconciliation Project | Inclusion of audit follow up work incorporating any prior year weaknesses identified. |
| Proactive Fraud Work | Linked to risks in Protecting the Public Purse. | |
| Reactive Fraud Work | To undertake ad-hoc unplanned investigations as agreed. | Agreed with Corporate Director of Resources & Deputy Chief Executive (S. 151 Officer). |
| Corporate Advice | Includes meetings and direct liaison with the Corporate Director of Resources and the Assistant Director of Finance. | |
| External Audit | Ongoing liaison with External Audit. | |