

Wiltshire Council

Approach to Internal Audit Planning 2024/25

Internal Audit Planning 2024/25: The 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 Extended 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.

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Last year SWAP proposed a new fully flexible and responsive approach to audit planning. The fast paced and changing environment in which local authorities now work requires us, as internal auditors, to be able to adapt, re-prioritise and shift focus. Whilst traditionally internal audit functions have delivered annual audit plans, the need for flexibility in an ever-changing landscape has demanded a change of approach to audit planning. Over the past year our planning approach has ensured that we are supporting the Council by aligning our work to the Council's aims, objectives and key risks. This helps to 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.

Rather than presenting the Committee with an annual plan at the start of the year, that can be subject to a high degree of uncertainty and change, we will continue to embed our continuous risk assessment and rolling plan approach throughout 2024/25; building our plan in conjunction with management as the year progresses.

The resulting programme will be a combination of requested audit work aligned to service priorities, combined with audit work recommended by SWAP and driven by our continuous risk assessment. This risk assessment will be based on the Council's strategic and service risk registers, as well as the Council's performance management data. Overlaid onto this assessment will be SWAP's sector-wide top 10 risk areas, with additional consideration of the strands of our 'Healthy Organisation' framework. The results of our risk assessments will be shared with Senior Management in Directorates 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.

As the year progresses, we will update the Committee through our usual quarterly update report on Internal Audit activity. It will be through this process and through live access to SWAPs Audit management system AuditBoard that the Extended Leadership Team and Audit & Governance Committee members will be able to assess whether the audit work building throughout the year provides sufficient and appropriate coverage of key risks.

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.

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Annually we provide you with our Internal Audit Charter, for your approval, that reflects the role and responsibilities, of us as internal auditors within your organisation. Traditionally our Charter accompanies this planning paper.

However, there have been some significant changes to the Internal Audit Charter, as a result of the introduction of new Global Internal Audit Standards. The Charter will now include an Internal Audit Mandate that will specifically cover our roles and responsibilities and the Charter will move to detailing the scope of the internal audit work within your authority.

SWAP is looking to base our Charter on the model Charter provided by the Institute of Internal Auditors (IIA), which is expected to be released later this quarter. It therefore makes sense to share one Charter that will cover the whole of 2024-2025 ensuring we have included all the mandatory elements of the new Standards. In the meantime, we will continue to operate in accordance with our existing charter.

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We would encourage ELT and the Audit & Governance Committee to regularly review the dashboard in AuditBoard in order to assess our rolling internal audit coverage.



A Rolling & Live Programme of Audit Work

This will help to confirm:

- That the internal audit plan builds throughout the year to provide adequate coverage of the key risks faced by the organisation
- That sufficient assurance is being received to monitor the organisation's risk profile effectively; and
- That the areas included on the Future Proposed Audits remain appropriate, with an accurate priority assessment.

Throughout 2023/24 we have continued to develop and refine a live rolling plan dashboard which is held on SWAPs Audit Management system, AuditBoard. Through this system, Committee members and Senior Council officers are able to access and view our live rolling audit plan.

This dashboard provides an assessment of how our audit work is building throughout the year to enable SWAP to provide an annual opinion on the Council's governance, risk management and control environment. The continuous risk assessment and planning approach highlighted above, aims to ensure that we have a reasonable and equitable spread of work covering the Authority's key strategic risks.

The rolling plan dashboard details all work we have completed across the year, along with work in progress and the status of that work.

The list of 'Future Proposed Audits' is our rolling audit plan, and details audit work that we propose to undertake in the future, along with an assessment of the priority of that work.

Internal Audit Planning 2024/25: SWAP Internal Audit Services

SWAP is a public sector, not-for-profit internal audit partnership covering 22 organisations. Wiltshire Council is a part-owner of SWAP, and we provide the internal audit service to the Council.

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 updates containing emerging issues, risks and fraud alerts identified across the SWAP partnership and beyond.

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:

We will:

- *Exceed expectations;*
- *Be pragmatic and focus on what matters;*
- *Be inventive and offer creative solutions;*
- *Be visible and responsive*



Your Internal Audit Service

Audit Resources

The 2024/25 Internal Audit programme of work will be delivered within an overall budget of £533,589 as agreed by the S151 Officer. No budget cuts have been proposed for the forthcoming year.

The current Internal Audit resources available represent a sufficient and appropriate mix of seniority and skill to be effectively deployed to deliver the expected work. We would encourage alternative sources of assurance to be sought or identified where internal audit coverage of key risks has not been undertaken.

The key contacts in respect of your Internal Audit service for Wiltshire Council are:

Sally White, Assistant Director – sally.white@swapaudit.co.uk, 07820312469

Becky Brook, Principal Auditor – becky.brook@swapaudit.co.uk 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). These are due to be replaced with the Global Internal Auditing Standards in 2024.

As required within the IPPF, SWAP is subject to an External Quality Assessment (EQA) of Internal Audit Activity at least every 5 years. The last of these was carried out in March 2020 which confirmed 'General Conformance' with the IPPF. SWAP is currently considering when it will undertake the next EQA bearing in mind the introduction of the new Global Internal Auditing Standards to be applicable in 2025.

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 the IIA Code of Ethics in relation to Integrity, Objectivity, Confidentiality, & Competency.

Our Reporting

A summary of Internal Audit activity will be reported quarterly to the Audit & Governance Committee (*as well as our detailed rolling plan dashboard highlighted above being available throughout the year*). Our reporting to the Audit & Governance Committee will include any significant risk and control issues, governance issues, and other matters that require the attention of ELT and/or the Audit & 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.