Wiltshire Council

AGENDA

Meeting: Audit Committee

Place: County Hall, Bythesea Road, Trowbridge, BA14 8JN

Date: Wednesday 12 February 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

Substitutes:

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

Cllr Jon Hubbard
Cllr Jim Lynch
Cllr Ricky Rogers

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Public Participation

Please see the agenda list on following pages for details of deadlines for submission of questions and statements for this meeting.

For extended details on meeting procedure, submission and scope of questions and other matters, please consult Part 4 of the council's constitution.

The full constitution can be found at this link.

For assistance on these and other matters please contact the officer named above for details

AGENDA

Part I

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

1   **Apologies**

To receive any apologies or substitutions for the meeting.

2   **Minutes of the Previous Meeting** *(Pages 7 - 12)*

To confirm and sign the minutes of the meeting held on 7 November 2019.

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**

The Council welcomes contributions from members of the public.

Statements
If you would like to make a statement at this meeting on any item on this agenda, please register to do so at least 10 minutes prior to the meeting. Up to 3 speakers are permitted to speak for up to 3 minutes each on any agenda item. Please contact the officer named on the front of the agenda for any further clarification.

Questions
To receive any questions from members of the public or members of the Council received in accordance with the constitution.

Those wishing to ask questions are required to give notice of any such questions in writing to the officer named on the front of this agenda no later than 5pm on **(4 clear working days, e.g. Wednesday of week before a Wednesday meeting)** in order to be guaranteed of a written response**.** In order to receive a verbal response questions must be submitted no later than 5pm on **(2 clear working days, eg Friday of week before a Wednesday meeting)**. Please contact the officer named on the front of this agenda for further advice. Questions may be asked without notice if the Chairman decides that the matter is urgent.

Details of any questions received will be circulated to Committee members prior to the meeting and made available at the meeting and on the Council's website.

6   **Update on the Accounts**

To receive an update on the signing off of the accounts.

7   **External Audit Plan and Training - "The Anatomy of an External Audit"**
     (Pages 13 - 36)

     To consider the external auditors audit plan for 2020/21.

     To receive refresher training on 'The Anatomy of an External Audit'.

8   **Q3 IA Report** *(Pages 37 - 82)*

     To consider the Q3 internal audit report from SWAP and note the outstanding
     audit recommendations.

9   **SWAP - Public Sector Internal Audit Standards Assessment** *(Pages 83 - 88)*

     To receive a report from SWAP on the outcome of their triennial external
     assessment of their compliance with international Internal Audit standards.

10   **Service Area Risk Presentation** *(Pages 89 - 100)*

     To receive a presentation from Peter Binley, Head of Highways, on the
     processes involved in the corporate approach to governing risk within Highways.

11   **Governance Action Log Update** *(Pages 101 - 106)*

     To receive an update.

12   **Finance Director Appointment Update**

     To receive an update on the appointment of a Finance Director.

13   **Forward Work Programme** *(Pages 107 - 108)*

     To note the Forward Work Programme.

14   **Urgent Items**

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

15   **Date of Next Meeting**

     To note that the next regular meeting of the Committee will be held on 29 April
     2020.

16   **Exclusions of the Public**

     To consider passing the following resolution:

     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**

Item(s) during consideration of which it is recommended that the public should be excluded because of the likelihood that exempt information would be disclosed

18   **SWAP Audit - Court of Protection** *(Pages 109 - 114)*

To consider the Court of Protection report.

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Wiltshire Council
Where everybody matters

AUDIT COMMITTEE

DRAFT MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 24 JULY 2019 AT KENNET ROOM - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Cllr Richard Britton (Chairman), Cllr Stewart Dobson (Vice-Chairman), Cllr Gavin Grant, Cllr Edward Kirk, Cllr Tony Jackson and Cllr Stuart Wheeler

Also Present:

Cllr Philip Whitehead

46   **Apologies**

Apologies were received from:

Cllr John Walsh

Cllr Mike Hewitt

Cllr Ian Thorn

47   **Minutes of the Previous Meeting**

The minutes of the meeting held on 26 June 2019 were presented.

Resolved:

To approve as a correct record and sign the minutes of the meeting held on 26 June 2019.

48   **Declarations of Interests**

There were no declarations of interest.

49   **Chairman's Announcements**

There were no Chairman's announcements.

50   **Public Participation**

No questions had been received from councillors or members of the public.

The Chairman welcomed all present. He then explained the rules of public participation and the procedure to be followed at the meeting.

51   **Report to those Charged with Governance (ISA 260) 2018/2019**

Becky Hellard, Director of Finance & Procurement, introduced the officers report and explained that there had been a delay in releasing the report as Deloitte had identified an issue with the presentation of the fixed assets in note 15, Property, Plant & Equipment. Although the overall net book value was correct on the Balance Sheet, the split between the opening balance on the cost or valuation and the opening balance on the depreciation and impairments needed to be restated. Since identifying the issue, the Finance Team had restated the notes, which were now with the auditors for verification.

Ian Howse, Deloitte, introduced their report explaining that they were on track to give a good opinion on the accounts noting how impressed they were with the finance team at Wiltshire council. The audit process was explained and a detailed explanation of the report was given.

In response to questions asked it was noted that:

- SAP system limitations - The Fixed Asset Register did not sit within the SAP system as the module was never successfully implemented, the register was held in spreadsheets. After investigation the issues were identified and a new Fixed Asset system was being sourced. In the meantime the team would continue to use the system and apply a new methodology.

- Deloitte was of an opinion that Wiltshire Council had recorded their costs related to the Salisbury incident correctly.

- The Pension Fund Committee Chairman would be updated with the late reports (which were not available at the Pension Fund Committee meeting).

- Raising of purchase orders – work had been commissioned to correct the SAP system issues regarding the raising of purchase orders. Controls were in place and finance were working closely with service areas to manage the issue.

- Actions were being taken to limit access to composite codes.

The Chairman thanked officers and Deloitte for their reports noting how detailed and user friendly the report was. However, he expressed disappointment that the issues preventing the signing off of the accounts had arisen at such a late stage.

RESOLVED

The Report to Those Charged with Governance was approved and the final sign off was delegated to the Director of Finance and Procurement in consultation with the Chairman of the Audit Committee, once agreement had been finalised with Deloitte.

Cllr Tony Jackson arrived 10:53am.

52 **Pension Assurance on the Statement of the Pension Fund Accounts**

It was noted that the Pension Fund committee had approved the pension accounts, although they had not seen the Report to Those Charged with Governance. No formal confirmation had been received by the Audit Committee that the Pensions Committee were satisfied with the pensions accounts, due to the timing of the meetings. Confirmation would be sought from the Chairman of the Pension Fund Committee.

53 **Statement of Accounts**

Matthew Tiller, Chief Accountant, explained that there had been some amendments to the accounts and the latest version was included with the agenda.

In response to questions asked it was noted that:

- Officers would look at having a note added to the community infrastructure levy to show parish councils as short term creditors.

- Officers would look at including the basis of the figure for social housing devaluation.

RESOLVED

That the Audit Committee notes the final draft Statement of Accounts for 2018/2019 and delegates the signing of the accounts to the S151 Officer in consultation with the Chairman.

54   Annual Governance Statement

Ian Gibbons, Director of legal, Electoral and Registration, introduced the Annual Governance Statement (AGS) noting that Cabinet had accepted and endorsed the AGS. The external auditors had made some changes which were included in the Annual Governance Statement on the agenda.

RESOLVED

To approve the Annual Governance Statement.

55   IA Annual Report 2018/2019

David Hill, SWAP, introduced the report giving a summary of the work carried out and an opinion that the control frame was adequate.

In response to questions, it was noted that:

- The council tax assurance level had gone down due to the management review of exception reports and cases not being evidenced.

- There had been an incident of fraud which was subject to a police investigation. A full report would be available in due course.

- Monitoring of the Off Street Parking contract performance was delayed due to internal delays in reconciliation and checking of data, not an issue with the contractors.

RESOLVED

To note the IA Annual Report 2018/19

56   Q1 IA Report

David Hill, SWAP, introduced the report noting that SWAP's performance had improved with around 15% of the plan now completed.

Changes to the plan were outlined in the report. The Chairman expressed some concern that significant changes had been made to the Plan without consultation with or approval by, the Audit Committee and requested that any changes to the plan going forward be brought to the committee meeting for review.

RESOLVED

To note the Q1 IA Report.

57   **Action Plans on Money Laundering, Anti-Fraud, Theft, Bribery and Anti-Corruption**

Becky Hellard, Director of Finance and Procurement, introduced the report and action plans. Cllrs were invited to ask questions and in response it was noted that:

- The committee supported the action plans.
- There were no plans to legally tie suppliers and contractors in to the policies/ action plans but they were expected to act honestly and with integrity at all times. They were also required to give full access for auditors if needed.
- There were provisions and obligations within the legislation although the policies could be reviewed and strengthened.

RESOLVED

The Audit Committee noted and welcomed the Action Plans on Money Laundering, Anti-Fraud, Theft, Bribery and Anti-Corruption.

58   **Appointment to the Constitution Focus Group**

The Chairman called for nominations for the appointment of a member to the Constitutional Focus Group.

RESOLVED

To appoint Cllr Richard Britton to the Constitutional Focus Group.

59   **Task and Finish Group Update**

The Chairman gave an update on the Task & Finish Group looking at independent co-opted members. It was noted that research had started and six Chairmen from a variety of Audit Committees had been contacted.

A further update would be brought to the next meeting.

60   **Forward Work Programme**

The forward work plan was presented.

RESOLVED

The Audit Committee noted the forward work plan.

61   **Date of Next Meeting**

The next meeting of the Audit Committee was the 7 November 2019.

62 **Urgent Items**

There were no urgent items.

(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

Press enquiries to Communications, direct line (01225) 713114/713115

Deloitte.

Wiltshire Council
Where everybody matters

Agenda Item 7
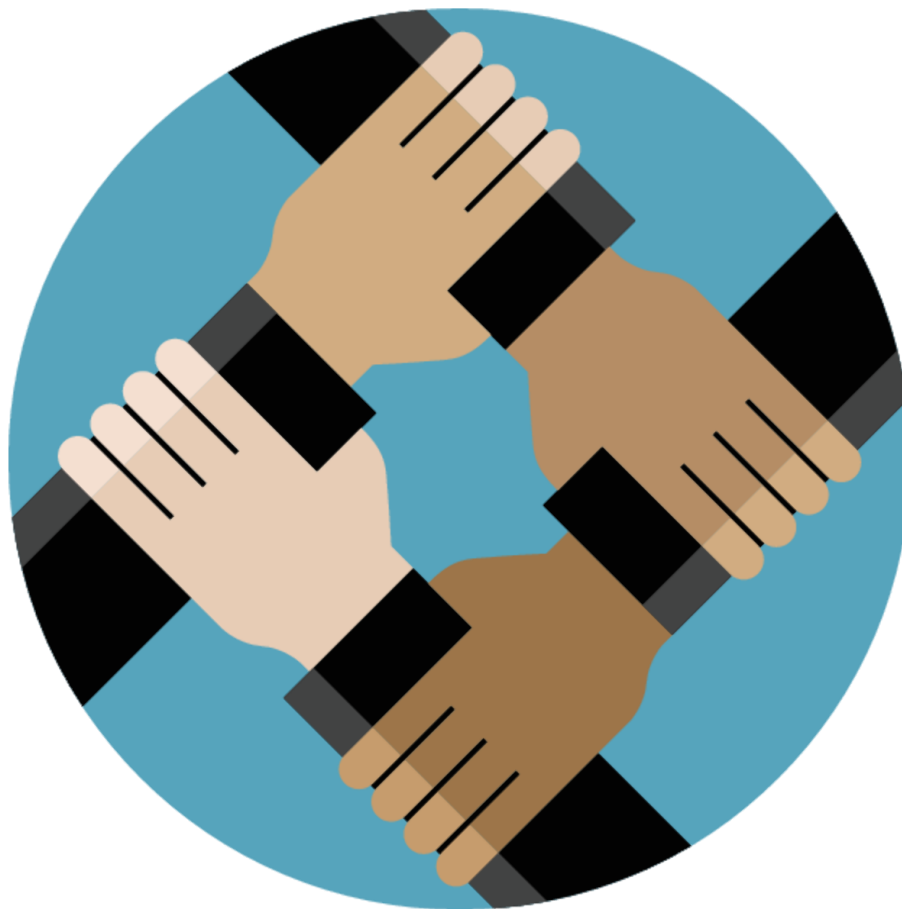
Planning report to the Audit Committee for the year ending 31 March 2020

Issued on 17 January 2020 for Audit Committee meeting on 12 February 2020

Contents

01 Planning report

02 Appendices

Partner introduction
The key messages in this report

I have pleasure in presenting our planning report to the Audit Committee for the audit of the 2019/20 financial statements. I would like to draw your attention to the key messages of this paper:

Audit quality is our number one priority. We plan our audit to focus on audit quality and have set the following audit quality objectives for this audit:

- A robust challenge of the key judgements taken in the preparation of the financial statements.

- A strong understanding of your internal control environment.

- A well planned and delivered audit that raises findings early with those charged with governance.

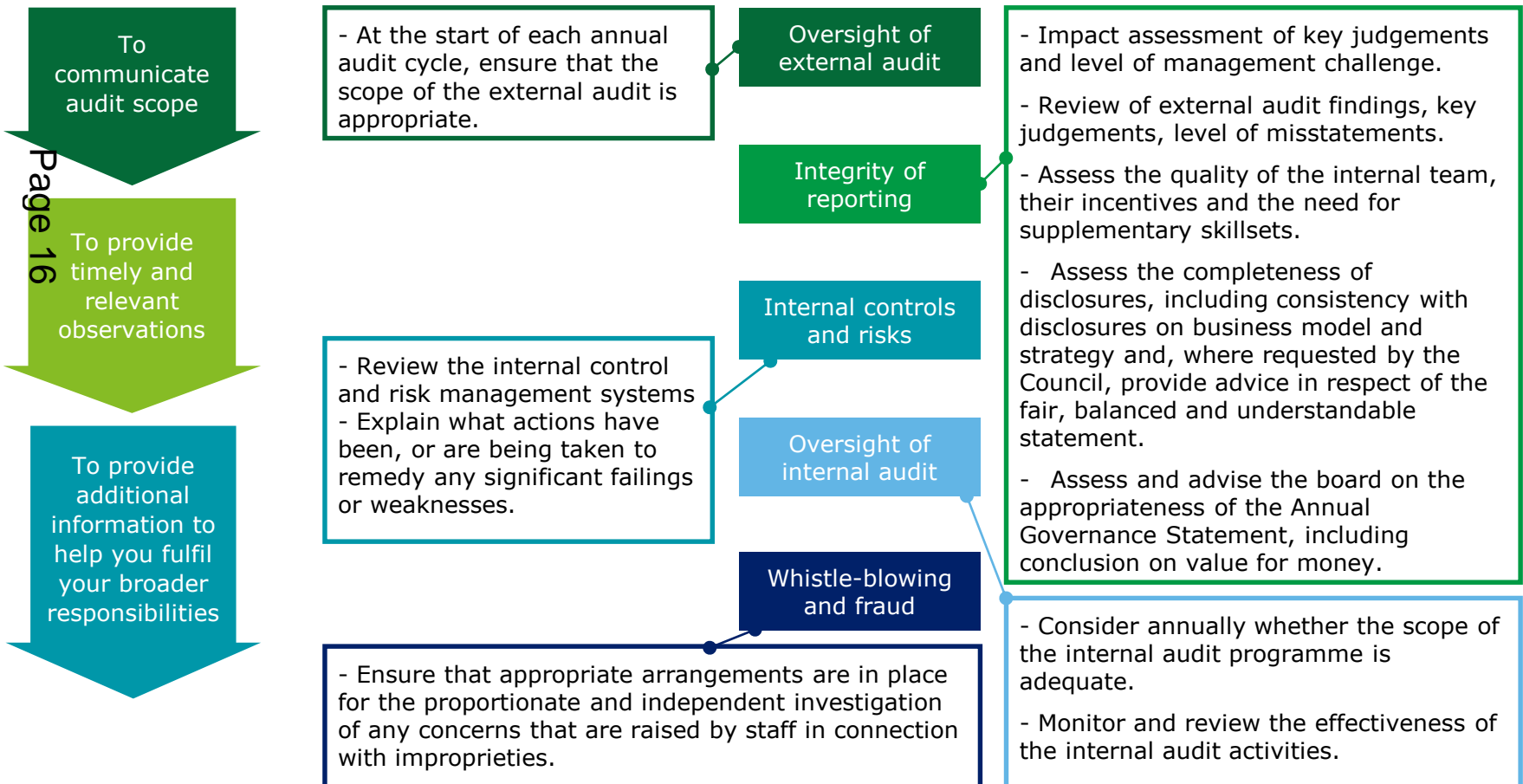| **Audit Plan**	• We have developed this plan in collaboration with the Council to ensure that we provide an effective audit service that meets your expectations and focuses on the most significant areas of importance and risk to the Council.
	• Our basis for calculating materiality remains in line with our prior year audit.
	• We note that a separate Audit Plan will be produced in relation to the Pension Scheme.
Key risks	• These have been identified as:
	- Property Valuation
	- Completeness of Accrued Expenditure
	- Valuation of the Council's share of the Wiltshire Pension Fund Net Liability
	- Management Override of Controls
	At this stage, we have not identified any significant risks in relation to Value for Money. Our risk assessment process is ongoing and should we identify any further significant risks as part of our ongoing procedures, we will inform the Audit Committee.
Regulatory	• Our audit is carried out under the Code of Audit Practice issued by the National Audit Office.
	• IFRS 16, Leases, will apply from 2020/21, and will require disclosure in the 2019/20 financial statements of the expected impact on transition.
Prior Year	• We identified a number of issues with the Fixed Asset System in the prior year which resulted in the Council purchasing a new Fixed Asset system and material changes to disclosures. We also noted a material understatement of the Council's disclosed PFI Liability. We will follow up on the control improvements made to avoid such misstatement in the current year and will ensure the new S151 Officer is aware of the issues. Due to the issues identified, and the additional work required to resolve these, the 2018/19 accounts are yet to be signed.

Ian Howse
Audit Partner

Responsibilities of the Audit Committee
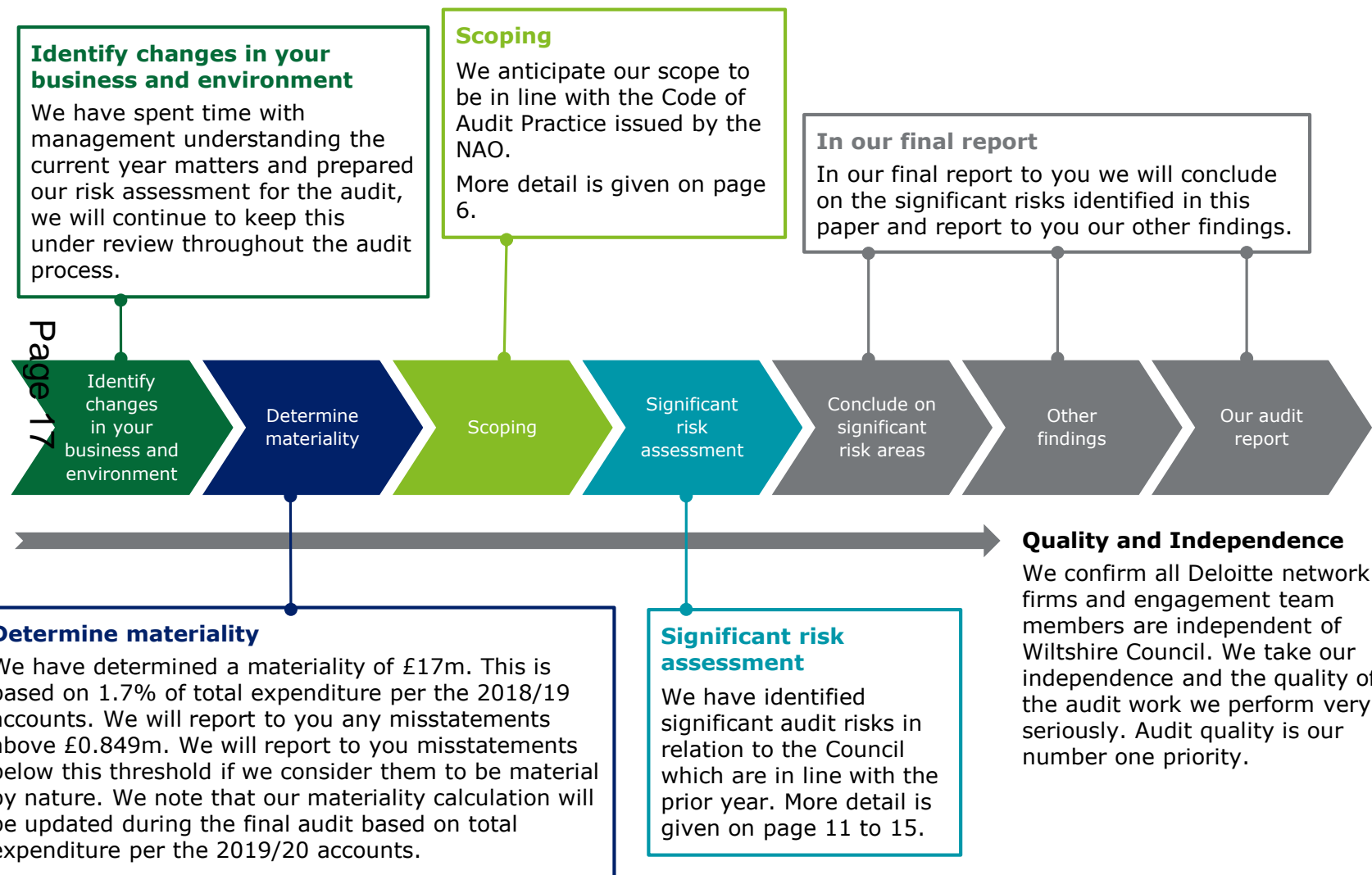## Helping you fulfil your responsibilities

As a result of regulatory change in recent years, the role of the Audit Committee has significantly expanded. We set out here a summary of the core areas of Audit Committee responsibility to provide a reference in respect of these broader responsibilities.

Why do we interact with the Audit Committee?

To communicate audit scope

To provide timely and relevant observations

To provide additional information to help you fulfil your broader responsibilities

- At the start of each annual audit cycle, ensure that the scope of the external audit is appropriate.

- Review the internal control and risk management systems
- Explain what actions have been, or are being taken to remedy any significant failings or weaknesses.

- Ensure that appropriate arrangements are in place for the proportionate and independent investigation of any concerns that are raised by staff in connection with improprieties.

Oversight of external audit

Integrity of reporting

Internal controls and risks

Oversight of internal audit

Whistle-blowing and fraud

- Impact assessment of key judgements and level of management challenge.

- Review of external audit findings, key judgements, level of misstatements.

- Assess the quality of the internal team, their incentives and the need for supplementary skillsets.

- Assess the completeness of disclosures, including consistency with disclosures on business model and strategy and, where requested by the Council, provide advice in respect of the fair, balanced and understandable statement.

- Assess and advise the board on the appropriateness of the Annual Governance Statement, including conclusion on value for money.

- Consider annually whether the scope of the internal audit programme is adequate.

- Monitor and review the effectiveness of the internal audit activities.

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Our audit explained

We tailor our audit to your business and your strategy

Identify changes in your business and environment

We have spent time with management understanding the current year matters and prepared our risk assessment for the audit, we will continue to keep this under review throughout the audit process.

Scoping

We anticipate our scope to be in line with the Code of Audit Practice issued by the NAO.

More detail is given on page 6.

In our final report

In our final report to you we will conclude on the significant risks identified in this paper and report to you our other findings.

Identify changes in your business and environment → Determine materiality → Scoping → Significant risk assessment → Conclude on significant risk areas → Other findings → Our audit report

Quality and Independence

We confirm all Deloitte network firms and engagement team members are independent of Wiltshire Council. We take our independence and the quality of the audit work we perform very seriously. Audit quality is our number one priority.

Determine materiality

We have determined a materiality of £17m. This is based on 1.7% of total expenditure per the 2018/19 accounts. We will report to you any misstatements above £0.849m. We will report to you misstatements below this threshold if we consider them to be material by nature. We note that our materiality calculation will be updated during the final audit based on total expenditure per the 2019/20 accounts.

Significant risk assessment

We have identified significant audit risks in relation to the Council which are in line with the prior year. More detail is given on page 11 to 15.

Scope of work and approach
Scope: we have three key areas of responsibility under the Audit Code

Financial statements

We will conduct our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISA (UK and Ireland)") as adopted by the UK Auditing Practices Board ("APB") and Code of Audit Practice issued by the National Audit Office ("NAO"). The Council will prepare its accounts under the Code of Practice on Local Authority Accounting ("the Code") issued by CIPFA and LASAAC.

We are also required to issue a separate assurance report to the NAO on the Council's separate return required for the purposes of its audit of the Whole of Government Accounts and departmental accounts.

Annual Governance Statement

We are required to consider the completeness of the disclosures in the Annual Governance Statement in meeting the relevant requirements and identify any inconsistencies between the disclosures and the information that we are aware of from our work on the financial statements and other work.

As part of our work we will review the annual report and compare with other available information to ensure there are no material inconsistencies. We will also review any reports from other relevant regulatory bodies and any related action plans developed by the Council.

Value for Money conclusion

We are required to satisfy ourselves that the Council has made proper arrangements for securing financial resilience and economy, efficiency and effectiveness in its use of resources.
To perform this work, we are required to:
• plan our work based on consideration of the significant risks of giving a wrong conclusion; and
• carry out as much work as is appropriate to enable us to give a safe conclusion on the arrangements to secure VFM.
Our work therefore includes a detailed risk assessment based on the risk factors identified in the course of our audits. This is followed by specific work focussed on the risks identified.

We then provide a conclusion on these arrangements as part of our final reporting to you.

Scope of work and approach
Our approach

Liaison with internal audit

The Auditing Standards Board's version of ISA (UK and Ireland) 610 "Using the work of internal auditors" prohibits use of internal audit to provide "direct assistance" to the audit. Our approach to the use of the work of Internal Audit has been designed to be compatible with these requirements.

We will review their reports and meet with them to discuss their work where necessary. We will review the work plan for internal audit, and where they have identified specific material deficiencies in the control environment we consider adjusting our testing so that the audit risk is covered by our work.

Using these discussions to inform our risk assessment, we can work together with internal audit, where necessary, to develop an approach that avoids inefficiencies and overlaps, therefore avoiding any unnecessary duplication of audit requirements on the Council's staff.

Approach to controls testing

Our risk assessment procedures will include obtaining an understanding of controls considered to be 'relevant to the audit'. This involves evaluating the design of the controls and determining whether they have been implemented ("D & I").

The results of our work in obtaining an understanding of controls will be collated and the impact on the extent of substantive audit testing required will be considered.

Promoting high quality reporting to stakeholders

We view the audit role as going beyond reactively checking compliance with requirements: we seek to provide advice on evolving good practice to promote high quality reporting.

We recommend the Council complete the Code checklist during drafting of their financial statements.

We would welcome early discussion on the planned format of the financial statements, and whether there is scope for simplifying or streamlining disclosures, as well as the opportunity to review a skeleton set of financial statements and an early draft of the annual report ahead of the typical reporting timetable to feedback any comments to management.

Value for Money and other reporting

The Code of Audit Practice requires us to report by exception in our audit report any matters that we identify that indicate the Council has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Obtain and refresh our understanding of the Trust and its environment including the identification of relevant controls

Identify risks and any controls that address those risks

Carry out 'design and implementation' work on relevant controls

If considered necessary, test the operating effectiveness of selected controls

Design and perform a combination of substantive analytical procedures and tests of details that are most responsive to the assessed risks

Continuous communication and reporting
Planned timing of the audit

As the audit plan is executed throughout the year, the results will be analysed continuously and conclusions (preliminary and otherwise) will be drawn. The following sets out the expected timing of our reporting to and communication with you.

Planning	Interim	Year end fieldwork	Reporting activities
• Planning meetings to inform risk assessment; and agree on key judgemental accounting issues. • Document our understanding of the Council and key controls and business cycle processes relating to the financial reporting process reporting. • Review of key Council documents including Cabinet, Council and Audit Committee minutes.	• Document design and implementation of key controls and update understanding of key business cycles for any changes. • Substantive testing of limited areas including fixed asset additions, expenditure, payroll, certain areas of income. • Update on value for money responsibilities.	• Substantive testing of all areas. • Finalisation of work in support of value for money responsibilities. • Detailed review of annual accounts and report, including Annual Governance Statement. • Review of final internal audit reports and opinion. • Completion of testing on significant audit risks.	• Year-end closing meetings. • Reporting of significant control deficiencies. • Signing audit reports in respect of Financial Statements. • Issuing Annual Audit Letter.
2020 Audit Plan	**Verbal update to the Audit Committee**	**Final report to the Audit Committee**	**Any additional reporting as required**
November 2019 - January 2020	**March – April 2020**	**June – July 2020**	**July 2020**

Ongoing communication and feedback

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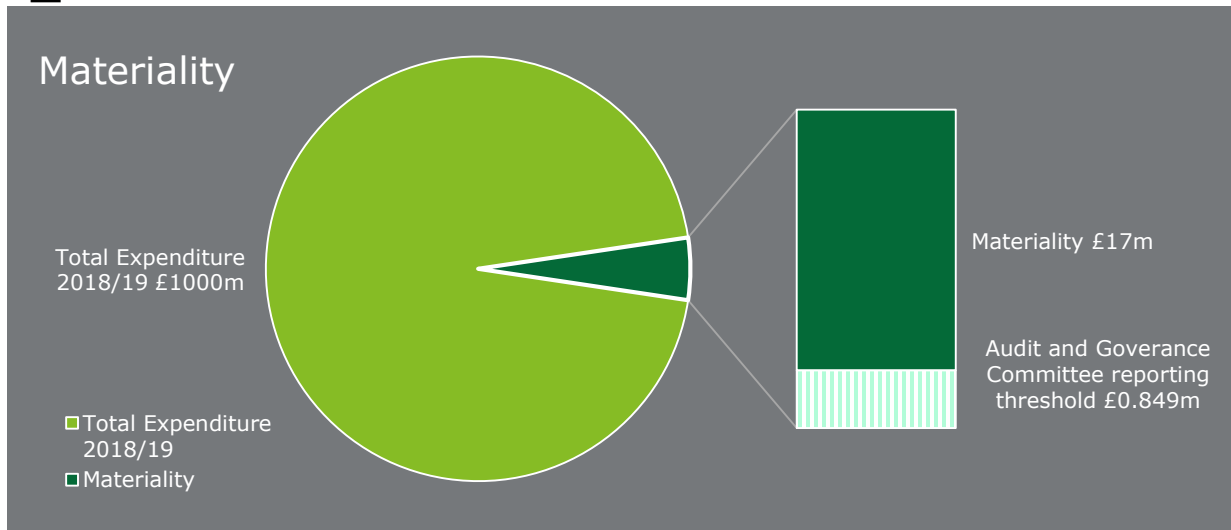# Materiality
Our approach to materiality

Basis of our materiality benchmark

- The audit partner has determined materiality as £17m (£16.9m in 2018/19), based on professional judgement, the requirement of auditing standards and the financial measures most relevant to users of the financial statements.

- We have used 1.7% of total expenditure based on the 2018/19 audited accounts as the benchmark for determining materiality.

- We will re-visit the determined materiality based on completion of interim audit procedures.

Reporting to those charged with governance

- We will report to you all misstatements found in excess of £0.849m (£0.845m in 2018/19).

- We will report to you misstatements below this threshold if we consider them to be material by nature.

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Materiality

Total Expenditure 2018/19 £1000m

Materiality £17m

Audit and Goverance Committee reporting threshold £0.849m

- Total Expenditure 2018/19
- Materiality

Although materiality is the judgement of the audit partner, the Audit Committee must satisfy themselves that the level of materiality chosen is appropriate for the scope of the audit.

Significant risks
Our risk assessment process

We consider a number of factors when deciding on the significant audit risks. These factors include:

- the significant risks and uncertainties previously reported in the annual report and financial statements;
- the IAS 1 critical accounting estimates previously reported in the annual report and financial statements;
- our assessment of materiality; and
- the changes that have occurred in the business and the environment it operates in since the last annual report and financial statements.

Principal risk and uncertainties

- Cyber security
- Future levels of funding
- BREXIT

IAS 1 Critical accounting estimates

- Useful lives of assets
- Fair value (of financial assets and liabilities, e.g. investment properties)
- Provisions
- Pensions liability
- Arrears (bad debt provision)

Changes in your business and environment

No significant changes

Deloitte view

Management must carefully consider the principal risks, uncertainties and accounting estimates of the Council.

The next page summarises the significant risks that we will focus on during our audit. All the risks mentioned in the prior year Audit Committee report are included as significant risks in this year's audit plan.

Significant risks
Dashboard

Risk	Material	Fraud risk	Planned approach to controls	Level of management judgement	Expected to be included in the Audit Committee report	Slide no.
Property Valuations	✓	✕	D+I	🔴 ⚠	✓	12
Completeness of Accrued Expenditure	✓	✓	D+I	🟡 ⚠	✓	13
Valuation of the Council's share of the Wiltshire Pension Fund Net Liability	✓	✕	D+I	🔴 ⚠	✓	14
Management Override of Controls	✓	✓	D+I	🟢 ⚠	✓	15

D+I: Assessing the design and implementation of key controls

Low Level of Judgement 🟢 ⚠

Medium Level of Judgement 🟡 ⚠

High Level of Judgement 🔴 ⚠

Significant risks
Risk 1 – Property Valuation

Risk identified	The Council holds a significant amount of property assets. The Code requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate fair value at that date. The Council has adopted a rolling revaluation model which sees all land and buildings revalued over a three year cycle.

Furthermore the Council completes the valuation as at 28 February each year, 1 month before the year end. Any changes to factors (e.g. build costs) used in the valuation process could materially affect the value of the Council's assets as at year end.

There is therefore a risk that that the value of property assets materially differ from the year end fair value, particularly given that valuations are inherently judgemental and include a number of assumptions. |
| **Our response** | We will test the design and implementation of key controls in place around the property valuation and how the Council assures itself that there are no material impairments or changes in value for the assets not covered by the annual valuation;

We will review any revaluations performed in the year, assessing whether they have been performed in a reasonable manner, on a timely basis and by suitably qualified individuals;

We will use our valuation specialists, Deloitte Real Estate, to support our review and challenge the appropriateness of the Council's assumptions on its asset values;

We will test a sample of revalued assets and determine whether the movement has been recorded correctly in the accounts. |

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Significant risks
Risk 2 – Completeness of Accrued Expenditure

Risk identified	Under UK auditing standards, there is a presumed risk in respect of revenue recognition due to fraud. We have rebutted this risk, and instead believe that the fraud risk lies with the completeness of expenditure, particularly in relation to year end accruals.
	During our 2018/19 audit we identified that approximately 80% of expenditure does not follow the purchase order process. As a result of this, there is a risk that the Council may understate accruals at year end.
	There is also an incentive for management to understate expenditure around the year end in order to present a more favourable year end position, and given the lack of strong purchase order controls, understatement of accruals is an area that could be manipulated. This significant risk relating to the completeness of accrued expenditure is in line with our significant risk for the 2018/19 audit, however, it has been further pinpointed to the area which we believe the significant risk lies, resulting in the completeness of provisions balances no longer being considered a part of this significant risk.
Our response	Our work in this area will include the following:
	We will obtain an understanding of the design, and test the implementation, of the key controls in place to ensure the completeness of accruals; and
	We will perform focused testing in relation to the completeness of accruals through testing of post-year end invoices received and payments made.

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Significant risks
Risk 3 – Valuation of the Council's share of the Wiltshire Pension Fund Net Liability

Risk identified	The net pension liability is a material element of the Council's balance sheet. The Council is an admitted body of the Wiltshire Pension Fund. The valuation of the Scheme relies on a number of assumptions, including actuarial assumptions, and actuarial methodology which results in the Council's overall valuation. Furthermore there are financial and demographic assumptions used in the calculation of the Council's valuation – e.g the discount rate, inflation rates, and mortality rates. These assumptions should also reflect the profile of the Council's employees, and should be based on appropriate data.
	There is a risk that the assumptions and methodology used in the valuation of the Council's pension obligation are not reasonable. This could have a material impact to the net pension liability accounted for in the financial statements.
Our response	We will obtain an understanding of the design, and test the implementation, of the key controls in place in relation to the review of the assumptions by the Council;
	We will evaluate the competency, objectivity and independence of Hymans Robertson the actuarial specialist;
	We will review the methodology and appropriateness of the assumptions used in the valuation, utilising a Deloitte Actuary to provide specialist assessment of the variables used;
	We will review the pension related disclosures in respect of actuarial assumptions in the financial accounts for consistency with the Actuary's Report.

Significant risks
Risk 4 – Management Override of Controls

Risk identified	In accordance with ISA 240 (UK and Ireland) management override of controls is a significant risk for all entities. This risk area includes the potential for management to use their judgement to influence the financial statements as well as the potential to override the Council's controls for specific transactions.
	The key judgements in the financial statements include those which we have selected to be the significant audit risks, (completeness of accrued expenditure, pension valuations and the Council's property valuations) and any one off and unusual transactions where management could show bias. These are inherently the areas in which management has the potential to use their judgment to influence the financial statements.
Our response	In considering the risk of management override, we plan to perform the following audit procedures that directly address this risk:
	We will test the design and implementation of key controls in place around journal entries and key management estimates;
	We will risk assess journals and select items for detailed testing. The journal entries will be selected using computer-assisted profiling based on areas which we consider to be of increased interest;
	We will review accounting estimates for biases that could result in material misstatements due to fraud; and,
	We will obtain an understanding of the business rationale of significant transactions that we become aware of that are outside of the normal course of business for the Council, or that otherwise appear to be unusual, given our understanding of the entity and its environment.

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Maintaining audit quality
Responding to challenges in the current audit market

This is a time of intense scrutiny for our profession with questions over the role of auditors, market choice and the provision of non-audit services by an audit firm. We welcome the debate and are engaging fully with all parties who have an interest in the current audit market reform initiatives, so that our profession, our people, our clients and most importantly, the public interest, are served to the highest standards of audit quality and independence.

The role of audit	• Public confidence in audit has weakened over recent years and the expectation gap has widened with differences between what an audit does and what people think it should do (largely in areas of internal controls, fraud, front half assurance and long term viability) • Deloitte fully supports an independent review into the role of auditors • The Government's Brydon Review will consider UK audit standards and how audits should evolve
Would it be better to have audit only firms?	• Deloitte believes that multidisciplinary firms have more knowledge, greater access to technology and a deeper talent pool. The specialist input from industry, valuation, controls, pensions, cyber, solvency, IT and tax services are critical to an effective audit. • Our investment in audit innovation, training and technology is greater because of the multidisciplinary model
Is the current audit market uncompetitive?	• We recognise that the competition for large, complex clients is fierce, but we wholeheartedly support greater choice being available to stakeholders • There are barriers to entry in the listed market that are significant including the required global reach, unlimited liability, and the high cost of tendering • The audit profession has engaged with the Competition and Markets Authority with ideas on how to provide greater choice in the market, and responded to the CMA's suggested market remedies
Independence and conflicts from other services	• Legislation and the FRC's Ethical Standard restrict the services we may provide to audit clients • Deloitte invests heavily in systems, processes and people to check for potential conflicts • We have governance in place to assess any areas of potential conflict, including where required to protect the public interest • Fees for non-audit services to audit clients have fallen since 2008 (17% to 7.3% of firm revenue)
Deloitte	• Deloitte and Audit Service Line leadership are happy to meet the Board and management of our clients with respect to this important debate. We reaffirm our commitment to quality, independence and upholding the public interest • Our Impact Report and Transparency Report are available on our website https://www2.deloitte.com/uk/en/pages/about-deloitte-uk/articles/annual-reports.html • Our response to the latest AQR report is on slide 23.

Purpose of our report and responsibility statement
Our report is designed to help you meet your governance duties

What we report

Our report is designed to establish our respective responsibilities in relation to the financial statements audit, to agree our audit plan and to take the opportunity to ask you questions at the planning stage of our audit. Our report includes:

• Our audit plan, including key audit judgements and the planned scope.

Use of this report

This report has been prepared for the Council, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose. Except where required by law or regulation, it should not be made available to any other parties without our prior written consent.

What we don't report

As you will be aware, our audit is not designed to identify all matters that may be relevant to the Council.

Also, there will be further information you need to discharge your governance responsibilities, such as matters reported on by management or by other specialist advisers.

Finally, the views on internal controls and business risk assessment in our final report should not be taken as comprehensive or as an opinion on effectiveness since they will be based solely on the audit procedures performed in the audit of the financial statements and the other procedures performed in fulfilling our audit plan.

Other relevant communications

We will update you if there are any significant changes to the audit plan.

We welcome the opportunity to discuss our report with you and receive your feedback.

Deloitte LLP

Cardiff | January 2020

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Appendices

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Fraud responsibilities and representations
Responsibilities explained

Your Responsibilities:

The primary responsibility for the prevention and detection of fraud rests with management and those charged with governance, including establishing and maintaining internal controls over the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

Our responsibilities:

- We are required to obtain representations from your management regarding internal controls, assessment of risk and any known or suspected fraud or misstatement.

- As auditors, we obtain reasonable, but not absolute, assurance that the financial statements as a whole are free from material misstatement, whether caused by fraud or error.

- As set out in the significant risks section of this document, we have identified the risk of fraud in relation to the completeness of accrued expenditure and management override of controls as key audit risks for your organisation.

Fraud Characteristics:

- Misstatements in the financial statements can arise from either fraud or error. The distinguishing factor between fraud and error is whether the underlying action that results in the misstatement of the financial statements is intentional or unintentional.

- Two types of intentional misstatements are relevant to us as auditors – misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets.

We will request the following to be stated in the representation letter signed on behalf of the Board:

- We acknowledge our responsibilities for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

- We are not aware of any fraud or suspected fraud / We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity or group and involves:
  (i) management;
  (ii) employees who have significant roles in internal control; or
  (iii) others where the fraud could have a material effect on the financial statements.

- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

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Fraud responsibilities and representations
Inquiries

We will make the following inquiries regarding fraud:

Management:

- Management's assessment of the risk that the financial statements may be materially misstated due to fraud, including the nature, extent and frequency of such assessments.
- Management's process for identifying and responding to the risks of fraud in the entity.
- Management's communication, if any, to those charged with governance regarding its processes for identifying and responding to the risks of fraud in the entity.
- Management's communication, if any, to employees regarding its views on business practices and ethical behaviour.
- Whether management has knowledge of any actual, suspected or alleged fraud affecting the entity.
- We plan to involve management from outside the finance function in our inquiries.

Internal audit

- Whether internal audit has knowledge of any actual, suspected or alleged fraud affecting the entity, and to obtain its views about the risks of fraud.

Those charged with governance

- How those charged with governance exercise oversight of management's processes for identifying and responding to the risks of fraud in the entity and the internal control that management has established to mitigate these risks.
- Whether those charged with governance have knowledge of any actual, suspected or alleged fraud affecting the entity.
- The views of those charged with governance on the most significant fraud risk factors affecting the entity.

Independence and fees

As part of our obligations under International Standards on Auditing (UK), we are required to report to you on the matters listed below:

Independence confirmation	We confirm the audit engagement team, and others in the firm as appropriate, Deloitte LLP and, where applicable, all Deloitte network firms are independent of Wiltshire County Council and will reconfirm our independence and objectivity to the Audit Committee for the year ending 31 March 2020 in our final report to the Audit Committee .
Fees	There are no non-audit fees.
Non-audit services	In our opinion there are no inconsistencies between the FRC's Ethical Standard and the Council's approach for the supply of non-audit services or any apparent breach of that policy. We continue to review our independence and ensure that appropriate safeguards are in place including, but not limited to, the rotation of senior partners and professional staff and the involvement of additional partners and professional staff to carry out reviews of the work performed and to otherwise advise as necessary.
Relationships	We have not other relationships with the Council, its directors, senior managers and affiliates, and have not supplied any services to other known connected parties.

Independence and Fees

The professional fees expected to be charged by Deloitte in the period from 1 April 2019 to 31 March 2020 are as follows:

	Current year £'000
Financial statement audit including Whole of Government and procedures in respect of Value for Money assessment	129
Total audit	129
Audit related assurance services	0
Other assurance services	0
Total assurance services	0
Total non-audit services	0
Total fees	129

Our approach to quality
AQR team report and findings

We maintain a relentless focus on quality and our quality control procedures and continue to invest in and enhance our Audit Quality Monitoring and Measuring programme. In July 2019 the Financial Reporting Council ("FRC") issued individual reports on each of the seven largest firms, including Deloitte, on Audit Quality Inspections providing a summary of the findings of its Audit Quality Review ("AQR") team for the 2018/19 cycle of reviews.

We greatly value the FRC reviews of our audit engagements and firm wide quality control systems, a key aspect of evaluating our audit quality. We have further transformed our internal review processes including a new focus for reviewing in progress audits, developing our Audit Quality Indicators ('AQI') which are monitored and reported to the firm's executive, and on enhanced remediation procedures.

Whilst we are pleased that overall our quality record, as measured by external inspections, has improved from 76% to 84%, we remain committed to continuous improvement and achieving as a minimum the 90% benchmark across all engagements. We are however, extremely disappointed one engagement received a rating of significant improvements required during the period. This is viewed very seriously within Deloitte and we have worked with the AQR to agree a comprehensive set of swift and significant firm wide actions. We are also pleased to see the impact of our previous actions on impairment, group audits and contingent liability disclosures reflected in the audits under review and there being limited or no findings in those areas. These continue to be a focus in our training, internal coaching and internal review programmes.

We invest continually in our firm wide processes and controls, which we seek to develop globally, to underpin consistency in delivering high quality audits whilst ensuring engagement teams exercise professional scepticism through robust challenge.

All the AQR public reports are available on its website. https://www.frc.org.uk/auditors/audit-quality-review/audit-firm-specific-reports

The AQR's 2018/19 Audit Quality Inspection Report on Deloitte LLP

"We assessed 84% of the firm's audits that we reviewed as requiring no more than limited improvements, compared with 76% in 2017/18. Of the FTSE 350 audits we reviewed this year, we assessed 75% as achieving this standard compared with 79% in 2017/18. We note that our inspection results show only modest improvements in audit quality."

"We had no significant findings arising from our firm-wide work on internal quality monitoring, engagement quality control reviews and independence and ethics."

"Our key individual review findings related principally to the need to:
- Exercise greater professional scepticism in the audit of potential prior year adjustments and related disclosures in the annual report and accounts.
- Strengthen the extent of challenge of key estimates and assumptions in key areas of judgement, including asset valuations and impairment testing.
- Improve the consistency of the quality of the firm's audit of revenue.
- Achieve greater consistency in the audit of provisions and liabilities."

"The firm has enhanced its policies and procedures during the year in a number of areas, including the following:
- Through the firm's global audit quality programmes, there has been an increased focus on consistency of audit work across the audit practice. For certain account balances, standardised approaches have been adopted, further use has been made of centres of excellence and delivery centres and new technologies embedded into the audit process to support and enable risk assessments, analytical procedures and project management activities.
- Further methodology updates and additional guidance and training for the audit practice covering group audits, accounting estimates, financial services (including the adoption of IFRS 9) provisions and contingencies and the evidencing of quality control procedures (including EQCR) on individual audits.
- Increased support for audit teams throughout the audit cycle including coaching programmes for teams and greater use of diagnostics to monitor progress.
- Continued focus on the approach to the testing of internal controls. The firm provided additional training and support to audit teams adopting a controls-based audit approach, increased focus on reporting to Audit Committees on internal controls and on the wording of auditor's reports."

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Deloitte.

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Wiltshire Council

Report of Internal Audit Activity

Plan Progress 2019/20 Quarter 3

Internal Audit ▪ Risk ▪ Special Investigations ▪ Consultancy

Unrestricted

Contents

The contacts at SWAP in connection with this report are:

David Hill
Chief Executive
Tel: 07595 711087
David.Hill@SWAPaudit.co.uk

Charlotte Wilson
Assistant Director
Tel: 07732 688505
Charlotte.Wilson@SWAPaudit.co.uk

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Summary

Our audit activity is split between:

- **Operational Audit**
- **School Themes**
- **Governance Audit**
- **Key Control Audit**
- **IT Audit**
- **Grants**
- **Other Reviews**

Role of Internal Audit

The Internal Audit service for Wiltshire Council is provided by SWAP Internal Audit Services (SWAP). SWAP is a Local Authority controlled Company. SWAP has adopted and works to the Standards of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS), and also follows the CIPFA Code of Practice for Internal Audit. The Partnership is also guided by the Internal Audit Charter approved by the Audit Committee at its meeting on 17th April 2019.

Internal Audit provides an independent and objective opinion on the Authority's control environment by evaluating its effectiveness. Primarily the work includes:

- Operational Audit Reviews
- Cross Cutting Governance Audits
- Annual Review of Key Financial System Controls
- IT Audits
- Grants
- Other Special or Unplanned Review

Internal Audit work is largely driven by an Annual Audit Plan. This is approved by the Section 151 Officer, following consultation with the Corporate Leadership Team. The 2019-20 Audit Plan was reported to this Committee and approved by this Committee at its meeting in April 2019. Audit assignments are undertaken in accordance with this Plan to assess current levels of governance, control and risk, however, we ensure an agile approach to enable us to respond to any emerging risks and change.

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Outturn to Date:

Internal Audit Work Plan

The schedule provided at **Appendix B** contains a list of all audits as agreed in the Annual Audit Plan 2019/20. It is important that Members are aware of the status of all audits and that this information helps them place reliance on the work of Internal Audit and its ability to complete the plan as agreed.

Each completed assignment includes its respective "assurance opinion" rating together with the number and relative ranking of recommendations that have been raised with management. In such cases, the Committee can take assurance that improvement actions have been agreed with management to address these. The assurance opinion ratings have been determined in accordance with the Internal Audit "Audit Framework Definitions" as detailed in **Appendix A** of this document.

To assist the Committee in its important monitoring and scrutiny role, in those cases where weaknesses have been identified in service/function reviews that are considered to represent significant service risks, a summary of the key audit findings that have resulted in the audit receiving a 'Partial Assurance Opinion' is given as part of this report.

In circumstances where findings have been identified which are considered to represent significant corporate risks to the Council, due to their importance, these issues are separately summarised.

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Significant Corporate Risks:

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

Significant Corporate Risks

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

Review/Risks	Auditors Assessment
Gross Loans 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.	High
Updated Management Response to the Identified Risk	
There have been some changes in personnel, as well as the implementation of a new system. Meetings are due to be held in January 2020 to ensure the reconciliation process is robust, documented and will be up to date by mid-February in preparation for year end. It has also been agreed that journals will be undertaken by Accountancy to ensure they are completed correctly. A follow up audit of the service is due to be undertake in quarter one of the 2020/21 Internal Audit Plan to ensure all recommendations have been fully implemented by the target implementation dates set.	

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Completed Assignments:

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

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

Summary of Work Completed – Partial and No Assurance Opinions

Three audits finalised in the period were awarded Partial or No Assurance. The significant findings from these audits has been summarised below.

Gross Loans – No Assurance

A review was requested by the previous Interim Director Finance and Procurement to provide assurance over the Gross Loans administered by the Placement Finance Team. During this review we noted a number of concerns and have detailed these within the Findings and Outcomes section of the audit report.

This review clearly demonstrated that there is a lack of compliance with documented procedures, including the Financial Regulations which form a part of the Council's Constitution and therefore we have given a no assurance opinion.

We have made 5 recommendations relating to:
- Training;
- Reconciliations;
- Procedures;
- Timely invoicing; and
- Raising credit notes.

Deferred Payments – Partial Assurance

We requested a report of all deferred payment agreements (DPAs). Following testing, and subsequent presentation of our draft audit report, we were informed that the report provided did not contain all agreements and it had been found that there were five deferred payment agreements, totalling £205,504.32, which had not been included on the report. We have therefore made a priority 1 recommendation that the information obtained is reviewed and reconciled to the Financial Management System (SAP) to ensure that all deferred payment

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agreements are included on the master list or central register for monitoring. Further audit work was undertaken to ensure that the validity of our findings was not compromised by the inaccurate data.

We have made two priority 2 recommendation in relation to:
- Inadequate reporting arrangements leading to inadequate oversight of DPAs; and
- The inadequate preparation of journals due to a lack of training.

We have made four priority 3 recommendations for the following aspects:
- The risk of a Solicitors Undertaking failing on unsecured loans;
- Signing and dating the spreadsheet to verify that the proper checks have been undertaken prior to approval and to demonstrate segregation of duties;
- Clarity on the DPA application form regarding what is expected of the customer in terms of maintaining the property for the life of the DPA; and
- Reviews should be properly scheduled and monitored for completion and the checks undertaken should be adequate.

We also made one suggestion for consideration to review the current procedural guidance for Officers. We found it to be difficult to read and suggest that clear headings are used with more precise information to ensure it is effective in guiding Officers through the DPA process.

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Added Value

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

Added Value

Primarily Internal Audit is an assurance function and will remain as such. However, Members requested that we provide them with examples of where we have "added value" to a particular service or function under review. In response to this we have changed our approach and internal processes and will now formally capture at the end of each audit where we have "added value".

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 its cost".

As we complete our operational 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 following audits have provided a cross comparison survey for the SWAP Partners within the period:

Risk Management - Benchmarking with other SWAP partners and other authorities in the Audit Together Group. A survey was distributed to understand how review and revision of risks is managed across similar organisations; to identify areas of best practice.

Supplier Resilience – Information was requested from all local authority partners to confirm their approach to managing the risk posed by supplier failure, with the aim being to compare arrangements and identify examples of best practice.

The findings of each survey have been shared with the SWAP Partners.

SWAP Performance - Summary of Audit Opinions

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

- **Substantial**
- **Reasonable**
- **Partial**
- **None**
- **Non Opinion**
  - **Certification**
  - **Follow Up**
  - **Advisory**

Summary of Control Assurance

Of the reviews that have a final report, the opinions offered are summarised below.

Control Assurance by Category for the 2019/20 Internal Audit Plan (including 2018/19 work completed in period)

Substantial 0%
Advisory 20%
Reasonable 47%
Follow Up 17%
Certification 10%
None 3%
Partial 3%

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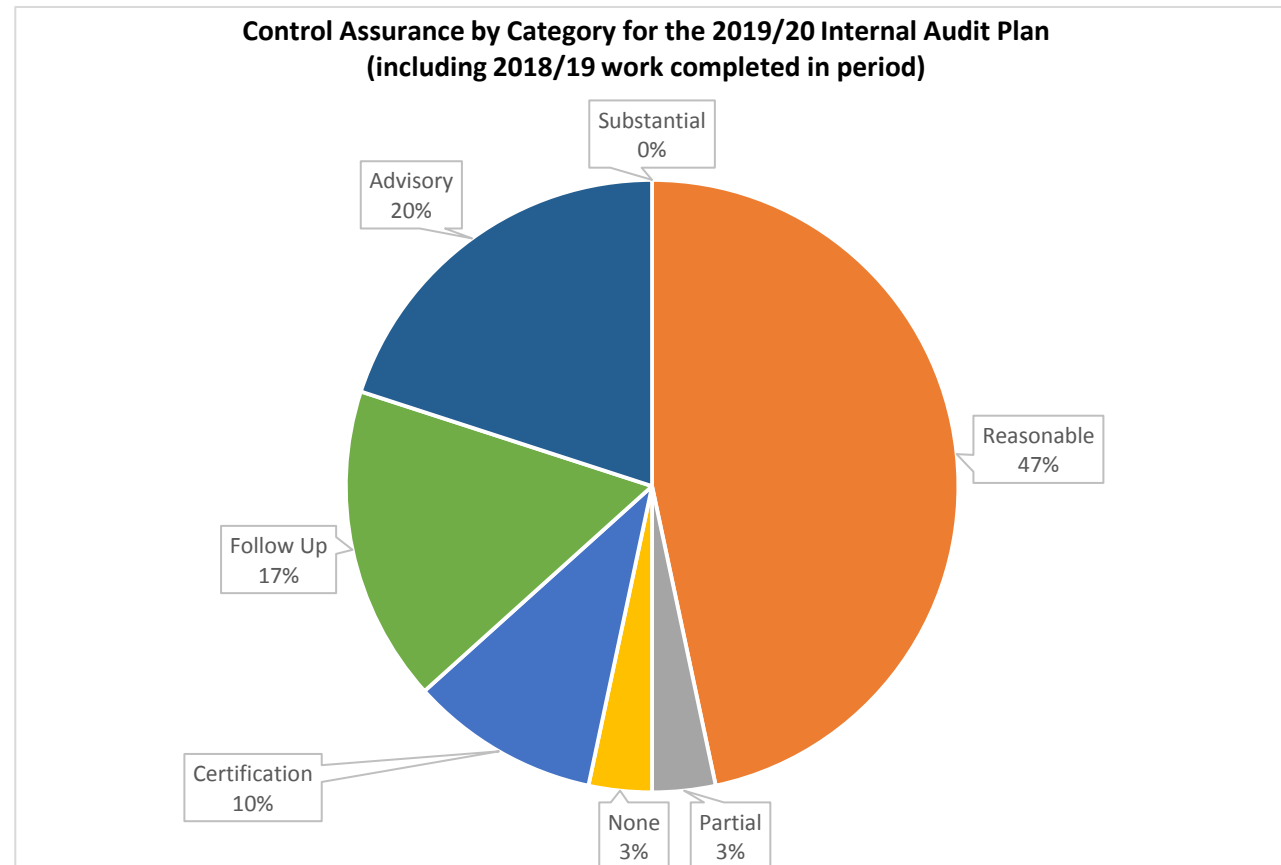
Summary of Audit Recommendations by Priority

We rank our recommendations on a scale of 1 to 3, with 1 being a fundamental concern to the services/area being reviewed and 3 being a minor concern that requires management attention.

Summary of Recommendations

Audit Recommendations by Priority 2019/20 Non Schools

Priority	Count
1 High	2
2	14
3 Low	17
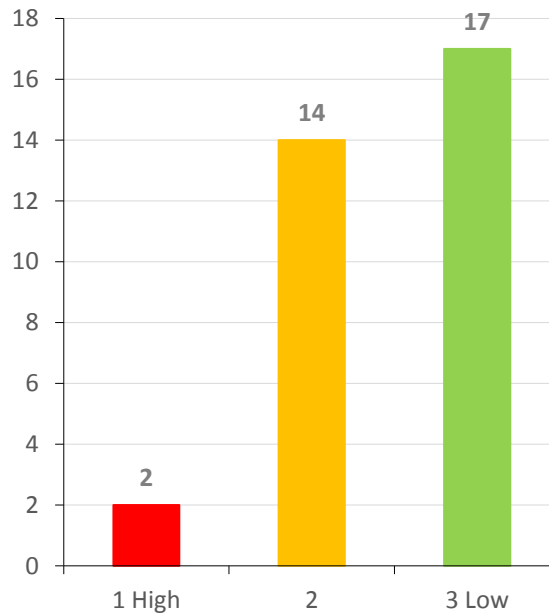
Audit Recommendations by Priority 2019/20 Schools

Priority	Count
1 High	0
2	12
3 Low	54
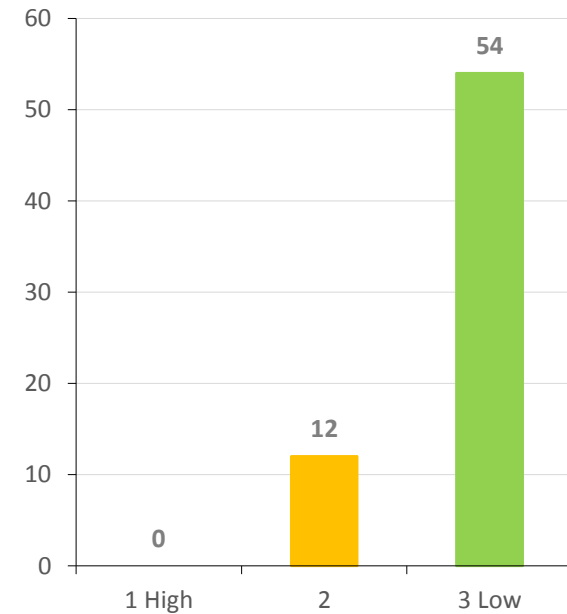
Aged Analysis of Audit Recommendations Exceeding the Originally Agreed Target Implementation Date

Summary of Recommendations

Outstanding Audit Recommendations by Priority
2017/18, 2018/19 and 2019/20
Non Schools

	< 30 Days	< 60 Days	< 90 Days	< 120 Days	120+ Days	Totals
3	8	6	2	0	22	38
2	4	1	1	2	11	19
1	0	0	0	0	2	2
Totals	12	7	3	2	35	59

Outstanding Audit Recommendations by Priority
2017/18 and 2018/19
Schools

	< 30 Days	< 60 Days	< 90 Days	< 120 Days	120+ Days	Totals
3	14	7	10	4	75	110
2	4	1	1	0	12	18
1	0	0	0	0	1	1
Totals	18	8	11	4	88	129

Appendix C provides a summary of the outstanding Priority 1, 2 and 3 recommendations, with updates provided by the responsible officer. Where a response to the update request was not received from the responsible officer, it has been assumed that the recommendation remains outstanding and the update noted as such.

Note: Schools recommendations are only followed up should a school be awarded a Partial or No Assurance audit opinion.

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The Chief Executive for SWAP reports performance on a regular basis to the SWAP Management and Partnership Boards.

SWAP Performance

SWAP now provides the Internal Audit service for 24 Partners and also many subsidiary bodies. SWAP performance is subject to regular monitoring review by both the Board and the Member Meetings. The respective outturn performance results for Wiltshire Council for the 2019/20 year (as at 30th January 2020) are as follows;

Performance Target	Average Performance
Audit Plan – Percentage Progress	
Completed	36%
Work at Report Stage	4%
Fieldwork	31%
Scoping	5%
Yet to commence	23%
Draft Reports Issued within 5 working days Issued within 10 working days	62.5% 87.5% (Average Days of 4.42)
Final Reports Issued within 10 working days of discussion of draft report	75% (Average Days of 13.29)
Quality of Audit Work Customer Satisfaction Questionnaire	97.8%

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

Approved Changes to the Audit Plan

Planned audit work is as detailed in **Appendix B**. Unplanned work, special reviews or projects carried out on a responsive basis are requested through the Director of Finance & Procurement (Section 151 Officer). As new and emerging risks are identified, any changes to the plan will be subject to the agreement of the Interim Director of Finance & Procurement (Section 151 Officer) and reported to this Committee.

The Director of Finance & Procurement (Section 151) in discussion with the Head of Audit has agreed that the following amendments be made to the 2019/20 Audit Plan:

Audit	Amendment	Reason
Gross Loans	Addition	Requested by Client.
Special Investigation	Addition	Requested by Client. The details of this work could be considered commercially sensitive at this stage and can therefore not be discussed at this time.
SAP Systems Controls	Addition	Requested by Client.
Use of Fleet Vehicles in Respite Care	Addition	Requested by Client.
Pensions Code of Practice 14 Compliance	Addition	Requested by Client.
Procurement Process Review	Addition	Requested by Client.
Whistle Blowing Policy and Procedure	Addition	Requested by Client.
Intelligent-i Proposal Analysis	Addition	Requested by Client.
Adult Social Care - Community Team for People with Learning Disabilities	Addition	Requested by Client.

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Deprivation of Assets	Merger	This audit has now been amalgamated with the Financial Assessments audit.
Corporate Debt Management – Phase 2	Merger	This audit has now been merged with Phase 1 and will be undertaken as a single piece of work.
Partnership Governance – Phase 1	Removed	The scope of this review was to concentrate on identifying the various partnerships across the Authority. Following discussions, the Council is now going to undertake this work themselves.
Adult Social Care Transformation Stream	Removed	Following discussions with the Director Adult Care, Learning Disability & Mental Health, it was agreed this piece of work would no longer be valuable considering the work already undertaken within the Families and Children Transformation Stream audit. A request was made that we look at another area of the service.
Homelessness Strategy	Removed	Following discussions with the Director Housing and Commercial, it has been agreed that as the Homelessness Strategy has only just been approved, it would not be valuable to undertake this audit at this time. The scope of the Strategic Assets and Facilities audit has been broadened in replacement of this review.
Commercial Trading	Deferred	The Commercial Policy has only recently been approved by Cabinet. The subsequent commercial review across the Council has not commenced yet. It has therefore been agreed to defer this audit to the 2020/21 Internal Audit Plan.

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors and the CIPFA Code of Practice for Internal Audit in England and Wales.

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

- **Substantial**
- **Reasonable**
- **Partial**
- **None**
- **Advisory**

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Audit Framework Definitions

Control Assurance Definitions

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.
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.
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.
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.

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

Recommendation are prioritised from 1 to 3 on how important they are to the service/area audited. These are not necessarily how important they are to the organisation at a corporate level.

Audit Framework Definitions

Categorisation of Recommendations

In addition to the corporate risk assessment it is important that management know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. 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.

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

Definitions of Risk

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.

SWAP INTERNAL AUDIT SERVICES Assuring – Improving – Protecting

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors and the CIPFA Code of Practice for Internal Audit in England and Wales.

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Internal Audit Work Plan | APPENDIX B

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Major 2 = Moderate 3 = Minor Recommendation		
						1	2	3
Outstanding 2018/19 Plan Progress								
Complete								
Operational	Families and Children Transformation Stream	Q2	Completed	Advisory	N/A			
Operational	Highways Contract – Use of Subcontractors	Q1	Completed	Reasonable	1			1
2019/20 Plan Progress								
Complete								
Follow Up	Clarendon Juniors	Q1	Completed	Follow Up	N/A			
Advisory	Relief Bank	Q1	Completed	Advisory	N/A			
Advisory	SAP Systems Controls	Q1	Completed	Advisory	N/A			
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
Advisory	Special Investigation	Q1	Completed	Advisory	N/A			
Follow Up	Travel and Expense Claims Cloud Based System	Q1	Completed	Follow Up	N/A			
Grant Certification	Public Health Grant	Q1	Completed	Certification	N/A			
Grant Certification	Pothole Action Fund & Flood Resilience Fund	Q1	Completed	Certification	N/A			
Follow Up	Fraud Referral Process	Q1	Completed	Follow Up	N/A			

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Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Major 2 = Moderate 3 = Minor Recommendation		
						1	2	3
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
Follow Up	St Mary's Primary School	Q2	Completed	Follow Up	N/A			
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
Follow Up	Parking Income	Q2	Completed	Follow Up	N/A			
Grant Certification	Local Authority Bus Subsidy	Q2	Completed	Certification	N/A			
Operational	Use of Fleet Vehicles in Respite Care	Q2	Completed	Advisory	N/A			
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
School	Crudwell C of E Primary School	Q3	Completed	Reasonable	5		3	2

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Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Major 2 = Moderate 3 = Minor Recommendation		
						1	2	3
Advisory	Procurement Process Review	Q3	Completed	Advisory	8			8
School	Woodlands Primary School	Q3	Completed	Reasonable	9		4	5
Operational	Accounts Receivable	Q3	Completed	Reasonable	5		2	3
Reporting Stage								
ICT	Data Centre Operations	Q1	Discussion					
Operational	Contract Management	Q2	Draft					
Advisory	Adult Social Care - Community Team for People with Learning Disabilities	Q4	Discussion					
In Progress								
Grant Certification	Troubled Families	Q1-Q4	Fieldwork					
Governance, Fraud & Corruption	National Fraud Initiative (NFI)	Q1-Q4	Fieldwork					
Governance, Fraud & Corruption	Organisational Fraud Awareness	Q1-Q4	Fieldwork					
Healthy Organisation	Healthy Organisation	Q1-Q2	Fieldwork					
Follow Up	Officers Declarations of Interests, Gifts and Hospitality	Q1	Fieldwork					
Operational	ICT & Digital Strategy	Q1	Fieldwork					
Operational	Corporate Debt Management – Phase 1 and 2	Q2	Fieldwork					
Operational	Waste Management Contract	Q2	Fieldwork					

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Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Major 2 = Moderate 3 = Minor Recommendation		
						1	2	3
Operational	Council Tax	Q3	Fieldwork					
Operational	Business Rates	Q3	Fieldwork					
Operational	Accounts Payable	Q3	Fieldwork					
Operational	Direct Payments	Q3	Fieldwork					
Advisory	Whistleblowing Policy and Procedure	Q3	Fieldwork					
Operational	Workforce Planning	Q3	Fieldwork					
School	Christ the King Catholic School	Q3	Fieldwork					
School	Sambourne C of E (VC) Primary School	Q3	Fieldwork					
Governance, Fraud & Corruption	Financial Regulations and Contract Standing Orders	Q3	Scoping					
Operational	Housing Repairs	Q3	Scoping					
Follow Up	Traded Services with Schools	Q3	Fieldwork					
School	Thematic School Reviews	Q3-Q4	Scoping					
Operational	Housing and Council Tax Benefits	Q4	Fieldwork					
Operational	Payroll and Expenses	Q4	Fieldwork					
Operational	Main Accounting	Q4	Fieldwork					

SWAP
INTERNAL AUDIT SERVICES
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Internal Audit Work Plan — APPENDIX B

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Major 2 = Moderate 3 = Minor Recommendation		
						1	2	3
Operational	Housing Rents	Q4	Fieldwork					
Advisory	Intelligent-I Proposal Analysis	Q4	Scoping					
Follow Up	Adult Social Care Contracts	Q4	Fieldwork					
Follow Up	Supply Chain Management	Q4	Fieldwork					
Follow Up	Premises Health and Safety	Q4	Fieldwork					
Yet to Commence								
Operational	High Needs Block	Q1						
Governance, Fraud & Corruption	Council Oversight of Maintained Schools	Q1						
Operational	Medium Term Financial Strategy	Q2						
ICT	Management of Hybrid Cloud Operations	Q2						
ICT	High Level Cyber Security	Q2						
Operational	Adoption	Q3						
Governance, Fraud & Corruption	Partnership Governance – Phase 2	Q3						
ICT	General Data Protection Regulations (GDPR) Compliance	Q3						
Operational	SEN Children's Transition to Adult Services	Q4						

SWAP INTERNAL AUDIT SERVICES
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Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Major 2 = Moderate 3 = Minor Recommendation		
						1	2	3
Grant Certification	Growth Hub	Q4						
Operational	Strategic Assets and Facilities	Q4						
Governance, Fraud & Corruption	Fraud Intelligence Hub	Q4						
Operational	Pension Fund Investment Transfer	Q4						
Operational	Planned Maintenance of Leasehold Properties	Q4						
ICT	Business Continuity	Q4						
ICT	Agile ICT Audit Project Assurance including Get Well	Q4						
ICT	WAN Procurement Approach	Q4						
Operational	Public Health Contract Compliance	Q4						

Wiltshire Council Outstanding Recommendations 30.01.2020

Non Schools

Data revision date: 30 January 2020

Director Digital, Data & Technology

Cyber Security (Audit Report Issued 31st October 2018)

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
37947	We recommend that the Business Continuity Plan, Disaster Recovery Plan and Incident Management Process when next updated, action is taken to ensure they are complete and reflect the current management structure of the Council's ICT service, including contact details.	2	Outstanding	31-Mar-19	31-Mar-20	Operations and Transitions Manager	There are active projects in train to update both BC and DR plans, and the intention is to start this process in January 2020 and will go on for at least 4 months. As part of this, a schedule of tests will be defined and implemented going forward. There is a Business Case nearing completion and expect this to go to the Digital Board early February. Once updated, the plans will be regularly reviewed to incorporate changes to the technical environment, and regularly tested to ensure the plans are fit-for-purpose.

Digital Transformation (Audit Report Issued 5th April 2019)

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
40974	We recommend that the Interim Director: Digital Transformation & IT ensures that the Corporate Business Continuity Plan is revisited in line with changes under the transformation programme.	2	Outstanding	30-Jun-19	30-Jun-20	Director Digital, Data & Technology	It has been agreed that the Director: Digital, Data & Technology will ensure that the Corporate Business Continuity Plan is revisited in line with proposed changes arising from the Digital Transformation programme.

Unrestricted

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
40975	We recommend that the Interim Director: Digital Transformation & IT ensures that the ICT Disaster Recovery Plan is updated in line with changes under the transformation programme.	2	Outstanding	30-Jun-19	30-Jun-20	Director Digital, Data & Technology	It has been agreed that the Director Digital Data & Technology will ensure that the ICT Disaster Recovery Plan is updated in line with proposed changes arising from the Digital Transformation programme.
40981	We recommend that the Interim Director: Digital Transformation & IT creates a mechanism for ensuring that risks identified at programme level are fed into the wider corporate risk management framework. Open dialogue between the responsible officers is maintained throughout the life of the programme.	2	Outstanding	31-May-19	30-Jun-20	Director Digital, Data & Technology	It has been agreed that the Director Digital, Data & Technology will create a mechanism for ensuring that risks identified with IT Transformation programmes are fed into the wider corporate risk management framework. Open dialogue between the responsible officers is maintained throughout the life of these programmes.

Director HR & OD

Payroll (Audit Report Issued 18th June 2019)

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
41388	We recommend that the Payroll & Business Development Manager ensures that early notifications of retirement are flagged, and acted on, in time for the employee to be made a 'leaver' in the pay roll that coincides with their date of retirement.	3	Outstanding	31-Aug-19	29-Feb-20	Payroll Process Team Manager (Council).	A reminder will be sent to managers to complete Leaver forms for retirees in a timely way in the next payroll newsletter. Payroll will action these leaver forms or place a reminder within their workflow to ensure that they are actioned on time.

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
41236	We recommend that the Payroll & Business Development Manager considers how the Council will ensure that Right to Work checks are completed and retained on file for all employees recruited prior to the new automated process coming into effect in order to demonstrate compliance with statutory requirements.	2	Outstanding	31-Jul-19	31-Mar-20	Talent and Resourcing Manager HR & OD	Wiltshire schools and academies have the responsibility to ensure all relevant checks are undertaken prior to appointment, including a right to work. All schools and academies hold a Single Central Record (SCR) document which details all the checks undertaken. For those schools where we are the legal employer, community and voluntary controlled, the delegated responsibility is passed to the HT and governors to ensure all the checks are done. In addition we have in the school effectiveness team, a safeguarding team who provide advice and training to schools on what checks are required and we provide the template SCR with supporting guidance and FAQs. For council staff, where the posts are safeguarding roles, the service should hold their own SCR, which includes a column as to whether a right to work check has been undertaken. These records will be audited between now and the end of March 2020. A report is being developed to identify current employees appointed from external sources since 29 February 2008. A process will be identified to recover the checks from managers or potentially to carry out new checks where these cannot be obtained.

Interim Director Finance & Procurement

	Gross Loans (Audit Report Issued 18th June 2019)							
Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
41541	We recommend that the Council ensures that correct procedures are followed when invoicing a customer to ensure that the debt is appropriately accounted for in a timely manner and debt recovery procedures can be followed.	1	Outstanding	25-Jun-19	31-Mar-20	Head of Business Finance	Agreed - an officer has been assigned to concentrate on the debt recovery aspect and a dedicated piece of work is currently underway to review all the outstanding debts in this category. Procedures were reinforced and followed up to October 2019 when the new IT system was implemented. Since then, it has not been able to invoice as frequently because the system is still being bedded in. Processes and procedures are therefore being reviewed again as part of the final stages of system implementation.
41542	We recommend that the Placements Team should ensure that the documented procedure is followed and where exceptions to the procedures are identified this should be escalated on a case by case basis for approval and this approval is documented. Furthermore, approval levels relating to the decision not to invoice or to delay invoicing should be agreed and clearly documented.	2	Outstanding	25-Jun-19	31-Mar-20	Head of Business Finance	Agreed - the procedure was being followed up to the point on the changeover to the new IT system in October 2019 and invoices were being regularly issued up to that point. As above (recommendation 41541) further review is being undertaken to ensure that the procedure remains robust as charging (invoice raising) starts from the new system. This is due to be done in early February 2020.

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
41543	We recommend that the Placements Team should be trained to ensure they are competent in raising part credits to reduce balances on invoices. This will ensure that invoices are raised in a timely manner and that the debt is more likely to be recovered.	1	Outstanding	25-Jun-19	31-Mar-20	Head of Business Finance	Agreed - the procedure was being followed up to the point on the changeover to the new IT system in October 2019 and invoices were being regularly issued up to that point. As above (recommendation 41541) further review is being undertaken to ensure that the procedure remains robust as charging (invoice raising) starts from the new system. This is due to be done in early February 2020. Staff will be trained again as part of the new processes going live.
41544	We recommend that monthly and year end reconciliations are carried out as part of a business as usual process in order to identify where activity is overdue and that this is documented as part of the process.	2	Outstanding	25-Jun-19	29-Feb-20	Head of Business Finance	Agreed. Work was done with the last interim Head of Finance for Adult Care prior to her departure in November to bring reconciliations up to date. This is being reviewed with the new HoF who arrived mid January to ensure that the process remains fit for purpose with the new systems (LL and ContrOCC) and is fully up to date by the middle of February 2020 so that there no issues at year end. Weekly progress meetings are inpalce between Finance Placements and Accountancy.

Deferred Payments (Audit Report Issued 10th September 2019)							
Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update

39503	We recommend that performance indicators relating to Deferred Payment Agreements are fed into both the Executive Director with responsibility for Finance and the Executive Director with responsibility for Adult Social Care's scorecards to ensure that there is sufficient reporting and oversight so that the figures can be challenged. Furthermore, the Section 151 Officer and Adult Care Directors should receive regular, at least quarterly, information on the current debt position for Deferred Payment Agreements.	2	Outstanding	31-Oct-19	31-Mar-20	Head of Business Finance	Performance data and reporting is being worked on after the new list of Deferred Payments was put in place from 1st November 2019. By 31st March a set of data will be ready for reporting to Executive Directors and other relevant members of CLT.
39501	We recommend that the DPA application form is improved to clarify what is expected by maintaining the property.	3	Outstanding	30-Nov-19	29-Feb-20	Head of Business Services, Finance	The DPA application pack including the form is currently under review together with the website content. This will be included as part of the review and updated. It is also intended that once a DPA is in place, there will be a requirement to confirm that maintainence is being carried out as required.
39502	We recommend that the Deferred Payment application assessments are signed and dated by the Officer to demonstrate proper checks have been made before they are sent to the approving officer and to demonstrate appropriate segregation of duties.	3	Outstanding	30-Nov-19	29-Feb-20	Head of Business Services, Finance	A process review has been completed and the Finance Placements Manager will undertake the case checks before seeking the agreement of the relevant Head of Service or Director in Adult Social Care to the DPA.

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
39552	We recommend that the process for allocating, undertaking and monitoring the 6 monthly review is revisited to ensure that reviews are undertaken in a timely manner. During this process, the Council should also seek assurance from the client that the property has been appropriately maintained and insured. We recommend that the process for allocating, undertaking and monitoring the 6 monthly review is revisited to ensure that reviews are undertaken in a timely manner. During this process, the Council should also seek assurance from the client that the property has been appropriately maintained and insured.	3	Outstanding	30-Nov-19	29-Feb-20	Head of Business Services, Finance	The DPA application pack including the form is currently under review together with the website content. This will be included as part of the review and updated. It is also intended that once a DPA is in place, there will be a requirement to confirm that maintainence is being carried out as required.

Accounts Payable (Audit Report Issued 3rd April 2019)

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
40721	We recommend that the Accounts Payable Team run the Open Credits report on a quarterly basis, if that is deemed sufficient, to ensure that items are identified and escalated where appropriate on a more regular basis. More regular and structured review would ensure that in the absence of the officer responsible for this it could be easily identified if this needs to be undertaken by another AP Officer.	3	Outstanding	01-Apr-19	31-Mar-20	Accounts Payable Manager	It is hoped to start a more regular examination of the credit balances now that Accounts Payable have been able to fill some vacancies. Once staff have been trained it is hoped that this will become a regular part of Accounts Payable work.

Contract Management (Audit Report Issued 25th January 2017)

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
37117	We recommend that the revised Contract Management Framework and its supporting toolkit is formally 'relaunched' via a corporate-wide communication to ensure all are aware of it and the requirement to comply. Support documentation on the Framework and Toolkit should be readily available to all Contract Managers.	3	Outstanding	31-Mar-18	31-Oct-18	SRM & Contracts Management Specialist	Acting Head of Strategic Procurement contacted. Response not yet received.
37318	We recommend that the Strategic Procurement Team consider utilising the Contract Leads to promote and share Contract Management Framework information, and to monitor a contracts progress towards adoption of the Framework.	3	Outstanding	28-Feb-18	31-Oct-18	SRM & Contracts Management Specialist	Acting Head of Strategic Procurement contacted. Response not yet received.
Supply Chain Management (Audit Report Issued 17th January 2019)							
Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
39455	We recommend that exit strategies are tailored to corresponding contracts.	3	Outstanding	30-Jun-19		Senior Category Manager	Acting Head of Strategic Procurement contacted. Response not yet received. However, this recommendation is currently subject to a separate follow up audit.
39495	We recommend that Procurement documentation is updated to state a requirement for a current and periodically tested business continuity plan for each supplier.	3	Outstanding	30-Jun-19		Senior Category Manager	Acting Head of Strategic Procurement contacted. Response not yet received. However, this recommendation is currently subject to a separate follow up audit.

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
39509	We recommend that the Council requests that Cyber Attack response is covered in its suppliers' business continuity plans with evidence of periodic testing.	3	Outstanding	30-Jun-19		Senior Category Manager	Acting Head of Strategic Procurement contacted. Response not yet received. However, this recommendation is currently subject to a separate follow up audit.
39510	We recommend that the storage of contract documentation is reviewed to consider ease of location and review.	3	Outstanding	30-Nov-19		Senior Category Manager	Acting Head of Strategic Procurement contacted. Response not yet received. However, this recommendation is currently subject to a separate follow up audit.
39653	We recommend that a written contingency plan is outlined for all contracts. This should be proportionate to the criticality of the supplier and the service provided.	3	Outstanding	31-Dec-19		Senior Category Manager	Acting Head of Strategic Procurement contacted. Response not yet received. However, this recommendation is currently subject to a separate follow up audit.

Financial Regulations & Contract Standing Orders (Audit Report Issued 26th February 2019)

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
40507	We recommend that the Acting Head of Strategic Procurement Hub updates the Procurement e-manual alongside the Procurement and Contract Rules to ensure the authority levels remain aligned to the current version of the Financial Regulations. All key officers should be notified of these changes and guidance re-published on the intranet. Furthermore, these documents should be developed to be interactive and user friendly, as planned.	3	Outstanding	30-Jun-19		Acting Head of Strategic Procurement Hub	Acting Head of Strategic Procurement contacted. Response not yet received.

Pensions (Audit Report Issued 30th April 2019)

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
41018	We recommend that a full reconciliation be undertaken between Altair and SAP Payroll. This recommendation is carried over from last year's audit report.	3	Outstanding	01-Dec-19	01-Jul-20	Head of Pensions Administration and Relations	Not complete. Unfortunately, we have failed to meet this deadline as this is a complex, specialist piece of work and the person working on it is on what now seems to be a long-term absence. I am looking to re-assign the work to someone else but this will be difficult due to its nature. I suspect this will take at least 6 months.

Director Education & Skills

Traded Services with Schools (Audit Report Issued 6th March 2019)

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
39704	We recommend that the Council review the position of Traded Services with Schools and the roles and responsibilities of the service itself to ensure clear accountability & governance at all levels to include oversight, scrutiny and decision making.	2	Outstanding	31-Jul-19	01-Mar-20	Director of Education and Skills Traded Services Manager	The Traded Services Task Group is currently overseeing the progress and delivery of the Traded Services team. A final report is being delivered by the group to Children's Select Committee in March 2020. The report will include recommendations, reflecting ongoing discussions underway with Democratic Services, to formalise the scrutiny and governance members going forward.

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
39710	We recommend that Traded Services with Schools put into place a clear budget that demonstrates how all costs involved will be funded and that it is a viable commercial venture long term.	2	Outstanding	31-Dec-19	31-Dec-20	Traded Services Manager	There are two steps underway to identify long term commercial viability: Business plans and Trading Accounts. Business plans are being created for each traded service that will deliver a clear delivery agenda based on customer demand. This will demonstrate a year-on-year traded income increase and a clear service delivery offer for customers. Due 31 March 2020. Trading Accounts will focus in cost recovery against traded income delivery. Changes in focus and priority with Finance over recent months has delayed its progress. Finance Officer appointed to undertake review alongside other duties. Realistic delivery timescales December 2020. It is anticipated that 2021/22 accounting year will provide the first year where all the groundwork will make significant impact on service delivery and traded income.

Director Housing & Commercial

Property Management - Third Party Income (Audit Report Issued 19th February 2019)

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
39958	We recommend that the Council should market commercial properties through its websites, subject to Economic Development agreement, and business development networking events, to assist in maintaining maximum exposure and increase potential for reletting.	3	Outstanding	30-Aug-19		Asset Manager, Estates & Asset Use, Strategic Assets & FM.	Asset Manager, Estates & Asset Use, Strategic Assets & FM contacted. Response not yet received.

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
39959	We recommend that the Asset Manager ensures operational procedures are produced, documented and implemented to ensure that there is comprehensive guidance for current and new operational staff.	3	Outstanding	01-Nov-19		Asset Manager, Estates & Asset Use, Strategic Assets & FM.	Asset Manager, Estates & Asset Use, Strategic Assets & FM contacted. Response not yet received.
39960	We recommend that the Council implements the Third-Party Charging Policy (and Approach to Asset Management) as a priority to ensure whilst still working within the principles of partnership, rental income is optimised. The Third-Party Charging Policy should include the decision process governing the letting of office space to ensure it is transparent, consistently applied and supports the reasons for any discounts or free lets applied. This should be complemented by a Corporate Concessionary Rent Policy, allowing the Council to be transparent in charging less than market charges.	2	Outstanding	30-Jun-19	31-Jul-20	Head of Strategic Asset & Facilities Management and Asset Manager, Estates & Asset Use, Strategic Assets & FM.	The implementation of a third party charging policy has been delayed due to other priorities. The items remains an objective of the service, though connection to a Corporate Concessionary Rent has yet to be determined. Other Asset Management Frameworks have now been agreed, with the Third Party Charging to follow.

Premises Health and Safety (Audit Report Issued 11th June 2019)

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
41176	We recommend that clear management authority for the completion of remedial actions is identified and resources are committed to enable the H&S team to monitor compliance.	3	Outstanding	31-Dec-19		SA&FM Asset Portfolio Manager - Asset Condition	SA&FM Asset Portfolio Manager - Asset Condition and Head of Strategic Asset & Facilities Management contacted. Response not yet received. However, this recommendation is currently subject to a separate follow up audit.
41128	We recommend that the Council ensures it is complying with corporate policy and health and safety regulations by committing greater resources into monitoring the completion of key safety tasks by Premises-Controlling Managers and by identifying persons to complete these tasks in shared occupancy premises. The Council should ensure that all arrangements are clearly documented to allow for easy identification of missing resources in the future and should consider the arrangements for filling these resource gaps, even if temporary, should they occur.	2	Outstanding	30-Sep-19		SA&FM Asset Portfolio Manager - Asset Condition	SA&FM Asset Portfolio Manager - Asset Condition and Head of Strategic Asset & Facilities Management contacted. Response not yet received. However, this recommendation is currently subject to a separate follow up audit.

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
41198	We recommend that all sites have an identified person with responsibility to ensure key safety tasks, as set out in the corporate policy, are completed. Consideration should be made to ensuring that these tasks are clearly identified for each site and for training to be provided for the persons required to undertake them. Furthermore, an up to date list of all Responsible People should be maintained in order to be able to quickly and effectively send out relevant email communications.	2	Outstanding	30-Sep-19		SA&FM Asset Portfolio Manager - Asset Condition	SA&FM Asset Portfolio Manager - Asset Condition and Head of Strategic Asset & Facilities Management contacted. Response not yet received. However, this recommendation is currently subject to a separate follow up audit.

Maintenance of Property (Audit Report Issued 10th December 2018)

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
39101	We recommend that Facilities Management ensure they meet their contractual obligation to monitor all key performance indicators of each property maintenance contract to achieve good performance, value for money and good satisfaction from stakeholders. Key performance indicators that are not monitored should be reviewed to consider their application, replacement or deletion from the contractual agreement. The Procurement guidance on Contract Management should be finalised and made available on the relevant section of the intranet.	2	Outstanding	06-Dec-18	31-Jan-20	Facilities Management Delivery Manager	The current KPI,s are being reviewed with the intention to adjust the weighting so they can be ranked according to importance to the contract.

Director Corporate Services

Programme Management (Audit Report Issued 4th October 2019)

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
42099	We recommend that the existing framework is developed to capture all projects and programmes being delivered across the whole Council so there is consistency of approach and a clear corporate wide view.	2	Outstanding	30-Nov-19	30-Jun-20	Director Corporate Services / Head of Corporate Assurance and Programmes	A new portfolio management approach was agreed by CLT in October 2019. A programme plan has been developed to include new templates, training and culture change, definitions of roles and responsibilities, benefits mapping and realisation and reporting at a corporate level. The current timeline is for this to have been completed by the end of June 2020.
42100	We recommend that a process is developed to capture the benefits to be realised from the start of a project. This should be continually reviewed throughout the life of the project to ensure the benefits set out at the project initiation stage have been realised and to identify improvement opportunities or the opportunity to halt/alter the project.	3	Outstanding	31-Dec-19	31-Mar-20	Head of Corporate Assurance and Programmes	Being developed as part of the new portfolio management framework.
42101	We recommend that the lessons learn process are reviewed and a set of key themes developed.	3	Outstanding	31-Dec-19	31-Mar-20	Head of Corporate Assurance and Programmes / Portfolio Managers	Being developed as part of the new portfolio management framework.

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
42102	We recommend that the Project Initiation Document (PID) is amended to include a Quality Management section. Furthermore, the Quality Assurance strategy should be reviewed to ensure quality is reviewed throughout the life of, and at the end of, each project.	3	Outstanding	30-Nov-19	31-Mar-20	Head of Corporate Assurance and Programmes / Portfolio Manager	Being developed as part of the new portfolio management framework.

Data Breaches (Audit Report Issued 31st May 2019)

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
40431	We recommend that policy documentation is reviewed and updated where appropriate.	3	Outstanding	30-Jun-19	31-Mar-20	Information Governance Manager	The suite of IG policies is currently under review and will be taken to the next Cyber Security and IG Board in February.

Project Management Framework (Audit Report Issued 5th November 2018)

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
38028	We recommend that the format of the 'Corporate' programmes report is updated to clearly distinguish between programme office data and other data and to provide brief updates from non-Programme office programmes reported at status Amber or Red.	3	Outstanding	31-Dec-18	31-Mar-20	Head of Programme Office	Being developed as part of the new portfolio management framework.

Director Communities & Neighbourhood Services

Taxi Licensing (Audit Report Issued 8th October 2018)

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
39374	We recommend that management resources are identified to carry out the periodic monitoring of contracts to ensure adequate performance during the contract term, including best value reviews.	2	Outstanding	28-Feb-19	01-Apr-20	Head of Passenger Transport	We are just about to begin the restructure of one of my teams and as part of that the post of contracts managers will be introduced. I hope to have someone on place by 1st April, all being well.

Director Joint Commissioning

Adult Social Care Contracts (Audit Report Issued 21st June 2019)

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
41378	We recommend that the Commissioner – Community Services continues to develop and embed the governance structure for the Help to Live at Home Alliance Partnership to ensure key objectives and outcomes can be met. This should include documenting what levels of authority are required to approve procurement and commissioning decisions, and how this can be confirmed as not being circumvented. The governance board should also document how the achievement and performance of the HTLAH activity will be monitored, including frequency and reporting requirements.	2	Outstanding	31-Dec-19	31-Mar-20	Commissioning Programme Lead – Community Services	Terms of Reference for an annual HTLAH provider forum were agreed with providers in July 2019. Additional meetings will be held as required. A schedule of contract monitoring meetings is being developed. The schedule will take a proportionate risk-based approach with the intention that all providers will be reviewed at least annually. Budget monitoring is in place with a particular focus on how the balance between 'tier T1/T2/off-contract' spend system supports best value for the Council. Monitoring will continue to develop alongside improvements in data from brokerage and the development of the commissioning dashboard. Progress with the commissioning dashboard is expected to gather pace due to a dedicated resource being in place for this piece of work as of January 2020. A sub delegation scheme has been put in place for commissioning which clearly shows approval levels for procurement and commissioning decisions.

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
41379	We recommend that the Commissioner – Community Services ensures clear performance measures are put in place, and actively monitored, which can both measure and capture planned benefits and savings. This should include KPIs for the providers and internal support services.	2	Outstanding	30-Dec-19	31-Mar-20	Commissioning Programme Lead – Community Services	Initial progress on draft KPIs made with providers in the July 2019 forum. KPIs will be finalised following a review of the overall contract, which will include findings from year 1 of delivery. In lieu of the review outcome, commissioners will investigate possible interim KPIs able to be collated from current data. A customer survey has been drafted but not yet published due to restructure. This will form part of the review of the HLTAH contract review. Timeframe for the above TBC pending commissioning awayday and priority setting / resource allocation (see 'context above).

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| 41414 | We recommend that the Commissioner – Community Services ensures a supplier management framework is developed which identifies key suppliers in terms of capacity and capability. Business continuity plans and contingency plans should also be put in place for key suppliers. | 2 | Outstanding | 31-Dec-19 | 31-Mar-20 | Commissioning Programme Lead – Community Services | See response to 41378 re: brokerage dashboard and 41379 re: KPIs. In addition, budget reports currently inform decision making by identifying package volumes and level of spend for each HTLAH provider.

Commissioners are clear on potential exposure to provider failure. However this will be improved by adapting the care homes closure policy to homecare and reviewing the HTLAH contract to ensure Business Continuity plans are clearly included within scope. This is ongoing and will be taken forward as part of the workplan following the directorate awayday in February.

In the interim, commissioners have successfully worked with providers through winter pressures schemes to develop capacity by bringing an out-of-county workforce.

Though the targeted improvement of data from brokerage plays a crucial part, successfully managing demand on the local health & care system also relies on a wider range of parallel initiatives. Options in this respect will be considered in the directorate awayday and priority setting and will form part of the future update identified above. |

Director Access & Reablement

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

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
40680	We recommend that the Court of Protection Team Manager gives consideration to the most cost effective and efficient manner of document storage for the service.	3	Outstanding	31-Aug-19	30-Jun-20	Court of Protection Team Manager	Systems Thinking Team will be focussing on reviewing the processes that generate documentation to consider more efficient ways to manage client information. This will then identify what storage/scanning facilities will be required. The bespoke database Caspar is not compatible with SharePoint. However a fully upgraded Casper 2 is being launched in April 2020, it is felt that Wiltshire Council will not look to purchase this until 2021 when any teething problems will have been resolved. Caspar 2 has a storage facility on the cloud that could store our scanned documents.

Court of Protection Deputyship & Appointeeship for Service Users (Audit Report Issued 7th August 2019)

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
41503	We recommend that the Court of Protection Team Manager reviews the recruitment and vetting process for Officers employed into the Court of Protection team with relevant areas of the Council to ensure staff are appropriately vetted and unsuitable applicants are not employed in a role where access to vulnerable clients' money is available.	3	Outstanding	31-Oct-19	30-Jun-20	Head of Service – Contact and Safeguarding	Discussions have been held with HR and Legal regarding options for further, proportionate, vetting options – a recommendation as to way forward has not yet been finalised and discussions are ongoing, including looking across the council at how different forms of vetting are implemented across different teams.

Director Legal, Electoral & Registration Services

Corporate Complaints (Audit Report Issued 3rd July 2018)

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
38485	We recommend that a policy is implemented that informs all staff of the processes and procedures for dealing with a complaint, including guidance on when to pass the complaint to the Corporate Complaints department.	3	Outstanding	02-Jan-19		Public Law & Compliance Manager	Head of Legal Services contacted. Response not yet received.
38659	We recommend that all Council staff are trained in the corporate complaints process, the information that may be required of them, the timescales involved and the importance of sticking to these timescales.	3	Outstanding	02-Jan-19		Public Law & Compliance Manager	Head of Legal Services contacted. Response not yet received.

Officers Declarations of Interest, Gifts & Hospitality (Audit Report Issued 31st October 2018)

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
36283	We recommend that declaring potential conflicts of interests, gifts & hospitality is covered during induction training for all staff.	3	Outstanding	31-Mar-19	31-Mar-20	Head of Legal Services	Head of Legal Services contacted. Response not yet received. However, this recommendation is currently subject to a separate follow up audit.
36284	We recommend that there a formal process of regular communication to remind staff and managers of the need to record potential conflicts of interest and the offering/acceptance of gifts & hospitality.	3	Outstanding	31-Mar-19	31-Mar-20	Head of Legal Services	Head of Legal Services contacted. Response not yet received. However, this recommendation is currently subject to a separate follow up audit.

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update

36285	We recommend that Close Personal Relationships should be reported through the online register of interests. Policy and guidance should be updated accordingly.	3	Outstanding	31-Mar-19	31-Mar-20	Head of Legal Services	Head of Legal Services contacted. Response not yet received. However, this recommendation is currently subject to a separate follow up audit.
36286	We recommend that assessment procedures should include an email to the manager to advise when a potential conflict of interest has been registered.	3	Outstanding	31-Mar-19	31-Mar-20	Head of Legal Services	Head of Legal Services contacted. Response not yet received. However, this recommendation is currently subject to a separate follow up audit.
36287	We recommend that the compliance team develop procedures to advise managers which members of their team have a current active declaration. This could be via an annual email or perhaps via a flag on a SAP/ HR record.	3	Outstanding	31-Mar-19	31-Mar-20	Head of Legal Services	Head of Legal Services contacted. Response not yet received. However, this recommendation is currently subject to a separate follow up audit.
36288	We recommend that the Managers are provided with guidance on how they can find out about existing declarations of interest.	3	Outstanding	31-Mar-19	31-Mar-20	Head of Legal Services	Head of Legal Services contacted. Response not yet received. However, this recommendation is currently subject to a separate follow up audit.
36289	We recommend that archive policies and procedures should be developed. Consideration should be given to length of time to keep records of former officers and any records that are no longer current/accurate.	3	Outstanding	31-Mar-19	31-Mar-20	Head of Legal Services	Head of Legal Services contacted. Response not yet received. However, this recommendation is currently subject to a separate follow up audit.
36290	We recommend that procedures are put in place to ensure the register entries is kept current.	3	Outstanding	31-Mar-19	31-Mar-20	Head of Legal Services	Head of Legal Services contacted. Response not yet received. However, this recommendation is currently subject to a separate follow up audit.

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
36385	We recommend that guidance should be updated to include advice on the level of detail that should be included and of any mandatory information (such as estimated value and date hospitality received). It could also advise a minimum threshold for a declaration.	3	Outstanding	31-Dec-19	31-Mar-20	Head of Legal Services	Head of Legal Services contacted. Response not yet received. However, this recommendation is currently subject to a separate follow up audit.
42389	We recommend that specific groups of staff to be required to make annual declarations of interests and these be reviewed by Heads of Service.	3	Outstanding	31-Dec-19	31-Mar-20	Head of Legal Services	Head of Legal Services contacted. Response not yet received. However, this recommendation is currently subject to a separate follow up audit.

Director Economic Development & Planning

Community Infrastructure Levy & S106 Agreements (Audit Report Issued 18th October 2019)

Reference Number	Recommendation	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Response / Update
40899	We recommend that the Head of Planning Operations ensures that the processes for administering the registration and discharge of land charges are formally documented and that a suitable number of staff are trained to carry out the routines.	3	Outstanding	31-Dec-19		Performance Delivery Manager	Director Economic Development & Planning contacted. Response not yet received.
41835	We recommend that a full review is carried out in the planning applications listed as Not Complied With to ensure the accuracy of the database and that all Section 106 monies due have been collected.	3	Outstanding	31-Dec-19		Performance Delivery Manager	Director Economic Development & Planning contacted. Response not yet received.

Wiltshire Council

Audit Committee

12th February 2020

Subject: SWAP Self-Assessment against the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN).

Executive Summary

Public Sector Internal Audit Standards (PSIAS) are mandatory and apply to all internal audit service providers, whether in-house, shared services or outsourced. The objectives of the PSIAS are to:

• define the nature of internal auditing within the UK public sector
• set basic principles for carrying out internal audit in the UK public sector
• establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations, and
• establish the basis for the evaluation of internal audit performance and to drive improvement planning.

Standard 1300 requires the Chief Audit Executive (Head of Internal Audit) to develop and maintain a Quality Assurance and Improvement Programme (QAIP) that includes periodic self-assessments and an assessment by an external person every five years.

Proposal(s)

That the Audit Committee note and comment upon the self-assessment.

Reason for Proposal

It is the role of the Audit Committee to ensure the effectiveness of the Internal Audit service.

David Hill
SWAP Chief Executive

Charlotte Wilson
Assistant Director

Deborah Hindson
Interim Director Finance and Procurement

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Wiltshire Council

Report of SWAP Self-Assessment against the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN).

Internal Audit ▪ Risk ▪ Special Investigations ▪ Consultancy

Background

Introduction

This conformance review is evidence required to demonstrate the Internal Audit Service is 'fit for purpose' and compliant with the national mandatory standards. The Audit Committee are required to review and comment upon the effectiveness of the Internal Audit Service and this report assists with this responsibility.

Public Sector Internal Audit Standards (PSIAS) are mandatory and apply to all internal audit service providers, whether in-house, shared services or outsourced. The objectives of the PSIAS are to:

- Define the nature of internal auditing within the UK public sector;
- Set basic principles for carrying out internal audit in the UK public sector;
- Establish a framework for providing internal audit services, which add value to the organisation, leading to improved organisational processes and operations, and
- Establish the basis for the evaluation of internal audit performance and to drive improvement planning.

Standard 1300 requires the Chief Audit Executive (Head of Internal Audit) to develop and maintain a Quality Assurance and Improvement Programme (QAIP) that includes periodic self-assessments and an assessment by an external person every five years.

The external assessment is currently underway and the findings and agreed improvement action plan will be presented to the next Audit Committee.

Conclusion

The review identified near full compliance with the 300 plus tests of conformance, with no areas of non-compliance within the standards that would affect the overall scope or operation of the internal audit activity.

A small number of areas were identified where there is partial compliance and scope for improvement to ensure the service is meeting best practice.

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors and the CIPFA Code of Practice for Internal Audit in England and Wales.

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Ref:	PSIAS Standard	Comments
1	Definition of Internal Audit	Fully Conformant
2	Code of Ethics	Fully Conformant
3	Attribute Standards	Fully Conformant
3.1	1000 Purpose, Authority and Responsibility	Fully Conformant
3.2	1100 Independence and Objectivity	Partial Conformance – there is no formal feedback sought from the clients Chief Executive or Audit Committee chair regarding the performance of the CAE.
3.3	1200 Proficiency and Due Professional Care	Fully Conformant
3.4	1300 Quality Assurance and Improvement Programme	Partial Conformance - The QUAIP was completed following the PSIAS review in 2015 and was reported to the Board through to 2018. At that stage the PSIAS review was due in 2019 but due to the retirement of the CEO is was deferred. We are still compliant with the requirement to undertake the PSIAS External Assessment every 5 years.
4	Performance Standards	Fully Conformant
4.1	2000 Managing the Internal Audit Activity	Fully Conformant

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors and the CIPFA Code of Practice for Internal Audit in England and Wales.

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Ref:	PSIAS Standard	Comments
4.2	2100 Nature of Work	Partial Conformance - Ethics audit coverage is inconsistent across partners at present. The Audit Planning process (**in the Audit Manual (Ref 6)** has been updated to ensure ethics audits are carried out at every partner site as a matter of course. **The Annual Opinion Report (Ref 19)** includes a section on ethical effectiveness which has been included in the revised draft. The Audit Planning process (in **the Audit Manual (Ref 6)** has been updated to ensure there is an assessment of the information technology governance and the extent to which it supports the organisations strategy and objectives. **The Annual Opinion Report (Ref 19)** has been reviewed and a section on IT governance has been included.
4.3	2200 Engagement Planning	Fully Conformant
4.4	2300 Performing the Engagement	Partial Conformance - While included in the **Audit Manual (Ref 6)** (in the section that references the IIA Standards), there is an assumption that auditors apply their professional judgement and experience in considering these aspects. We do not require them to formally document this. New starters are sent on the **BHBI Introduction to Internal Auditing training course (Ref 37). The Audit Manual (Ref 6)** includes consideration of these areas specifically but these elements may not be easily evidenced on file.
4.5	2400 Communicating Results	Fully Conformant
4.6	2500 Monitoring Progress	Fully Conformant
4.7	2600 Communication and Acceptance of Risks	Fully Conformant

Wiltshire Council - Highways Asset Risk Register

Category	Ref No.	Risk Type	Risk	Risk			Mitigation in place	Residual Risk (03.01.20)			Key Risk or Residual Risk Score Trend
				Likelihood	Impact	Risk Score		Likelihood	Impact	Risk Score	
1. Roads and Footways	1.1	Safety	Inadequate skid resistance results in injury or accidents	4	4	16	Skid resistance policy and Scrim site investigations with an annual programme of treatment including resurfacing and retexturing.	2	4	8	
			Carriageway defects results in injury or accidents	3	4	12	Highway inspections are undertaken in accordance with the Highways Safety Inspection Manual, with a reactive pothole and safety defect repair process to reduce risk	2	4	8	
			Carriageway structural failure results in injury or accidents	3	3	9	Carriageway surveys using scanner and visual inspections identify sites for treatment before serious failure.	2	3	6	
			Obstruction and risks associated with weather incidents	3	3	9	Emergency response team including out of hours service to deal with localised incidents. Winter gritting and flood response managed by Duty Engineer.	3	3	9	
			Injury to operatives or public during roadworks	3	4	12	Safety considered at design stage and measures taken during works to manage risks. Special consideration given to working on high speed roads.	2	4	8	
			Footway defects result in injury or accidents	3	3	9	Footway inspections in accordance with Highways Safety Inspection Manual with repair processes reduce risk.	2	3	6	
	1.2	Functionality	Road closures or restrictions due to structural failure	3	3	9	Carriageway surveys using scanner and visual inspections identify sites for treatment before serious failure.	1	3	3	
			Road closures due to safety issues and concerns	2	3	6	Works programmes reduce risk of serious structural problems. Arrangements in place to react to any issues on the highway.	1	3	3	
			Road closures during adverse weather	3	3	9	Winter gritting of main routes. Resilient Network identified and considered in maintenance priorities.	2	3	6	
			Footways affected by snow and ice	3	3	9	Arrangements made to clear snow and ice in town centres, often with support of Town Councils, but not all footways can be treated.	2	3	6	
			Road and footway closure because of sink holes or geotechnical issues	3	3	9	Inspections and monitoring of roads and footways identifies problems so that remedial work can be planned.	2	3	6	
			Road closures and diversions during works	4	3	12	Some closures are inevitable, but arrangements are made with streetworks team to manage delays and co-ordinate with other work on the network	2	3	6	
	1.3	Cost	Uncertainty over works costs	3	3	9	Contract arrangements in place with works managed through Service Delivery Teams	2	3	6	
			Claims resulting from incidents on highways	3	4	12	Highway and footway inspections in accordance with the Highways Inspection Manual, with a reactive pothole and safety defect repair process to reduce risk	2	4	8	
			Insufficient budget to keep roads in good condition	4	3	12	Capital budgets currently adequate to keep roads safe, but there is still a significant backlog of maintenance required.	3	3	9	
	1.4	Sustainability	Future availability of network	2	3	6	Current programme of major maintenance work reduces longer term risks to network availability.	1	3	3	

Category	Ref No.	Risk Type	Risk	Risk			Mitigation in place	Residual Risk (03.01.20)			Key Risk or Residual Risk Score Trend
				Likelihood	Impact	Risk Score		Likelihood	Impact	Risk Score	
	1.5	Environment	Noise disruption from road surface defects	2	3	6	Current programme of major maintenance works reduces risk of serious disturbance from road noise from roads in poor condition.	1	3	3	
			Tar bound materials in road construction are hazardous waste	3	3	9	Testing for tar bound materials and careful disposal reduces risks associated with the material.	2	3	6	
			Risk of damage to sensitive sites during works	3	3	9	Processes in place including Blue/Green rules to ensure operatives are aware of risks and wiorks are planned accordingly.	2	3	6	
			Carbon footprint from road maintenance works	3	3	9	Use of Warm asphalt in place of HRA is reducing carbon footprint. Development of in-situ recycling will also reduce use of new materials.	1	3	3	
	1.6	Reputation	Low public satisfaction with road and footway conditions	4	3	12	Programme of footway works should start to improve public satisfaction.	2	3	6	

Category	Ref No.	Risk Type	Risk	Risk			Mitigation in place	Residual Risk (03.01.20)			Key Risk or Residual Risk Score Trend
				Likelihood	Impact	Risk Score		Likelihood	Impact	Risk Score	
2. Bridges and Structures	2.1	Safety	Structural failure of bridge	3	3	9	Bridge inspection programme, including principal bridge inspection processes reduces risk of failure.	2	3	6	
			Bridge with inadequate carrying capacity	3	3	9	Bridge assessments undertaken and programme of strengthening where appropriate. Weight limits and signing used in short term.	2	3	6	
			Structural failure of retaining wall or other structures	3	4	12	Inspections of bridges and structures carried out as problems identified. However risk remains of failure particularly in connection with private retaining walls.	3	4	12	◯
			Incident involving bridge parapet damage	4	3	12	Bridge inspections carried out following incidents reduces the risk. Emergency response team attend incidents to make safe.	2	3	6	
			Injury to operatives or public during bridge works	3	4	12	Safety considered at design stage and measures taken during works to manage risks. Special consideration given to working over water.	2	4	8	
			Safety incident in connection with road or footway surface defect	3	3	9	Footway and carriageway inspections in accordance with highways Inspection Manual with repair processes reduce risk.	2	3	6	
	2.2	Functionality	Bridge closures or restrictions due to structural failure	3	4	12	Bridge inspection programme and bridge inspection processes reduces risk of failure.	1	4	4	
			Bridge closures due to safety issues and concerns	2	3	6	Works programme reduces risk of serious structural problems. Arrangements in place to react to any issues on the highway network and guard or make safe.	1	3	3	
			Damage by third parties including public utilities	3	3	9	Works are supervised and inspected but damage can occur through work by others on bridges.	2	3	6	
			Road closures and diversions during bridge works	4	3	12	Some closures are inevitable, but arrangements are made with streetworks team to manage delays and co-ordinate with other work on the network	2	3	6	
	2.3	Cost	Uncertainty over works costs	3	3	9	Contract arrangements in place with works managed through Service Delivery Teams	2	3	6	
			Claims resulting from incidents on bridges	3	4	12	Highway and footway inspections in accordance with the Highways Inspection Manual, and bridge inspections reduce risk	2	4	8	
			Insufficient budget to keep bridges in good condition	4	3	12	Capital budgets currently adequate to keep bridges in good condition. Will need to be kept under review.	2	3	6	
	2.4	Sustainability	Future availability of bridges and highway network	2	3	6	Current programme of major maintenance work reduces longer term risks to network availability.	1	3	3	
	2.5	Environment	Pollution from bridge works over rivers	4	4	16	Management of bridge maintenance programme takes into account environmental aspects to reduce pollution or damage risks.	2	4	8	
			Issues in connection with listed monuments and those in conservation areas.	3	4	12	Management of bridge maintenance programme takes into account status of structures and special treatments needed in some cases.	1	4	4	
	2.6	Reputation	Local concerns about bridge conditions and proposed works.	3	3	9	Programme of bridge works includes public consultation and information as necessary.	2	3	6	

Category	Ref No.	Risk Type	Risk	Risk			Mitigation in place	Residual Risk (03.01.20)			Key Risk or Residual Risk Score Trend
				Likelihood	Impact	Risk Score		Likelihood	Impact	Risk Score	
3. Drainage Infrastructure	3.1	Safety	Risk of incidents and collisions due to poor drainage on high speed roads.	3	4	12	Standing water on high speed roads is treated as a priority and investigated as soon as possible, with sites treated as priority for works. Responsive gully emptying service in place.	2	4	8	
			Health risks associated with pollution from flood waters.	3	3	9	Schemes are developed for those sites with known flooding issues. Working with water companies to reduce risk of sewer flooding.	2	3	6	
			Danger to public from flooding	2	4	8	Schemes implemented through Operational Flood Working Groups to reduce flood risk, but risk still remains in many areas.	2	4	8	
			Injury to operatives or public during drainage works	3	4	12	Safety considered at design stage and measures taken during works to manage risks. Special consideration given to working in deep excavations and near water.	2	4	8	
			Damage to structures and infrastructure associated with flooding.	2	3	6	Inspection regime to repair work following flooding, but some risk to drainage infrastructure from flooding remains.	2	3	6	
	3.2	Functionality	Road closures or restrictions due to flooding	3	3	9	Drainage improvement schemes carried out at many known flooding sites, but risk still remains.	2	3	6	
			Road closures due to safety issues and concerns	2	3	6	Works programmes reduce risk of flooding. Arrangements in place to react to any issues on the highway.	1	3	3	
			Road closures and diversions during flooding	3	3	9	Some closures are inevitable, but arrangements are made to provide suitable diversion routes if required. Emergency response team to deal with localised issues.	2	3	6	
	3.3	Cost	Uncertainty over works costs in connection with drainage schemes	3	3	9	Contract arrangements in place with works managed through Service Delivery Teams, but costs can be difficult to predict with drainage works.	2	3	6	
			Claims resulting from flooding and incidents on highways	3	4	12	Highway inspections in accordance with the Highways Safety Inspection Manual, with a reactive pothole and safety defect repair process to reduce risk of damage from flooding.	2	4	8	
			Insufficient budget to maintain drainage	3	3	9	Capital budgets used to improve highway drainage at many locations, but will need to be kept under review if budgets reduced.	2	3	6	
	3.4	Sustainability	Future maintenance of drainage systems	3	3	9	Current programme of drainage improvement work reduces longer term risks.	2	3	6	
	3.5	Environment	Pollution from highways drainage	3	3	9	Current programme of drainage works reduces risk of pollution, but some risk still remains.	2	3	6	
			Pollution from flooding	3	3	9	Current programme of drainage works reduces risk of pollution, but risk remains.	2	3	6	
	3.6	Reputation	Public concern about flooding and poor highway drainage	3	3	9	Current programme of drainage works reduces risk of flooding, but risk remains.	2	3	6	

Category	Ref No.	Risk Type	Risk	Risk			Mitigation in place	Residual Risk (03.01.20)			Key Risk or Residual Risk Score Trend
				Likelihood	Impact	Risk Score		Likelihood	Impact	Risk Score	
4.Street Lighting	4.1	Safety	Accidents due to structural failure of columns or brackets.	4	4	16	Inspection regime reduces risk, but with aging equipment risk remains	3	4	12	⬤
			Accidents due to faulty electrical equipment.	3	4	12	Inspection and testing regime reduces risk, but with aging equipment risk remains	2	4	8	
			Risk of damage resulting from vehicle impacts	3	4	12	Response to incidents, including out of hours service, reduces risk of serious injury or further damage but risk remains	2	4	8	
			Injury to operatives or public during roadworks	3	4	12	Safety considered in planning of works and measures taken during works to manage risks. Special consideration given to working on high speed roads.	2	4	8	
			Damage to equipment through vandalism or unauthorised interference..	3	4	12	Inspection regime to repair work following damage, but some risk of injury in some circumstances remains. My Wiltshire reporting system allows easy reporting by public.	2	4	8	
	4.2	Functionality	Loss of lighting through electrical supply faults	3	3	9	Work closely with electrical supply company but timescales for repairs can result in lighting being out of operation for considerable periods.	2	3	6	
			Loss of lighting due to equipment failure	3	3	9	Inspection regime and maintenance programme reduces risk, but with aging equipment risk remains	2	3	6	
			Reductions in lighting due to funding restrictions	3	3	9	Some closures are inevitable, but arrangements are made to provide suitable diversion routes if required.	2	3	6	
	4.3	Cost	Uncertainty over works costs in connection with street lighting	3	3	9	Contract arrangements in place with works managed through Service Delivery Teams, but costs can be difficult to predict with drainage works.	2	3	6	
			Claims resulting from lighting safety issues	3	4	12	Inspection and maintenance processes reduce risk of incidents and claims.	2	4	8	
			Insufficient budget to maintain street lighting	4	3	12	With current budgets the aging stock of street columns is a risk being managed by regular inspections and testing of high risk units.	3	3	9	
	4.4	Sustainability	Future maintenance of street lighting	4	3	12	Introduction of LED lighting should reduce energy consumption and maintenance requirement.	3	3	9	
	4.5	Environment	Light pollution from street lighting	3	3	9	Part night lighting and dimming programme generally reducing light pollution.	2	3	6	
			Carbon footprint of lighting energy usage	3	2	6	LED installation programme reducing energy consumption.	2	2	4	
	4.6	Reputation	Public concern about lighting levels and operation	3	3	9	Lighting levels being reduced in connection with LED installation project.	2	3	6	

Category	Ref No.	Risk Type	Risk	Risk			Mitigation in place	Residual Risk (03.01.20)			Key Risk or Residual Risk Score Trend
				Likelihood	Impact	Risk Score		Likelihood	Impact	Risk Score	
5. Traffic Signals and Control	5.1	Safety	Road traffic collisions or accidents due equipment failure	3	4	12	Maintenance programme reduces risk of failure. Mantenance contractor makes quick response to incidents but some risk remains.	2	4	8	
			Structural failure of signal posts and equipment affecting public or traffic.	3	3	9	Maintenance programme reduces risk of failure. Maintenance contractor makes quick response to incidents but some risk remains.	3	3	9	
			Injury due to faulty electrical equipment	2	4	8	Inspection and maintenance regime reduces risk, but risk remains.	2	4	8	
			Injury to operatives or public during roadworks	3	4	12	Safety considered at design stage and measures taken during works to manage risks. Special consideration given to working close to traffic.	2	4	8	
			Traffic collisions at junctions resulting from driver confusion	3	4	12	Reviews of junction operation and consequent changes reduce risk but risk remains.	2	4	8	
	5.2	Functionality	Loss of operation through road traffic collision	3	3	9	Maintenance contractor makes quick response to incidents, and repairs are made to restore operation as soon as possible.	2	3	6	
			Loss of equipment for long term maintenance	3	3	9	Planned maintenance programme reduces risk of long term loss of function.	2	3	6	
			Loss of operation through equipment failure	3	3	9	Planned maintenance programme reduces risk of long term loss of function. Maintenance contractor makes quick response to incidents.	2	3	6	
	5.3	Cost	Uncertainty over works costs in connection with traffic signals schemes	3	3	9	Contract arrangements in place with works managed through Service Delivery Teams, but funding renewal programme will be an issue.	2	3	6	
			Claims resulting from incidents at traffic signals	3	3	9	Maintenance regime and incident monitoring processes reduce risk of claims.	2	3	6	
			Insufficient budget to maintain traffic control systems	3	3	9	Budgets currently adequate to maintain equipment but future renewal costs will be an issue. Will need to be kept under review.	2	3	6	
	5.4	Sustainability	Future maintenance of traffic control systems	3	3	9	Current programme of maintenance reduces short term risks, but concerns about budget for equipment renewal in the longer term remain.	2	3	6	
	5.5	Environment	Light pollution from signal controlled junctions	2	3	6	Junction layouts and arrangements need to take into account environmental impact. However, road safety remains a priority and options may be limited in some cases.	1	3	3	
			Visual intrusion of traffic signal control systems in sensitive environmental areas	3	3	9	Design and renewal schemes will need to consider impact of schemes especially in conservation areas and other sensitive locations..	2	3	6	
	5.6	Reputation	Public concern about delays and operation of traffic signals	3	3	9	Maintenance and review of signals to ensure optimum operation reduces risks, but capacity is often finite and traffic volumes are likely to increase.	2	3	6	

Category	Ref No.	Risk Type	Risk	Risk			Mitigation in place	Residual Risk (03.01.20)			Key Risk or Residual Risk Score Trend
				Likelihood	Impact	Risk Score		Likelihood	Impact	Risk Score	
6. Signs and Road Markings	6.1	Safety	Accidents due to poor signs and road markings on high speed roads.	3	4	12	Reviews of signing on key routes undertaken, and maintenance or damage issues responded to.	2	4	8	
			Damage or injury from collapsing signs.	2	3	6	Replacement of signs when problems apparent, but with aging sign posts risk remains	2	3	6	
			Poor maintenance of signs and lines resulting in accidents	3	3	9	Schemes implemented as funds allow, concentrating on those areas with highest accident figures. Structural testing of illuminated signs being undertaken.	2	3	6	
			Injury to operatives or public during roadworks	3	4	12	Safety considered at design stage and measures taken during works to manage risks. Special consideration given to working close to traffic.	2	4	8	
			Temporary obstruction of signs by hedges and trees causing accidents	3	3	9	Issues dealt with as identified but obstruction of signs is a seasonal issue which is likely to remain an issue with current budgets.	3	3	9	
	6.2	Functionality	Ineffective or inaccurate signing causing safety issues	3	3	9	Reviews of routes undertaken in response to identified safety problems.	2	3	6	
			Poor or missing signs affecting journeys	3	3	9	Signs are replaced when issues become apparent.	2	3	6	
			Inadequate temporary signing during road works and other diversions Road closures and diversions during flooding	3	2	6	Diversion routes are reviewed by streetworks team prior to implementation, and monitored during operation.	2	2	4	
	6.3	Cost	Uncertainty over works costs in connection with signing and road marking schemes	3	2	6	Contract arrangements in place with works managed through Service Delivery Teams.	2	2	4	
			Claims resulting from poor or inadequate signing	3	3	9	Signs and road markings are monitored. However, with limited budgets immediate replacement and renewal is not always possible.	2	3	6	
			Insufficient budget to maintain signs and road markings	3	2	6	Current budgets are not adequate to fully meet demand, and renewal and replacement has to be risk based.	3	2	6	
	6.4	Sustainability	Future maintenance of signing and road markings	3	2	6	Current programme of signing and road markings reviews reduces immediate risks, but concerns about longer term budgets remain.	3	2	6	
	6.5	Environment	Visual intrusion of signs in sensitive areas	3	2	6	Careful consideration of designs given to sensitive locations, but limitation of regulations often restricts options.	2	2	4	
			Need to reduce unnecessary signs to declutter especially in urban areas	3	2	6	Decluttering of signs undertaken as part of schemes where appropriate.	2	2	4	
	6.6	Reputation	Public concern about poor signing and road markings and their effectiveness	3	2	6	Reviews of signing undertaken, particularly on a route based basis and in response to concerns raised.	2	2	4	

Category	Ref No.	Risk Type	Risk	Risk			Mitigation in place	Residual Risk (03.01.20)			Key Risk or Residual Risk Score Trend
				Likelihood	Impact	Risk Score		Likelihood	Impact	Risk Score	
7. Trees and landscaping	7.1	Safety	Accidents due to poor tree and landscape maintenance.	3	4	12	Programme of tree maintenance undertaken in appropriate season.	2	4	8	
			Damage or injury from collapsing trees in extreme weather.	3	4	12	Programme of tree maintenance reduces risk, but some risk remains in very extreme weather	3	4	12	⬤
			Damage or injury caused by tree deseases	3	4	12	Tree maintenance programme adjusted in accordance with growing knowledge about particular deseases	2	4	8	
			Danger caused as a result of growth obscuring signs	3	4	12	Safety inspections used to identify issues with key signs, especially give way signs.	2	4	8	
			Temporary obstruction of signs by hedges and trees causing accidents	3	3	9	Issues dealt with as identified but obstruction of signs is a seasonal issue which is likely to remain an issue.	2	3	6	
	7.2	Functionality	Overhanging trees reducing height clearance on roads	3	4	12	Reviews of routes undertaken in response to identified safety problems.	2	3	6	
			Overgrown hedges affecting footways	3	3	9	Action taken when problems identified, with process for hedge letters to private owners.	2	3	6	
			Fallen trees obstructing roads	3	4	12	Processes in place to arrange additional resourses to clear roads when required, but in extreme storms resources may need to be prioritised.	2	4	8	
	7.3	Cost	Uncertainty over works costs in connection with tree and lanscaping works	3	2	6	Contract arrangements in place with works managed through Service Delivery Teams.	2	2	4	
			Claims resulting from poor or inadequate maintenance	3	3	9	Tree maintenance programme reduces risk, but in same cases potential issues may not be immediately apparaent.	2	3	6	
			Insufficient budget to maintain signs and road markings	3	3	9	Current budgets are adequate to meet current demand, but deseases may require substantial additional expenditure.	2	3	6	
	7.4	Sustainability	Future maintenance of trees landscaping	3	2	6	Current maintenance programme is effective but changing climate and deseases may cause issues.	3	2	6	
	7.5	Environment	Environmental damage caused by inadequate maintenance	3	3	9	Careful consideration of maintenance and planting should reduce risk of inappropriate maintenance.	2	3	6	
			Environmental benefits of trees and landscaping not delivered	3	3	9	Planting and protected verge schemes enhance the environmental value of trees and landscaping	2	3	6	
	7.6	Reputation	Public concern about poor maintenance	3	3	9	Tree maintenance programme is generally well received, but needs to ensure public are informed out works.	2	3	6	

Wiltshire Council - Atkins - Ringway Highways Operational Risk Register

Category	Ref No.	Risk		Likelihood	Impact	Risk Score	Mitigation in place	Residual Risk (03.01.20)			Key Risks or Residual Risk Score Trend
								Likelihood	Impact	Risk Score	
1. Staff & Resources	1.1	Staff and operatives availability, retention, recruitment, succession planning and change	Wiltshire	3	3	9	Periodic staff recruitment freezes. Peer review highlighted lack of planning for staff succession. Apprentices being recruited.	2	3	6	
			Atkins	3	3	9	Ability to utilise staff from other offices, recruiting includes apprentices and summer placements & development of staff for niche services. Succession plan in place. Forward visibility of work loads identified to ensure resource requirements are clear and flexible.	2	3	6	
			Ringway	3	3	9	Currently have staff in place, but recruitment of operatives remains a challenge with current skills shortages in the industry.	3	3	9	
	1.2	Availability of Plant, Equipment and Materials necessary to Deliver the Service	Wiltshire	3	4	12	Monitoring through SDT meetings for early resolution or elevated through to Contract Management Meeting to agree necessary actions	1	4	4	
			Atkins	3	4	12	Monitoring through SDT meetings for early resolution or elevated through to Contract Management Meeting to agree necessary actions	1	4	4	
			Ringway	3	4	12	Monitoring through SDT meetings for early resolution or elevated through to Contract Management Meeting to agree necessary actions; Ringway have a variety of SLA agreements with multiple companies to provide materials, plant and, if necessary, additional skilled labour enabling flexibility on a potentially fluctuating programme driven by budgetary and/or political constraints	1	4	4	
	1.3	Staff have lack of appropriate skills and technical training	Wiltshire	3	3	9	Training arrangements are reviewed but reduced training budgets are having an adverse effect. Risk of increasing reliance on outside parties for technical skills.	2	3	6	
			Atkins	3	3	9	Assessments undertaken to establish training requirements. Appropriate training programmes in place, mandatory training, lunchtime training, structured skills training for apprentices, graduates and technicians. Secondment opportunities available.	2	3	6	
			Ringway	3	4	12	Skill gaps and training being undertaken by Ringway. Training updated periodically to maintain standards.	2	4	8	
	1.4	Risk of IT system failures e.g. Mayrise / Exor & availability of office accommodation and equipment	Wiltshire	2	4	8	The Wiltshire IT systems are generally stable and are regularly monitored for issues. Should there be any failure in the systems possible to revert to a paper system as a back up, this ensures safety issues are still addressed promptly.	1	4	4	
			Atkins	2	4	8	Co-located at Ascot Court with surfacing contractors. Councils digital platforms such as HIAMS, Mayrise etc. are fairly resilient and continuity plans are in place.	1	4	4	
			Ringway	2	4	8	Office in Melksham with IT systems set up to link into Wiltshire systems are working. Regular backups taken for all IT systems and documentation; disaster recovery plan in place and SLA agreements with all key providers to minimise system disruption.	1	4	4	
2. Safety	2.1	Risk of staff and operatives being unaware or not following or applying the appropriate safety behaviours and processes	Wiltshire	3	4	12	Staff complete on line safety training modules. Risk assessments in place for typical works operations all staff kept aware of these and any updates. Further consideration to be given to H&S training and monitoring.	2	4	8	
			Atkins	3	4	12	Safety given top priority on meeting agendas, developing a strong safety culture through use of notice boards, QSE briefings, Safety Training, awareness training and protocols. Alignment of approach to safety to contractor and client. Atkins able to provide training to client and contractor	1	4	4	
			Ringway	3	4	12	All staff trained on site safety with regular updates; programme of briefings and toolbox talks both local and corporate to ensure legislative updates disseminated, safety audits at all levels to confirm compliance, any incidents fully investigated and learning disseminated post investigation, group and industry learning disseminated via H & S corporate team; health and safety forum incorporating all levels of workforce.	1	4	4	
3. Work Load	3.1	Risk of insufficient forward visibility of workload	Wiltshire	3	3	9	Workloads monitored and reported through SDT meetings.	1	3	3	
			Atkins	3	3	9	Forward work loads and programmes discussed through SDT meetings. Monitoring work loads against financial commitments/budgets throughout the year.	1	3	3	
			Ringway	3	3	9	Monitored through the SDT meetings. Work programmes, budgets and potential workloads discussed at SDT and CMM levels to highlight potential budgetary issues and mitigation measures taken when issues noted.	3	3	9	
	3.2	Risk of Task Orders not being processed in a timely manner	Wiltshire	3	3	9	Issue of orders monitored and reported and managed through the SDT meetings and Contract Management Progress Meetings.	3	3	9	
			Atkins	3	3	9	Process set out in Contract Quality Plan. SAWF process being used. New Highways consultancy contract may cause a delay on the issuing of Orders for end of 2019/20. Tarmac / Council order interface up and running	3	3	9	
			Ringway	3	3	9	Orders monitored, reported and managed through the SDT meetings; local meetings (weekly) to highlight any potential orders missing or late and actions to mitigate initiated.	2	3	6	

Wiltshire Council - Atkins - Ringway Highways Operational Risk Register

Category	Ref No.	Risk		Likelihood	Impact	Risk Score	Mitigation in place	Residual Risk (03.01.20)			Key Risks or Residual Risk Score Trend
								Likelihood	Impact	Risk Score	
4. Financial	4.1	Budget variation leads to shortage of work	Wiltshire	3	4	12	Budgets set for the financial year. Works ordered based on available budget. Reported and managed through the SDT meetings.	2	4	8	
			Atkins	3	4	12	Forward visibility of work loads being monitored, works contract changes will result in change of rates that will effect budgets, especially revenue. Impact being managed by the Council and budgets being discussed.	2	4	8	
			Ringway	3	4	12	Resources currently available to meet the requirements of the contract. Potential impact on providing some key labour intensive services such as the Winter Service if work loads fall and staff numbers have to be reduced.	2	4	8	
	4.2	Budget variation leads to increase in work	Wiltshire	3	4	12	Budgets set for the financial year. Works being ordered based on the available budget. Reported and managed through the SDT meetings	2	4	8	
			Atkins	3	4	12	Atkins have the ability to call upon a wider resource pool, including sub-consultants.	2	4	8	
			Ringway	3	4	12	Increasing resources to meet the requirement of the contract as necessary. Have access to additional resources through the supply chain. Ringway have a variety of SLA agreements with multiple companies to provide materials, plant and, if necessary, additional skilled labour enabling flexibility on a potentially fluctuating programme driven by budgetary and/or political constraint.s	2	4	8	
	4.3	Ability to demonstrate value for money	Wiltshire	3	3	9	Improvement and Innovation Forum has been set up to consider ways of working to achieve best value	2	3	6	
			Atkins	3	3	9	Access to broad range of skills and services through the Atkins Group. Efficiencies through contract undertakings. KPI and satisfaction scoring provides Clients view of value for money. Continuous Improvement & Innovation Forum set up	2	3	6	
			Ringway	3	3	9	Improvement and Innovation Forum has been set up to consider ways of working to achieve best value; Ringway wider business has a variety on methods of dissemination of good practice ensuring that innovations identified elsewhere are brought to the contract or can be taken from the contract for the good of the wider business or the industry as a whole.	2	3	6	
5. Quality	5.1	Risks associated with inconsistencies in standards of delivery and supervision	Wiltshire	3	4	12	Monitoring through SDT meetings for early resolution or elevated through to Contract Management Meeting to agree necessary actions. Protocols being developed to provide guidance and ensure consistency.	2	4	8	
			Atkins	3	4	12	Quality plan in place, design standards, guidelines and processes developed. Including training and management of staff. KPI's to monitor performance. LRQA certification for ISO 9001, ISO14001 and OHSAS18001. Processes reviewed. Watching brief going forwards for site supervision / monitoring.	2	4	8	
			Ringway	3	4	12	Supervision of operatives and staff training will to ensure there is a consistently high standard of supervision across the contract. Staff recieve training which ensures constantly updated skill sets and leads to maintaining quality of delivery of service.	2	4	8	
	5.2	Inadequate stakeholder and community engagement leading to customer satisfaction issues and loss of reputation	Wiltshire	3	4	12	Area boards, CATG meetings, area news letters, the My Wiltshire App and the Parish Steward scheme all promote community engagement.	2	4	8	
			Atkins	3	4	12	Communication and stakeholders strategy in place. Clear understanding of roles and responsibilities. Agreed contract undertakings include customer engagement. The council lead on communications but Atkins support and provide informatio. Forms of active communications such as Twitter and website information could be developed further.	2	4	8	
			Ringway	2	4	8	Direct engagement with Parishes through the Parish Stewards. Suitably trained operatives on larger sites trained to directly address public concerns and answer questions. Ringway senior management attend local Council briefings and meetings as required.	2	4	8	
6. Environmental	6.1	Risk of adverse environmental impact	Wiltshire	3	4	12	Environmental issues considered and managed through the SDT meetings and the Environmental Management Meetings	2	4	8	
			Atkins	3	4	12	Environmental management plan in place, SDT meetings manage environmental issues on individual projects. Monthly Environmental Management meetings. Green and Blue rules issued and protocols being reviewed.	2	4	8	
			Ringway	3	4	12	Environmental issues considered and managed through the SDT meetings and the Environmental Management Meetings. Staff trained in environmental risks in delivery, all incidents recorded and reviewed and disseminated for both local and corporate learning.	2	4	8	

WILTSHIRE HIGHWAYS - RISK CRITERIA

SCORING CRITERIA FOR IMPACT/SEVERITY

	Score	Effect on Service	Embarrassment/ reputation	Personal Safety	Personal privacy infringement	Failure to provide statutory duties/meet legal obligations	Financial	Effect on Project Objectives/Schedule Deadlines	ICT
THREATS	**4 Significant**	Major loss of service, including several important areas of service and /or protracted period. Service Disruption 5+ Days	Adverse and persistent national media coverage. Adverse central government response, involving (threat of) removal of delegated powers. Officer(s) and/or Members forced to resign	Death of an individual or several people	All personal details compromised/ revealed	Litigation/claims/fines from Departmental £250k + Corporate £500k +	Costing over 1M 50% of budget	Complete failure of project/ extreme delay – 3 months or more. All benefits fail to be realised	Total replacement of existing system. Major redevelopment required Substantial impact on service
	3 Moderate	Complete loss of an important service area for a short period. Moderate effect to services in one or more areas for a period of weeks. Service Disruption 3-5 Days	Adverse publicity in professional/municipal press, affecting perception/standing in professional/local government community. Adverse local publicity of a major and persistent nature	Severe injury to an individual or several people	Many individual personal details compromised/ revealed	Litigation/claims/fines from Departmental £100k to £250k Corporate £250k to £500k	Costing between £250,000 and 1M 35% of budget	Significant impact on project or most of expected benefits fail/ major delay – 2-3 months. Majority of benefits fail to be realised	Major configuration of existing system Disruption to service
	2 Minor	Minor effect to an important service area for a short period. Adverse effect to services in one or more areas for a period of weeks. Service Disruption 2-3 Days	Adverse local publicity /local public opinion aware. Statutory prosecution of a non-serious nature	Minor injury to an individual or several people	Some individual personal details compromised/ revealed	Litigation/claims/fines from Departmental £25k to £100k Corporate £50k to £250k	Costing between 50,000 and £250,000 25% of budget	Adverse effect on project/ significant slippage – 3 weeks–2 months. Some benefits fail to be realised 3 weeks - 2 months	Basic IT requirements. Some minor confirmation Minimal disruption to service
	1 Insignificant	Brief disruption of important service area. Significant effect to non-crucial service area. Service Disruption 1Day	Contained within section/Unit or Directorate. Complaint from individual/small group, of arguable merit	Slight injury or discomfort to an individual or several people	Isolated individual personal detail compromised/ revealed	Litigation/claims/fines from Departmental Below 25k Corporate Below 50k	Costing less than Less than £50,000 10% of budget	Minimal impact to project/ Minimal benefits fail to be realised slight delay less than 3 weeks	Basic It requirements met No disruption to Service

SCORING CRITERIA FOR LIKELIHOOD

Score	Description	Indicators
4 - Almost Certain	More than 75% chance of occurrence	Regular occurrence. Circumstances frequently encountered - daily/weekly/monthly
3 - Possible	40% - 75% chance of occurrence	Likely to happen at some point within the next 1-2 years. Circumstances occasionally encountered a few times a year
2 - Unlikely	10% - 40% chance of occurrence	Only likely to happen once in 3 or more years
1 - Rare	Less than 10% chance of occurrence	Has happened rarely / never before

Risk Profile

Impact		Rare(1)	Unlikely (2)	Possible (3)	Almost Certain(4)
	Significant (4)	Green	Amber	Red	Red
	Moderate (3)	Green	Amber	Amber	Red
	Minor (2)	Green	Green	Amber	Amber
	Insignificant (1)	Green	Green	Green	Green

Likelihood of occurrence

Red = High Risk (Score 12 – 16)
Significant risks which are unacceptable - reduce the likelihood and / or impact through control measures.

Amber = Medium Risk (Score 6 – 9)
Manageable risks – Controls to be put in place managers should consider the cost of implementing controls against the benefit in the   Negligible

Green = Low Risk (Score 1 – 4)
risks - to be considered and monitored as costs may out way benefits.

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Wiltshire Council

Audit Committee

12 February 2020

Subject: Governance action update

Executive Summary

The Annual Governance Statement for Wiltshire Council demonstrates how the Council is meeting the principles of good governance adopted in its Local Code of Corporate Governance (LCCG). Following the adoption of a revised LCCG by council last year, this report provides a first update on the current status of improvement actions identified in the Annual Governance Statement for 2019.

Proposal(s)

Audit Committee is asked to consider the current status of improvement actions identified in Annual Governance Statement, as set out at **Appendix 1**.

Reason for Proposal

In considering the draft Local Code of Corporate Governance, Audit Committee agreed to receive quarterly updates on the implementation of improvement actions identified in the Annual Governance Statement. Consideration of these actions will inform the development of the Annual Governance Statement (AGS) that the council is required to produce for 2019/20.

Ian Gibbons
Director, Legal, Electoral and Registration Services (Monitoring Officer)

Deborah Hindson
Interim Director, Finance and Procurement

Jo Pitt
Director, Human Resources and Organisational Development

Robin Townsend
Director, Corporate Services

Wiltshire Council

Audit Committee

12 February 2020

Subject: Governance action update

Purpose of Report

1.   To consider the current status of improvement actions identified in the Annual Governance Statement (AGS) and emerging themes to capture in the AGS for 2020.

Background

2.   Wiltshire Council agreed a revised Local Code of Corporate Governance last year.

3.   In considering the draft Local Code of Corporate Governance, Audit Committee agreed to receive regular updates on the implementation of improvement actions identified in the Annual Governance Statement. Consideration of these actions will inform the development of the Annual Governance Statement (AGS) that the council is required to produce for 2019/20.

Main Considerations

4.   In last year's Annual Governance Statement the Council identified a number of areas where further improvements could be made to strengthen its governance framework. It should be noted that these areas are not to be regarded as failures, rather examples of issues where scope for further improvement has been identified. In many cases, work is already well underway to address these areas for improvement. The governance of the Council continues to be monitored by Cabinet, Audit and other councillor committees and the Council's Corporate Leadership Team.

5.   As such, a quarterly update on progress with these actions is included at **Appendix 1**. This document will be kept live and updated and inform the development of the AGS for 2020.

Report Authors:
Ian Gibbons - Director, Legal, Electoral and Registration Services (Monitoring Officer); **Deborah Hindson -** Interim Director, Finance and Procurement; **Jo Pitt -** Director, Human Resources and Organisational Development; **Robin Townsend -** Director, Corporate Services; **David Bowater –** Senior Corporate Support Manager

Appendices
Appendix 1 Quarterly LCCG AGS update

Annual Governance Statement 2019 – Current Status of Improvement Actions

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

AGS improvement actions	Current Status	
Agree an updated Corporate Equality Plan for 2019/20	A new Corporate Equality Plan has been agreed by full Council	**RT** LC EH
Review the arrangements for dealing with code of conduct complaints (Protocol 12)	The review has been completed with a new Protocol 12 approved and coming into effect on 1 Jan 2020 Protocol 4 – the Planning Code of Good Practice – has also been approved by full council	**IG**
Review and update as appropriate the Behaviours Framework	In progress, aim to launch early 2020	**JP** PM
Review the procurement approach to social value	CLT have approved a paper that sets out a series of actions to establish an approach and pilot it for procuring added social value. Currently seeking to agree the member champion who will sponsor the initiative	**DH** GL

Principle B - Ensuring openness and comprehensive stakeholder engagement

AGS improvement actions	Current Status	
Adopt a new Partnership Working Framework (replace Protocol 8 of the constitution) and undertake an audit of partnership arrangements across the council	A new Partnership Working Framework has been agreed; an audit of partnerships has been undertaken but not written up yet.	**RT** DB
Review the Wiltshire Compact and role of Wiltshire Assembly	Awaiting a refresh of the national Compact which will then shape the Wiltshire Compact. New VCSE strategy due to be launched in spring 2020, which aims to include the new Compact requirements	**RT** LC CT
Agree new consultation policy/ guidance to replace the 2015 consultation strategy	Consultation guidance has been drafted and is subject to agreement and rollout	**RT** DB
Consider options for collecting feedback from residents, including surveys	Council tax leaflet will include incentive and option for newsletter and survey sign-up	**RT** DB
Review Part 4 of the constitution in relation to petitions	This has been considered and adopted by Full Council (26 Nov)	**IG**

Principle C - Defining outcomes in terms of sustainable economic, social and environmental benefits

AGS improvement actions	Current Status	
Fully implement the peer review recommendations by developing an outcome-based planning process aligned to budget build	An outcome based process has been developed with the intention of informing a three year budget. The delay in a multi-year spending review until 2020 means the process will be piloted during 2020/21 ready for 2021/22.	**DH**
Consider additional resource for service delegation and asset transfer delivery	This has been considered and increased (including a project officer). Additional property and commercial lawyers have been deployed.	**AR** LC
Respond to the findings of an Ofsted inspection in May/ June 2019 building on the previous progress that has been made.	This has been taken forward through the Families and Children's Transformation (FACT) Programme. An action plan has been developed and an up-date will be reported to Performance and Outcomes Board in January 2020.	**LT**

Principle D - Determining the interventions necessary to optimise the achievement of intended outcomes

AGS improvement actions	Current Status	
Review the effectiveness of the commercial policy and current commissioning approaches.	A systematic approach to a commercial review of every service has been agreed and this work is due to begin soon. The reviews will be supported by either the Traded Services team or the programme office and will include consideration of alignment with the use of ERP. Ongoing governance of council owned companies such as Stone Circle will be considered through audit committee activity, with an update in the Annual Governance Statement.	**SH** **HH** **RT** **DH** MT
Implement the newly adopted Part 10 of the constitution on procurement and contract rules; aligned to a regularly updated Annual Procurement Plan and medium-term contract management strategy.	Part 10 rules updated and adopted by Full Council in May. Annual Procurement Plan paper on Cabinet forward plan for April 2020 – content being developed at moment for review by Directors Contract management paper approved by CLT and actions underway, focussed on strategically important contracts – first round of contract MI to be received for end Jan 20 and included in next possible Performance and Risk Cabinet report.	**DH** GL

AGS improvement actions	Current Status	
Embed good commissioning and contract management as part of staff job descriptions.	This is an action under the contract management paper. Procurement are reviewing information and will liaise with HR Business Partner to discuss – current action is with Procurement	**DH** **JP** PM GL

Principle E - Developing capacity, including the capability of the Council's leadership and the individuals within it

AGS improvement actions	Current Status	
Rollout training and awareness on decision making processes following a review of corporate governance practices	Guidance has been drafted, subject to discussion at ELT, CLT and development of training material	**IG** **RT** **JP** DB PM

Principle F – Managing risks and performance through robust internal controls and strong public financial management

AGS improvement actions	Current Status	
Review business intelligence (data analysis and insight) functions across the council and supporting systems	An externally facilitated Corporate Business Intelligence (BI) Review has been completed, with a BI Development programme formally initiated by CLT.	**RT** WB
Review how performance can be communicated to the public to deliver maximum openness and transparency.	A new approach to communication of performance as well as publishing open data will be developed and delivered as part of the BI Development programme.	**RT** WB
Combine financial reporting and performance and risk reporting in the same quarterly report to Cabinet and embed good practice across the council	This is now in place	**RT** JR TE

Principle G - Implementing good practices in transparency, reporting and audit to deliver accountability

AGS improvement actions	Current Status	
Align organisational processes more closely to the outcomes in the Business Plan to ensure a focus on the resources used and outcomes achieved	An outcome based process has been developed with the intention of informing a three year budget. The delay in a multi-year spending review until 2020 means the process will be piloted during 2020/21 ready for 2021/22. New portfolio management approach is being implemented to align corporate programmes with the new Business Plan and ensure benefits realisation.	**DH** **RT** JR
Finalise accompanying action plans for the counter fraud framework	Work continues on the implementation of these plans	**DH/** **SW** AP

Deliver outstanding waste service changes and saving initiatives.	The new collection rounds for recyclable materials have been designed and work to incorporate them into the council's ICT systems and to notify residents is underway. Construction of the new materials recovery facility which will sort the recyclable waste into individual material streams is close to completion. It is likely that the new system will be implemented before the end of the current financial year. Increasing the level of recycling should deliver future savings or avoidance of increase in costs and unfunded budget pressures due to any fall in income from the sale of recyclable materials.	**PK** TC

Initials

RT: Robin Townsend, Director, Corporate Services
IG: Ian Gibson, Director, Legal and Electoral Services
JP: Jo Pitt, Director, HR and OD
DH: Deborah Hindson, Interim Director, Finance and Procurement

PK: Parvis Khansari, Director, Highways and Waste

PM: Paula Marsh, HR
LC: Liz Creedy, Corporate Assurance
EH: Emily Higson, Equalities
GL: Greg Lewis, Procurement
DB: David Bowater, Corporate Support
WB: Will Balakrishnan, Business Insight
JR: John Rogers, Customer Insight
TE: Toby Eliot, Performance
TC: Tracy Carter, Environment

SWAP: South West Audit Partnership

PROPOSED WORK PROGRAMME FOR THE AUDIT COMMITTEE

				Report Deadline	Publication Deadline
29-Apr-20	Q4 IA Report	SWAP	CLT	16-Apr	21-Apr
	Accounting Policies	Deborah Hindson			
	Draft AGS	Ian Gibbons			
	Service Area Risk Presentation - Adult Social Care	Robin Townsend/ Toby Eliot			
	Internal Audit Plan	SWAP	CLT		
	Governance Action Log update	Ian Gibbons/ Robin Townsend			

22-Jul-20	Report to those charged with Governance (ISA 260) 2019/2020	Deloitte		09-Jul	14-Jul
	Pension Assurance on account	Pension Fund Minutes			
	Statement of Accounts	Debora Hindson			
	Annual Governance Statement	Ian Gibbons			
	IA annual report 2019/2020	SWAP	CLT		
	Q1 IA Report	SWAP	CLT		
	Appointment of a member to the Constitution Focus Group	Chairman			
	Governance Action Log update	Ian Gibbons/ Robin Townsend			

18-Nov-20	Q2 IA Report	SWAP	CLT	05-Nov	10-Nov
	Risk and performance Management Policy - Update	Robin Townsend			
	Service Area Risk Presentation - Waste, Environment and RoW	Robin Townsend/ Toby Eliot			
	Governance Action Log update	Ian Gibbons/ Robin Townsend			
	Private Meeting with External Auditors	Deloitte			

By virtue of paragraph(s) 7 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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