

AUDIT COMMITTEE

27 July 2016

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**INTERNAL AUDIT - Annual Report (2015/16) & First Quarter Update (2016/17) REPORT**

**Purpose of the Report**

1. This progress report presents the Committee with an update on the performance of the Internal Audit (IA) Section for 2015/16 (Annual Report) and for the first quarter of 2016/17. In particular, it provides a summary of:
  - the outcomes of 2015/16 audits completed as well as the annual opinion from the Council's Internal Auditors in line with statutory requirements (Appendix 1)
  - the results and outcomes of follow-up reviews carried out during this period, to assess the extent and adequacy of management action taken in response to audit reports from the previous year
  - an update on the delivery of the 2016/17 IA Plan (Appendix A), including audits in-progress which should be finalised and reported to the next Committee meeting and any deferred audits.

**Executive Summary**

- ***2015/16 Audit Opinion (Appendix 1)***
2. Overall 63 audits have been delivered from the 2015/16 IA Plan, including 15 carried forward from the 2014/15 IA Plan. The majority of these have been reported to Audit Committee during the last 12 months.
  3. Recognising the need to align more closely internal audit effort with corporate risk areas, the 2015-16 Internal Audit Plan included combined assurance assignments (i.e. Healthy Organisation) for the first time. This approach required a more collaborative approach with officers to identify existing assurance arrangements (i.e. the three lines of defence). SWAP completed the Corporate Healthy Organisation Review in April 2016 reporting that to the last Audit Committee. Further reviews have been completed in the following areas: Public Health; Highways; and Children's Safeguarding. A further pilot (Economic Development) is at draft stage and should finalise soon.
  4. Other significant programmes of work included the 9 financial key control audits upon which KPMG place reliance, 9 school financial health checks and 10 grant certifications.

5. In total, 9 audits have been carried forward from the 2015/16 IA Plan into 2016/17 Plan. Of these, 7 are now complete, one is at draft stage and the remainder is at discussion paper stage.
6. Overall IA concluded that for 2015/16 (as per its assurance definitions at page 11 of the SWAP report at Appendix 1 of this report) that the majority of its findings to date were of '**reasonable assurance**'.
7. Overall, 343 recommendations have been made by IA in 2015/16. These have been broken down as follows:

Year	Priority 5	Priority 4	Priority 3	Priority 2	Priority 1	HO	Total
<b>2015/16 audits</b>	0	48	188	50	0	57	<b>343</b>
<b>%</b>	0%	14%	55%	15%	0%	16%	<b>100%</b>

8. Of the above totals, 56 recommendations have been made by IA in Quarter 1 of 2016/17 (i.e. 2015/16 carried forward work). These are broken down as follows:

Year	Priority 5	Priority 4	Priority 3	Priority 2	Priority 1	HO	Total
<b>2015/16 audits</b>	0	4	23	8	0	21	<b>56</b>
<b>%</b>	0%	7%	41%	14%	0%	38%	<b>100%</b>

9. Appendix B shows audits grouped by current status and highlighted as Red, Amber or Green. Please note that the continuation of 2015/16 activity into the 2016/17 financial year has impacted slightly the delivery of the IA 2016/17 Plan (*please see amber entry on Appendix B '2016/17 Audits in Progress'*).
10. Significant work has been undertaken in 2015/16 with the Audit Committee to improve the reporting and monitoring of the implementation of audit recommendations. This work has focused on ensuring recommendations are implemented in line with agreed timescales. The latest reports show that there continues to be improvement, in part it is felt due to this monitoring to the Audit Committee.
11. None of the highest priority recommendations (Priority 5) and only 16 of the next highest priority are more than six months overdue.

12. However, there are a number of areas still to address as highlighted by the following aged analysis of implementing recommendation Tables referred to in the first quarter 2016/17 internal audit report (Appendix A):

**Priority 5**

	< 30 Days	< 60 Days	< 90 Days	< 120 Days	120+ Days	Totals
Totals	0	0	0	0	0	0

**Priority 4**

	< 30 Days	< 60 Days	< 90 Days	< 120 Days	120+ Days	Totals
Totals	1	0	4	0	16	21

**Priority 3**

	< 30 Days	< 60 Days	< 90 Days	< 120 Days	120+ Days	Totals
Totals	5	9	19	0	39*	72

\*2 recommendations date from 2014/15.

13. Further analysis of this identifies that the majority of those recommendations outstanding relate to school audits, and are just over 120 days. Part of this delay has occurred in the reporting timescales for schools. However, the delay and ways schools address audits is being reviewed and an update will be brought back to the next Audit Committee.

14. Overall the performance of SWAP (2015/16) is on track with the partnership performance measures. The latest audit satisfaction returns show an increase in service views of internal audit, with an average 84% satisfaction score. That is in line with the high performing audit scores at other SWAP clients and a slight improvement on the 2014/15 average score (83%)

**- 2016/17 Audit Plan**

15. Currently, 20 audits from the 2016-17 plan have commenced. Of Quarter 1 Activity (commenced April 2016), 3 audits are at draft stage, a further 2 at discussion paper stage and 8 are in progress. In addition 7 audits have been brought forward from Quarter 2.
16. The activity for Quarter 2 (commencement July 2016) includes 5 follow-up school reviews which have duration of 3 to 5 days.

17. Twelve audits will be deferred to later start date in the 2016/17 IA. These deferrals arising mainly due to changes in the Council's structures and procedures (e.g. Strategic Hub - procurement) and to include additional IA work (Concessionary Fares).
18. Since the last update report in April 2016, there have no audits adjudged partial assurance, and thus no potential very high significant 'corporate' risks have been identified.

### **Proposal**

19. Members are asked to note the findings from IA audits to date.

### **Reasons for Proposals**

20. To ensure an effective IA function and strong control environment.

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Unpublished documents relied upon in the preparation of this Report: None.

Appendices: 1 – 2015/16 Internal Audit Opinion  
A – IA Quarter One Progress Report 2016/17  
B – IA detailed Audit Plan and monitoring statement 2016/17  
C – Significant Corporate Risks  
D – Summary of audits deemed 'Partial / No' assurance  
E – Recommendations Outstanding  
F – Recommendations Not Agreed  
G – Grant Certifications – Guidance & Expectations



# Wiltshire Council

Report of Internal Audit Activity

Annual Opinion Report 2015/16

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## Summary

**The Director of Planning is required to provide an opinion to support the Annual Governance Statement.**



### Purpose

The Accounts and Audit Regulations (England) 2011 requires public authorities to publish an Annual Governance Statement (AGS). The Statement is an annual review of the Systems of Internal Control and gathers assurance from various sources to support it. One such source is Internal Audit. The Head of Internal Audit should provide a written annual report to those charged with governance to support the AGS. This report should include the following:

- An opinion on the overall adequacy and effectiveness of the organisation's risk management systems and internal control environment
- Disclose any qualifications to that opinion, together with the reasons for the qualification
- Present a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies
- Draw attention to any issues the Head of Internal Audit judges particularly relevant to the preparation of the Annual Governance Statement
- Compare the work actually undertaken with the work that was planned and summarise the performance of the internal audit function against its performance measures and criteria
- Comment on compliance with these standards and communicate the results of the internal audit quality assurance programme.

The purpose of this report is to satisfy this requirement and Members are asked to note its content.

## Summary

**The Director of Planning is required to provide an opinion to support the Annual Governance Statement.**



### Background

The Internal Audit service for Wiltshire Council is provided by the South West Audit Partnership Limited (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). The Partnership is also guided by the Internal Audit Charter which is reviewed annually. Internal Audit provides an independent and objective opinion on the Authority's control environment by evaluating its effectiveness through the work based on the Annual Plan agreed by Senior Management and this Committee.



## Internal Audit Annual Opinion 2015/16

The Director of Planning is required to provide an opinion to support the Annual Governance Statement.



### Annual Opinion

The main role of Internal Audit is to provide an independent and objective opinion on the Council's control environment. Internal Audit has the following additional responsibilities:

- providing support to the Chief Finance Officer in meeting his responsibilities under Section 151 of the Local Government Act 1972, to make arrangements for the proper administration of the Council's financial affairs;
- investigating any allegations of fraud, corruption or impropriety;
- advising on the internal control implications of proposed new systems and procedures.

The annual Internal Audit Plan is based on an assessment of risk areas, using the most up to date sources of risk information, in particular the Council's Corporate and Service Risk Registers. In order to improve the effectiveness of the assurance process, the approach for 2015-16 has involved a more comprehensive combined assurance review to identify the most appropriate focus for Internal Audit Work. The Plan was agreed with Corporate Directors and presented to the Audit Committee for approval. The Audit Committee has received quarterly reports of progress against the plan throughout this year.

As stated in the AGS, the Internal Audit Annual Report and Opinion 2015-16 summarises the results and conclusions of the audit work throughout the year, and provides an independent audit opinion on the internal control environment for the Council as a whole. SWAP Ltd, as the Council's internal auditors, have given an overall audit opinion of '**Reasonable**' assurance on the adequacy and effective operation of the Council's control environment for 2015-16.

## Summary of Audit Work 2015/16

### Our audit activity is split between:

- **Healthy Organisation**
- **Operational Audits**
- **Key Control Audits**
- **Governance, Fraud & Corruption Audits**
- **School Audits**
- **IT Audits**
- **Special Investigation Reviews**
- **Grant Certification**
- **Follow-up reviews**



### Internal Audit Work Programme

The schedule provided at Appendix B contains a list of all audits agreed for inclusion in the Annual Audit Plan 2015/16 and the final outturn for the financial year. In total, 63 will be delivered. *This includes the 15 audits carried forward from 2014/15 into this year.*

Of the 63 reviews in the revised 2015/16 audit plan, they are broken down as follows:

• Healthy Organisation	12
• Operational Audits	8
• Key Control Audits	10
• Governance, Fraud & Corruption	2
• School Audits	12
• IT Audits	5
• Special Investigation Reviews	3
• Grant Certification	10
• Follow-up Reviews	1

Recognising the need to align more closely internal audit effort with risk areas, the 2015-16 Internal Audit Plan included combined assurance assignments (i.e. Healthy Organisation) for the first time. This approach enabled us to work extensively with officers to identify existing assurance arrangements (three lines of defence) and the outcome of these efforts, in common with the rest of the IA Plan, has been fed back to the Audit Committee as part of the quarterly reports of progress against the IA plan throughout this year.

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.

## Summary of Audit Work 2015/16

### Significant Corporate Risks

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



### Significant Corporate Risks

Review/Risks	Auditors Assessment
<p><b>Swindon &amp; Wiltshire Local Enterprise Partnership (SWLEP)</b> - our testing revealed a lack of transparency of process &amp; formal procedures to support the procurement, contracting &amp; payment of contracted specialist consultants &amp; administrative support for SWLEP. We also noted that the Councils procurement regulations were not always consistently followed. This will be subject to a follow up audit in 2016/17.</p>	High
<p><b>School Financial Health Checks:</b> 9 schools were reviewed with selection guidance provided by the Local Authority. Of these, 5 schools were given a 'partial' opinion &amp; a summary of common weaknesses included: poor compliance with procurement procedures; poor compliance with income management procedures; absence of staff in key positions impacting leadership (e.g. head teacher &amp;/or school business management); and, governor decision making lacking transparency. All partial opinions will be subject to follow up reviews during 2016/17.</p>	High

# Summary of Audit Work 2015/16

## SWAP Performance - Summary of Audit Work

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

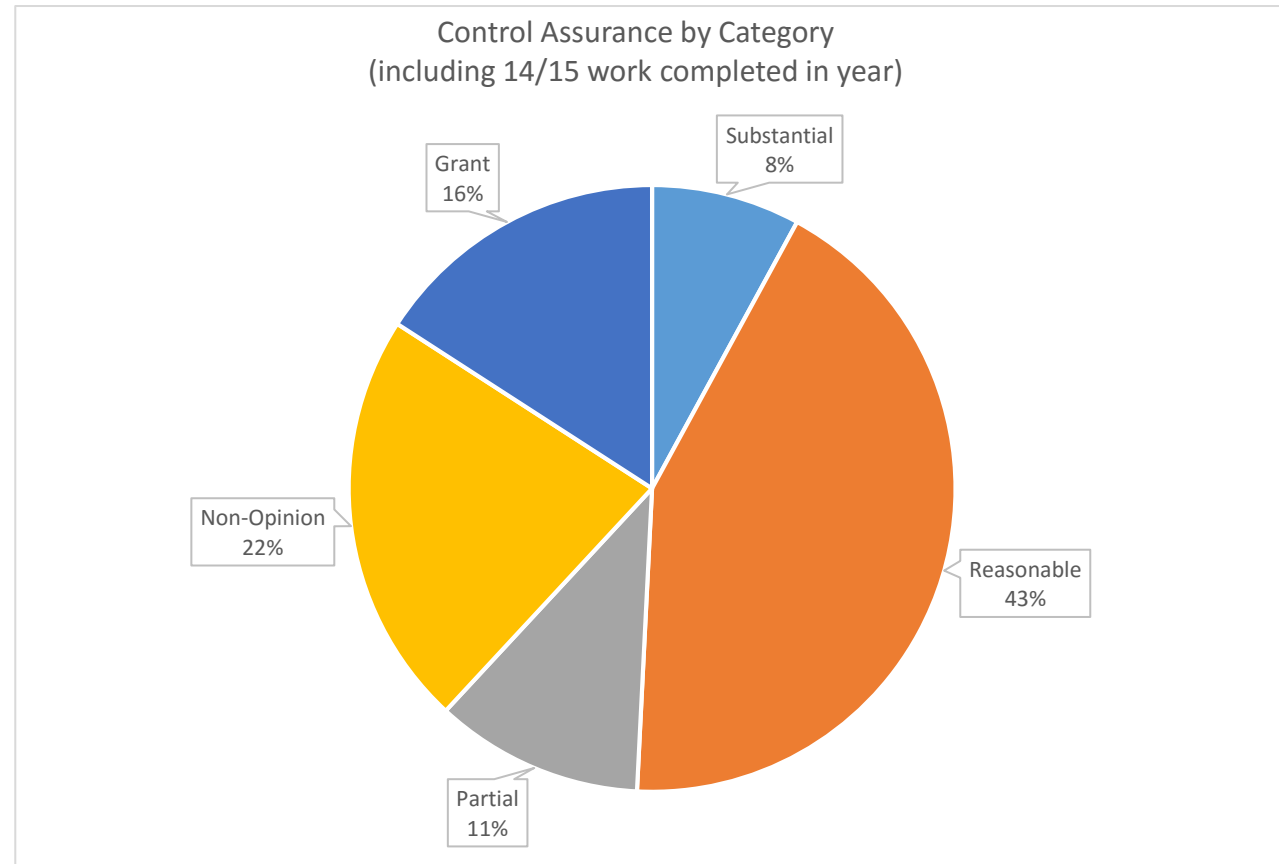
- Substantial
- Reasonable
- Partial
- None

We have also included other audit activity:

- Grant Certification
- Non Opinion (includes e.g. school theme work; follow-up reviews)



## Summary of Audit Opinion



# Summary of Audit Work 2015/16

## SWAP Performance - Summary of Audit Recommendations by Priority.



## Analysis of Recommendations Raised in 15/16

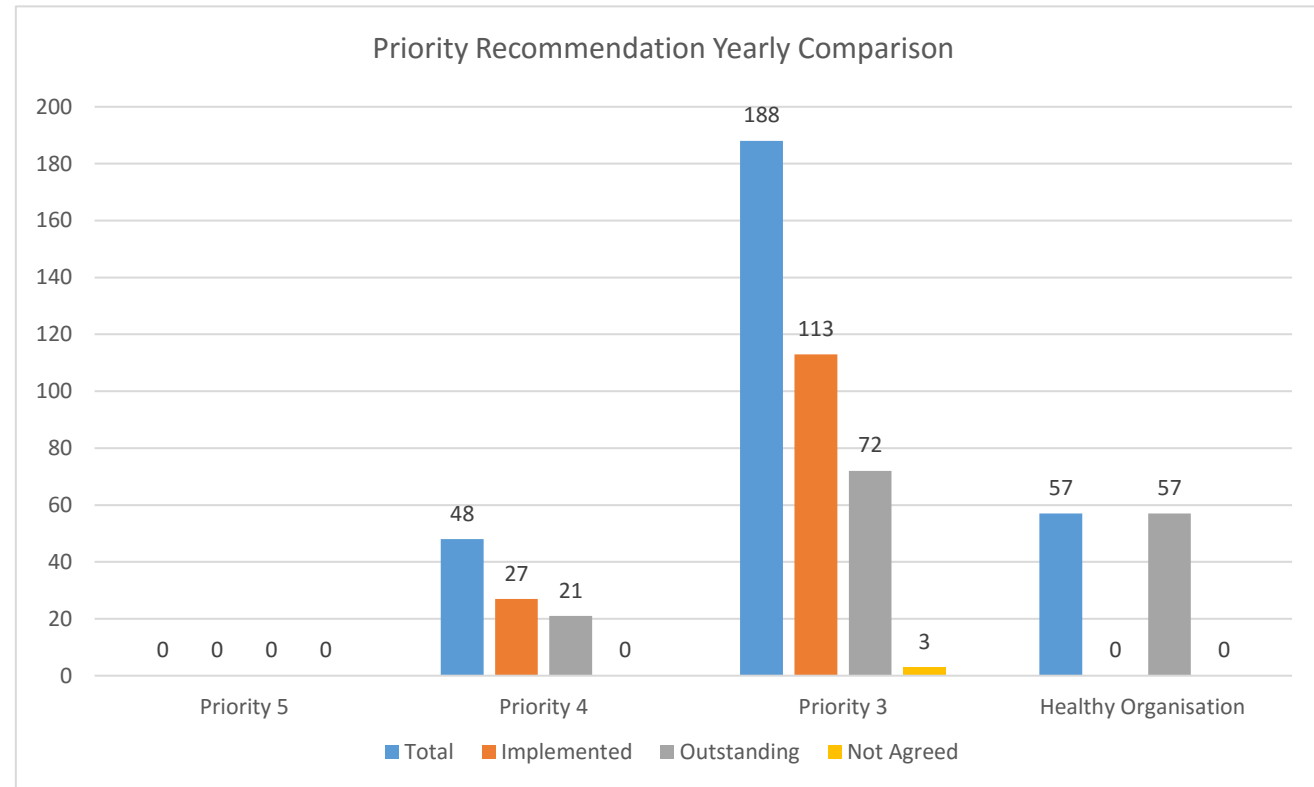
We rank recommendations on a scale of 1 to 5, with 1 being minor or administrative concerns to 5 being areas of major concern requiring immediate corrective action.

### Yearly Comparison Chart

#### a) 236 Priority 3 & 4 Recommendations raised:

- 233 were agreed & 3 not agreed. Of agreed, 140 implemented.
- Of the outstanding 93, the agreed implementation dates for 38 are not yet due i.e. *Financial Key Controls (17); Data Centres (6); & schools (15)*.
- 55 outstanding recommendations are detailed in Aged Analysis Reports and Appendix E (see Quarter 1 report). These are shared with CLT to enable them to monitor progress. *Please note 53 relate to schools.*

#### b) 57 Healthy Organisation recommendations raised. The Improvement Plan arising has informed 16/17 Internal Audit Plan.



### 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

**The School Financial Healthcheck Programme:** The work undertaken this year has informed 3 themed reviews (please see below) that examine the causes of common areas of control weakness reported and offer pro-active guidance on proper internal controls and best practice. These non-opinion reviews are posted to all Wiltshire Schools via Wisenet. This has been our practice since 2012.

- Business Continuity Planning
- Counter Fraud Arrangements (also currently subject to update)
- Governors Minutes

**Housing:** Additional assurance provided in respect of rented council owned park homes which are not included on QL Housing Application, or accounted for, through the Council's Housing Revenue Account. We advised that these are accounted for separately as they relate to rental of plots and not properties.

**Benchmarking:** We have also participated in SWAP partnership benchmarking exercises including Debt Management; Grants Awarded; Health & Safety; and Income Generation.

**Fraud:** We have met regularly with the Corporate Fraud Team and have supported 3 investigations this year. We also share Fraud updates received from SWAP's Fraud Team with the Council.

**Grants:** We have undertaken 10 grant reviews in 2015/16 and have noted issues regarding the organisation and timeliness of evidence presented to us. In the Quarter 1 (16/17) update, we have provided a good practice guide to assist officers and promote efficiency.

The Director of Planning 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 14 Councils 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 1015/16 year (as at July 2016) are as follows;

Performance Target	Average Performance
<p><b><u>Audit Plan – Percentage Progress</u></b></p> <p>Final, Draft and Discussion</p> <p>Fieldwork Completed (awaiting report)</p> <p>In progress</p> <p>Yet to start</p>	<p>100%</p> <p>0%</p> <p>0%</p> <p>0%</p>
<p><b><u>Draft Reports</u></b></p> <p>Issued within 5 working days of closeout</p> <p>Issued within 10 working days of closeout</p>	<p>52%</p> <p>61%</p>
<p><b><u>Final Reports</u></b></p> <p>Issued within 10 working days of discussion of draft report</p>	<p>46%</p>
<p><b><u>Quality of Audit Work</u></b></p> <p>Customer Satisfaction Questionnaire</p>	<p>84%</p>

**The Director of Planning for SWAP reports performance on a regular basis to the SWAP Management and Partnership Boards.**



### SWAP Performance

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



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

- Substantial
- Reasonable
- Partial
- None



Audit Framework Definitions

Control Assurance Definitions

<b>Substantial</b>	▲ ★ ★ ★	I am able to offer substantial assurance as 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.
<b>Reasonable</b>	▲ ★ ★ ★	I am able to offer reasonable assurance as 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.
<b>Partial</b>	▲ ★ ★ ★	I am able to offer Partial assurance 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.
<b>None</b>	▲ ★ ★ ★	I am not able to offer any assurance. 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.

**Categorisation of Recommendations**

When making recommendations to Management it is important that they 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. No timeframes have been applied to each Priority as implementation will depend on several factors; however, the definitions imply the importance.

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



Audit Framework Definitions

- Priority 5: Findings that are fundamental to the integrity of the unit’s business processes and require the immediate attention of management.
- Priority 4: Important findings that need to be resolved by management.
- Priority 3: The accuracy of records is at risk and requires attention.
- Priority 2: Minor control issues have been identified which nevertheless need to be addressed.
- HO: Healthy Organisation

Definitions of Risk

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

Audit Type	Audit Name	Quarter	Status	Opinion	Proposed Draft Report	Draft Issued	Proposed Final	Final Issued	No	Recommendations					Recommendation Unique Nos: Priority 3,4,5.
										5	4	3	2	HO	
<b>AUDITS AT FINAL/COMPLETED (STATUS GREEN)</b>															
Operational	Safeguarding	2014/15	Complete	Partial	31/03/2015	12/05/2015	14/04/2015	07/07/2015	6	0	2	4	0	0	28149 (I), 28420 (I), 28421(I), 28422(I), 28424(I), 28425(I).
Grant Certification	Troubled Families Phase 1 (14/15)	2014/15	Complete	Grant	25/03/2015	30/04/2015	07/04/2015	30/06/2015	0	0	0	0	0	0	
Governance, Fraud & Corruption	Risk and Performance Management	2014/15	Complete	Reasonable	23/12/2014	29/05/2015	11/06/2015	18/06/2015	0	0	0	0	0	0	Superseded by Healthy Organisation.
Operational	S.106 monies/ Community Infrastructure Levy (CIL)	2014/15	Complete	Substantial	23/09/2014	27/05/2015	11/06/2015	09/07/2015	2	0	0	1	1	0	28996(I)
Operational	Unannounced imprest sites visits	2014/15	Complete	Non Opinion	19/06/2015	04/06/2015	30/06/2015	01/07/2015	0	0	0	0	0	0	
Key Control	Consolidated Key Financial Controls	2014/15	Complete	Reasonable	04/02/2015	20/01/2015	18/02/2015	12/06/2015	26	0	5	17	4	0	28501(I),28502(I),28503(I), 28512(I), 28517(I), 28347(I), 28348(I), 28349(I), 28350(I), 28383(I), 28382(I), 28030(I), 27983(I), 27984(I), 27985(I), 27986(I),28297(I),28323(I), 28336(I), 28380(I), 28381(I), 28387(I)
Operational	Trust Funds Administration	2014/15	Complete	Reasonable	16/06/2015	07/07/2015	28/06/2015	07/07/2015	0	0	0	0	0	0	
Operational	Payment & recovery of VAT	2014/15	Complete	Reasonable	06/06/2015	06/07/2015	20/06/2015	10/08/2015	12	0	1	11	0	0	28690(I),28691(I),28981(I), 28982(I),29266(I), 29317(I), 29319(I), 29320(I),29399(I), 29403(I),29404(I), 29407(I)

## Plan Performance 2015/16

Audit Type	Audit Name	Quarter	Status	Opinion	Proposed Draft Report	Draft Issued	Proposed Final	Final Issued	No	Recommendations					Recommendation Unique Nos: Priority 3,4,5.
										5	4	3	2	HO	
ICT	Revenues & Benefits (Northgate) - (Follow Up)	2014/15	Complete	Non Opinion	03/02/2015	10/04/2015	17/02/2015	29/04/2015	6	0	1	5	0	0	24028(I), 24029(I), 24035(I), 24108(I), 24391(I), 24392(I)
ICT	Corporate ICT Processes	2014/15	Complete	Reasonable	25/05/2015	15/07/2015	08/06/2015	05/08/2015	4	0	0	2	2	0	28968(I), 28970(I)
ICT	ICT Key Controls (SAP)	2014/15	Complete	Reasonable	14/04/2015	23/04/2015	28/04/2015	12/05/2015	11	0	1	6	4	0	28198(I),28268(I), 28269(I),28288(I), 28884(I), 29188(I), 29206(I)
Special Investigation	LEP	2014/15	Complete	Partial	14/04/2015	30/06/2015	28/04/2015	03/08/2015	17	0	6	11	0	0	29426(I), 29427(I), 29428(I), 28984(I), 28985(I), 28986(I), 28987(I), 28998(I), 28999(I), 29000(I), 29008(I), 29009(I), 29010(I), 29011(I), 29012(I), 29142(I), 29143(I)
School	Prevention of Fraud	2014/15	Complete	Non Opinion	17/07/2015	17/07/2015	31/07/2015	24/07/2015	0	0	0	0	0	0	
School	Business Continuity Arrangements	2014/15	Complete	Non Opinion	29/06/2015	16/07/2015	17/07/2015	16/07/2015	0	0	0	0	0	0	
Governance, Fraud & Corruption	Wilts on line project	2014/15	Complete	Non Opinion	14/06/2015	14/07/2015	28/06/2015	14/07/2015	0	0	0	0	0	0	
Follow Up	Court of Protection - Follow Up	January 2016	Complete	Non Opinion	10/05/2016	17/05/2016	24/05/2016	17/05/2006	9	0	3	6	0	0	26161(I), 26162(I), 26566(I), 26021(I), 26025(I), 26272(I), 26567(I), 26024(I), 26160(I)
Special Investigation	Investigation into Contract Payments	April 2015	Complete	Non Opinion	15/06/2015	09/06/2015	29/06/2015	10/06/2015	0	0	0	0	0	0	

## Plan Performance 2015/16

Audit Type	Audit Name	Quarter	Status	Opinion	Proposed Draft Report	Draft Issued	Proposed Final	Final Issued	No	Recommendations					Recommendation Unique Nos: Priority 3,4,5.
										5	4	3	2	HO	
Special Investigation	Investigation into Contract Payments - Continuation	July 2015	Complete	Non Opinion	14/09/2015	28/09/2015	28/09/2015	19/10/2015	0	0	0	0	0	0	
Grant Certification	CRC Scheme Certification	April 2015	Complete	Grant	10/07/2015	10/07/2015	24/07/2015	04/08/2015	0	0	0	0	0	0	
Grant Certification	Growth Hub Grant - Claim 6 & 7	April 2015	Complete	Grant	24/08/2015	20/08/2015	07/09/2015	20/08/2015	0	0	0	0	0	0	
Grant Certification	Extended Growth Hub - BIS Grant	January 2016	Complete	Grant	06/05/2016	17/05/2016	20/05/2016	17/05/2016	0	0	0	0	0	0	
Grant Certification	HCA Compliance	April 2015	Complete	Grant	N/A	N/A	22/11/2015	22/11/2015	0	0	0	0	0	0	
Operational	Imprest Monitoring (Salisbury)	Oct-15	Complete	Non Opinion	21/10/2015	21/10/2015	23/10/2015	23/10/2015	0	0	0	0	0	0	
Key Control	Accounts Payable	July 2015	Complete	Reasonable	10/02/2016	31/03/2016	24/02/2016	13/04/2016	5	0	0	3	2	0	31595, 31425, 31426.
Key Control	Accounts Receivable	July 2015	Complete	Reasonable	10/02/2016	31/03/2016	24/02/2016	13/04/2016	4	0	1	0	3	0	31437
Key Control	GL and Financial Accounting	July 2015	Complete	Substantial	10/02/2016	31/03/2016	24/02/2016	13/04/2016	0	0	0	0	0	0	None
Key Control	Housing Rents	July 2015	Complete	Reasonable	10/02/2016	31/03/2016	24/02/2016	13/04/2016	5	0	0	3	2	0	31442, 31803, 31805.
Key Control	Council Tax	July 2015	Complete	Reasonable	10/02/2016	31/03/2016	24/02/2016	13/04/2016	3	0	0	3	0	0	31699, 31810, 31820.

## Plan Performance 2015/16

Audit Type	Audit Name	Quarter	Status	Opinion	Proposed Draft Report	Draft Issued	Proposed Final	Final Issued	No	Recommendations					Recommendation Unique Nos: Priority 3,4,5.
										5	4	3	2	HO	
Key Control	Housing and Council Tax Benefits	July 2015	Complete	Reasonable	10/02/2016	31/03/2016	24/02/2016	13/04/2016	4	0	0	4	0	0	31255, 31256, 31257, 31254.
Key Control	Payroll	July 2015	Complete	Reasonable	10/02/2016	31/03/2016	24/02/2016	13/04/2016	2	0	0	1	1	0	31421
Key Control	Pensions	October 2015	Complete	Reasonable	10/02/2016	31/03/2016	24/02/2016	13/04/2016	2	0	0	2	0	0	31646, 31752.
Key Control	Treasury Management	July 2015	Complete	Substantial	10/02/2016	31/03/2016	24/02/2016	13/04/2016	0	0	0	0	0	0	None
Operational	Proactive Monitoring for Health & Safety Hazards	July 2015	Complete	Non Opinion	10/11/2015	11/12/2015	24/11/2015	16/02/2016	6	0	0	0	6	0	
Healthy Organisation	Assurance Mapping	April 2015	Complete	Non Opinion	ALL YEAR				0	0	0	0	0	0	
Healthy Organisation	Commissioning and Procurement	April 2015	Complete	Medium/Reasonable Assurance	31/09/2015	01/10/2015	01/11/2015	11/04/2016	5	0	0	0	0	5	30045, 30167, 30177, 32241, 32242
Healthy Organisation	Corporate Governance	April 2015	Complete	Medium/Reasonable Assurance	31/09/2015	01/10/2015	01/11/2015	11/04/2016	4	0	0	0	0	4	32224, 32225, 32226, 32227
Healthy Organisation	Financial Management	April 2015	Complete	Medium/Reasonable Assurance	31/09/2015	01/10/2015	01/11/2015	11/04/2016	8	0	0	0	0	8	32228, 32229, 32230, 30057, 30059, 30060, 30061, 30062,
Healthy Organisation	Information Management	April 2015	Complete	Medium/Reasonable Assurance	31/09/2015	01/10/2015	01/11/2015	11/04/2016	5	0	0	0	0	5	29949, 30063, 30068, 30069, 30070
Healthy Organisation	People and Asset Management	April 2015	Complete	Medium/Reasonable Assurance	31/09/2015	01/10/2015	01/11/2015	11/04/2016	2	0	0	0	0	2	30402, 32243

## Plan Performance 2015/16

Audit Type	Audit Name	Quarter	Status	Opinion	Proposed Draft Report	Draft Issued	Proposed Final	Final Issued	No	Recommendations					Recommendation Unique Nos: Priority 3,4,5.
										5	4	3	2	HO	
Healthy Organisation	Performance Management	April 2015	Complete	Medium/Reasonable Assurance	31/09/2015	01/10/2015	01/11/2015	11/04/2016	5	0	0	0	0	5	29997, 29998, 30126, 30127, 32238
Healthy Organisation	Programme and Project Management	April 2015	Complete	Medium/Reasonable Assurance	31/09/2015	01/10/2015	01/11/2015	11/04/2016	1	0	0	0	0	1	30167
Healthy Organisation	Risk Management	April 2015	Complete	Medium/Reasonable Assurance	31/09/2015	01/10/2015	01/11/2015	11/04/2016	3	0	0	0	0	3	32231, 30075, 32232
Operational	Business Continuity Planning (BCP) & Disaster Recovery - <i>ongoing assurance of BCP under development.</i>	October 2015	Complete	Non Opinion	ALL YEAR										
ICT	SAP Data Integrity Checks - <i>development of data analysis routines to support Council audits (key controls, operational reviews, special investigations)</i>	July 2015	Complete	Non Opinion	ALL YEAR										Ongoing development
ICT	Primary & Secondary Datacentre Review	October 2015	Complete	Reasonable	09/06/2016	27/06/2016	27/06/2016	06/07/2016	13	0	1	8	4	0	32562, 32563, 32683, 32587, 32560, 32581, 32582, 32590, 32568

## Plan Performance 2015/16

Audit Type	Audit Name	Quarter	Status	Opinion	Proposed Draft Report	Draft Issued	Proposed Final	Final Issued	No	Recommendations					Recommendation Unique Nos: Priority 3,4,5.
										5	4	3	2	HO	
Healthy Organisation	Public Health	April 2015	Complete	High/ Substantial Assurance	07/07/2015	13/01/2016	21/07/2015	12/04/2016	3	0	0	0	0	3	32212, 32213, 32214
Grant Certification	Ring-fenced Public Health Grant	August 2015	Complete	Grant	14/09/2015	29/09/2015	28/09/2015	29/09/2015	0	0	0	0	0	0	
School	Alderbury & West Grimstead	October 2015	Complete	Partial	30/12/2015	14/01/2016	13/01/2016	02/02/2016	18	0	6	10	2	0	31168,31169,31170,31171,31172,31173,31174, 31175, 31176, 31178, 31180(I), 31224, 31225, 31226, 31285, 31286
School	Dinton CofE Primary School	October 2015	Complete	Reasonable	17/11/2015	16/11/2015	01/12/2015	14/12/2015	10	0	0	10	0	0	30622(I),30623(I),30636(I),30637(I) 30638(I), 30653(I), 30654(I), 30658(I), 30660(I), 30686(I).
School	Grove Primary School	October 2015	Complete	Partial	17/12/2015	18/12/2015	31/12/2015	14/03/2016	27	0	3	23	1	0	31051, 31052, 31053, 31054(I), 31055,31056, 31057, 31058, 31059, 31060(I), 31061, 31062, 31063, 31064(I), 31065, 31067, 31068, 31069, 31070, 31071, 31072, 31073, 31074, 31075(I), 31076, 31084
School	Hilperton CofE Voluntary Controlled Primary School	October 2015	Complete	Partial	20/10/2015	30/10/2015	03/11/2015	14/12/2015	16	0	5	11	0	0	30417(I) ,30419, 30420, 30422, 30423, 30425(I), 30426(I), 30428(I), 30429(I), 30430, 30432, 30433(I), 30434(I), 30435, 30436(I), 30437(I)
School	Hindon CofE Voluntary Aided Primary School, St Mary's & St John's	October 2015	Complete	Reasonable	03/11/2015	10/11/2015	17/11/2015	14/12/2015	11	0	0	11	0	0	30511(I), 30513(I), 30514(I), 30516(I), 30517(I), 30518(I), 30519(I), 30520(I), 30538(I), 30543(I), 30544(I)
School	Lacock CofE Primary School	October 2015	Complete	Reasonable	24/12/2015	14/01/2015	07/01/2015	03/02/2016	16	0	0	11	5	0	31111(I), 31112(I), 31113(I), 31114, 31116(I) 31117, 31118 (I), 31119(I), 31143(I), 31144, 31145(I).
School	Abbeyfield School	October 2015	Complete	Partial	15/10/2015	23/10/2015	29/10/2015	16/03/2016	10	0	4	3	3	0	30251(I), 30253, 30254, 30257, 30261, 30522, 30523



## Plan Performance 2015/16

Audit Type	Audit Name	Quarter	Status	Opinion	Proposed Draft Report	Draft Issued	Proposed Final	Final Issued	No	Recommendations					Recommendation Unique Nos: Priority 3,4,5.
										5	4	3	2	HO	
School	St Nicholas CofE Primary School, Porton	October 2015	Complete	Partial	30/10/2015	17/12/2015	13/11/2015	13/04/2016	28	0	9	13	6	0	30449(I), 30704(I), 30703(I), 30450, 30455(I), 30954(I), 30452(I), 30730(I), 30458(I), 30460(I), 30459(I), 30461(I), 30462(I), 30474, 30471, 30472(I), 30475(I), 30480, 30705, 30741(I), 30470, 30957
School	Westwood with Iford School	Mar-16	Complete	Reasonable	15/03/2016	01/04/2016	29/03/2016	10/05/2016	13	0	0	9	4	0	31929, 31940, 31941, 31950, 31951, 31952, 31953, 31971, 37092
School	Governors Minutes	January 2016	Complete	Non Opinion	10/05/2016	07/06/2016	24/05/2016	22/06/2016	0	0	0	0	0	0	
Grant Certification	Repair & Renew Grant Certification	July 2015	Complete	Grant	07/08/2015	07/08/2015	10/08/2015	10/08/2015	0	0	0	0	0	0	
Grant Certification	Local Authority Bus Subsidy	August 2015	Complete	Grant	14/09/2015	23/09/2015	28/09/2015	29/09/2015	0	0	0	0	0	0	
Grant Certification	Local Transport Settlement	July 2015	Complete	Grant	14/09/2015	14/09/2015	28/09/2015	29/09/2015	0	0	0	0	0	0	
Grant Certification	Pothole Fund	July 2015	Complete	Grant	14/09/2015	17/09/2015	27/09/2015	29/09/2015	0	0	0	0	0	0	
Healthy Organisation	Combined Assurance - Children's Safeguarding	Nov-15	Complete	High/ Substantial Assurance	30/11/2015	01/04/2016	14/12/2015	13/07/2016	14	0	0	0	0	14	32893, 32932, 32933, 32934, 32935, 32936, 32937, 32938, 32939, 32940, 32941, 32942, 32943, 32944,
Healthy Organisation	Combined Assurance - Highways	Nov-15	Complete	Medium/ Reasonable Assurance	26/01/2016	03/03/2016	09/02/2016	06/07/2016	7	0	0	0	0	7	32894, 32895, 32896, 32897, 32898, 32899. 32802
<b>TOTAL RECOMMENDATIONS MADE</b>									343	0	48	188	50	57	

## Plan Performance 2015/16

Audit Type	Audit Name	Quarter	Status	Opinion	Proposed Draft Report	Draft Issued	Proposed Final	Final Issued	No	Recommendations					Recommendation Unique Nos: Priority 3,4,5.
										5	4	3	2	HO	
<b>2015/16 AUDITS AT DRAFT / DISCUSSION (STATUS AMBER)</b>															
Healthy Organisation	Economic Development	Jan-16	Draft		08/03/2016	03/03/2016	22/03/2016								Draft report re-issued on 27/6/2016 to raise awareness with senior officers of need to finalise work.
Governance, Fraud & Corruption	ICT Healthcheck	July 2015	Discussion paper		06/05/2016		20/05/2016								This audit was delayed until the completion of the Healthy Organisation corporate review since findings across 8 Key Lines of Enquiry (KLOE) had implications for this work.
<b>2015/16 AUDITS DEFERRED OR REMOVED (STATUS GREEN)</b>															
School	Purton St Mary's CofE Primary School	October 2015	Deferred							School visit deferred at request of client until 2016/2017.					
School	Durrington All Saints CofE Voluntary Controlled Infants School	October 2015	Removed							School became an academy in November 2015 and audit cancelled by the school.					
Non Opinion	Programme Office - SIBS Project	July 2015	Removed							Work was initially requested by the client but subsequently cancelled when client did not respond.					
Operational	Imprest Account	July 2015	Removed							Audit removed - duplication of work completed above.					
Key Control	CIVICA Cash Receipting	October 2015	Removed							This audit is being undertaken by KPMG to avoid unnecessary duplication of audit work. <i>Reported at last Committee.</i>					
Key Control	Capital Accounting/ Asset Management	October 2015	Removed							Key Control review ( <i>not in KPMG scope this year</i> ).					

## Plan Performance 2015/16

Audit Type	Audit Name	Quarter	Status	Opinion	Proposed Draft Report	Draft Issued	Proposed Final	Final Issued	No	Recommendations					Recommendation Unique Nos: Priority 3,4,5.
										5	4	3	2	HO	
Key Control	Budgetary Control	October 2015	Removed						Key Control review ( <i>not in KPMG scope this year</i> ).						
<b>2015/16 CLIENT SUPPORT</b>															
Advice	Committee reporting & Attendance	April 2015	Complete		ALL YEAR										
Advice	Corporate Advice	April 2015	Complete		ALL YEAR										
Advice	External Audit	April 2015	Complete		ALL YEAR										
Advice	Planning/Client Liaison	April 2015	Complete		ALL YEAR										
School	Schools Support & Advice	April 2015	Complete		ALL YEAR										
School	SFVS Compliance (Quarterly reporting)	April 2015	Complete		ALL YEAR										



**SWAP**

**SOUTH WEST AUDIT PARTNERSHIP**

Delivering Audit Excellence

# Wiltshire Council

Report of Internal Audit Activity

Quarter 1 Update – 2016/17

# Contents

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## Summary

**The Chief Executive of SWAP is required to provide an opinion to support the Annual Governance Statement.**

“risks are generally well managed and the systems of internal control are working effectively”



### Audit Opinion

Overall, based on the work completed to date this financial year, I can report that risks are generally well managed and the systems of internal control are working effectively. Management generally respond positively to Internal Audit suggestions for improvements and corrective action is often taken quickly, wherever this is possible or practical.

# Internal Audit Work Plan 2016/17

## Our audit activity is split between:

- **Operational Audits**
- **Key Control Audits**
- **Governance, Fraud & Corruption Audits**
- **IT Audits**
- **Special Reviews**



## Role of Internal Audit and Audit Work Quarter Summary

The Internal Audit service for Wiltshire Council is provided by South West Audit Partnership (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). The Partnership is also guided by the Internal Audit Charter approved by this Committee.

Internal Audit provides an independent and objective opinion on the Authority's governance, risk and control environment by evaluating its effectiveness. Internal Audit work is largely driven by an Annual Audit Plan. This is approved by the Associate Director, Finance (Section 151 Officer), following consultation with the Corporate Leadership Team, the Audit Committee and External Auditors. Audit assignments are undertaken in accordance with this Plan to assess current levels of governance, risk and control. This audit assignment activity is broken down into various categories of work as outlined in the bullet points shown in the column on the left of this page.

This quarter we have been engaged in the completion of the 9 audits carried forward from 2015/16 period as well as initiating Quarter 1 activity - with schools' follow up work featuring quite heavily. Of the carried forward work, 7 audits have been completed with a further 1 at 'draft' stage and the other at 'discussion' paper stage. With regards to 2016/17 Internal Audit Plan, we have progressed 3 audits to draft, 2 audits to discussion stage with a remaining 15 audits 'In Progress'. The Healthy Organisation 16/17 work is also now underway. An update will be provided in Quarter 2 update (October 2016) to address what extent improvement has been detected in service department areas to meet the shortcomings identified in the Corporate Healthy Organisation Review (15/16).

## Internal Audit Work Plan 2016/17

### Outturn to Date:

**We rank our recommendations on a scale of 1 to 5: with priority 1 being very minor or administrative concerns that are not formally captured but the client is informally advised during the audit instead, through to priority 5 being areas of major concern that would require immediate remedial action by senior management.**

**Healthy Organisation recommendations are rated high; medium and low according to the opinion.**

“There have been 56 recommendations raised this quarter *(all arising from 2015/16 carried forward work since no 2016/17 work has been finalised)* with 56% being lower priority 3 & 2, 7% priority 4, & 37% being medium assurance Healthy Organisation.”

“There have been no non-assurance opinions issued”



### Internal Audit Work Programme

The schedule provided at Appendix B contains a list of all audits as agreed in the Annual Audit Plan 2016/17 and any remaining work from the 2015/16 plan. 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.

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 from page 12 of this document.

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 in Appendix C. We are pleased to note that there are no significant risks to report this quarter.

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 them receiving a ‘Partial Assurance Opinion’ have been summarised in Appendix D. There have been no audits reported this quarter that have been so assessed.

Appendix E includes any recommendations made and agreed but which are still outstanding three months after the final report has been issued. Please note action may be outstanding if implementation dates are not yet due. Appendix F includes recommendations made which were not agreed by management, there are three to report.



## Outturn to date:

### Efficiencies and 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.**

“Audits have added value through recommending improvements that will deliver more efficient processes.”



### Efficiencies and Added Value

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.

**Grants:** In the 2015/16 Audit period, we were asked by the Council to undertake 10 grant certifications. Grants are a vital source of income for the Council and we are happy to assist but some of these requests arrived with little warning. We also noted that in some instances, evidence had not been well organised and valuable audit time was spent trying to locate it before we could start the certification process. This experience was not unique to Wiltshire in so far as colleagues in other parts of SWAP noted similar issues. Given the strict timetable and deadlines that often accompany Grants, the Assistant Director for Dorset County Council has put together a best practice guidance document to help officers. Please see Appendix G.

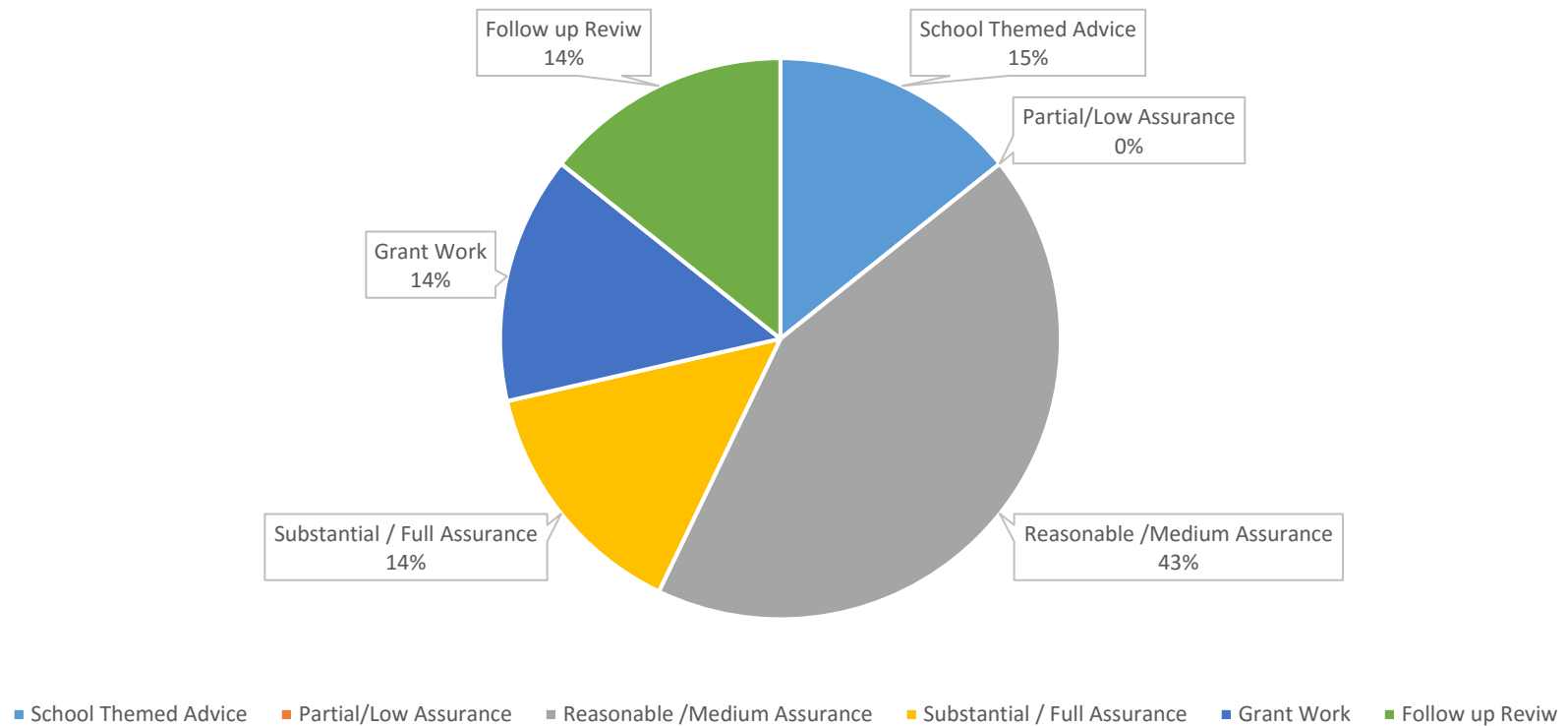
**Schools Themed Reviews:** This quarter, we have also completed another themed review (Governor’s Minutes) arising our Schools Financial Healthcheck Programme. This has been published on the Wisenet facility. Since 2012, we have published 8 such items to promote best practice.

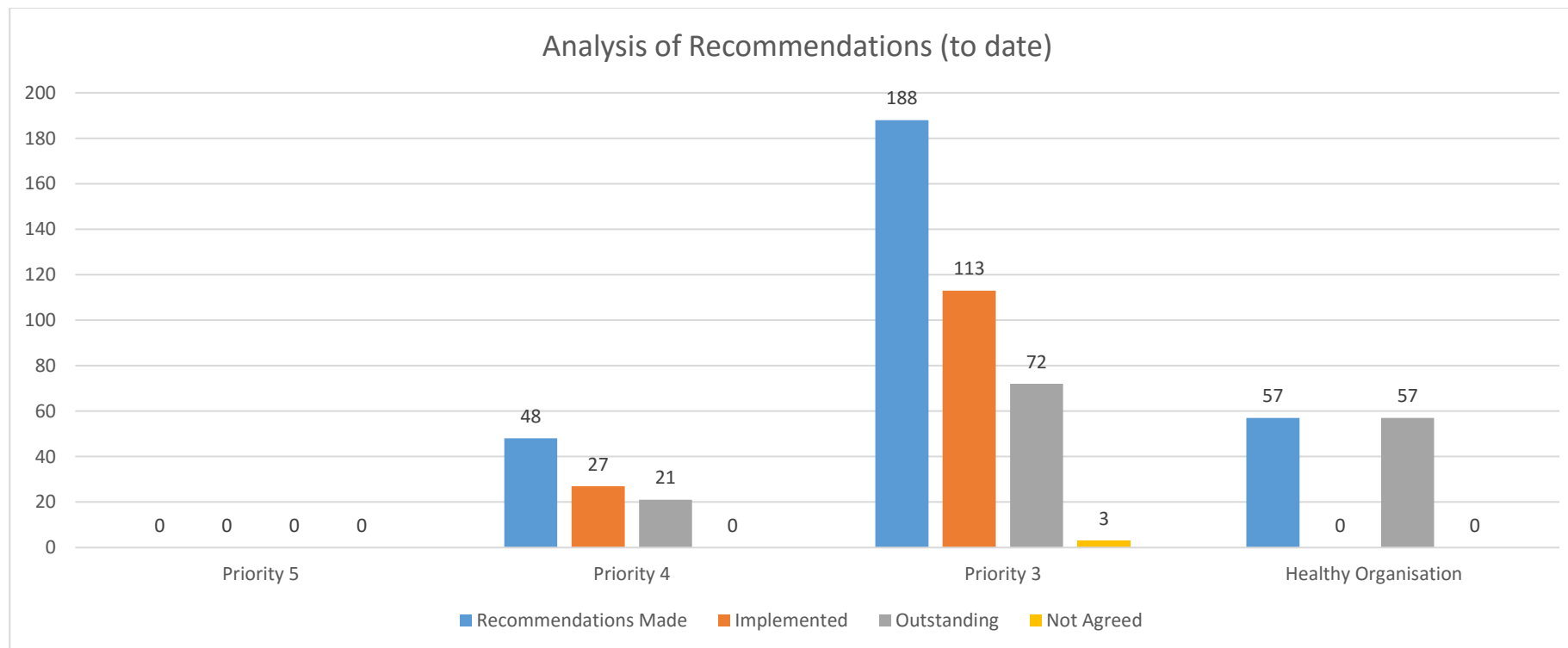
# Internal Audit Work Plan 2016/17



## Governance, Fraud and Corruption

Control Assurance by Category  
(including 15/16 work completed in Quarter 1, 2016/17 year)





#### **Summary of Internal Audit Work to date**

The above bar charts represent the cumulative figures of recommendations raised (made) in 2015/16 and the present quarter. Regarding the above, 236 Priority 3 & 4 recommendations have been raised and of these, 233 been agreed and 3 were not agreed (please see Appendix F). Of the 233 agreed, 140 recommendations have been implemented so far. Of the outstanding 93 recommendations, the agreed implementation dates for 38 are not yet due. These include the recommendations raised in the following reviews: Data Centres (< 30 days); Westwood with Iford School (< 60 days); and financial Key Controls & St. Nicholas School (< 90 days). These reviews are detailed in Appendix B and in the Aged Analysis charts that follow. Appendix E details those 55 outstanding recommendations that exceed 4 months (+ 120 days). 57 Healthy Organisation recommendations have also been raised and the Improvement Plan arising has informed 16/17 Internal Audit Plan. These will be followed up during the course of year and a progress update to be provided in October 2016.

**Recommendation Aged Analysis**

**Data Revision Date : 30/6/16**

**Priority 5**

	< 30 Days	< 60 Days	< 90 Days	< 120 Days	120+ Days	Totals
Totals	0	0	0	0	0	0

**Priority 4**

	< 30 Days	< 60 Days	< 90 Days	< 120 Days	120+ Days	Totals
Totals	1	0	4	0	16	21

**Priority 3**

	< 30 Days	< 60 Days	< 90 Days	< 120 Days	120+ Days	Totals
Totals	5	9	19	0	39*	72

*follow up review, please see Appendix E.*

*\*2 recommendations date from 2014/15. Currently subject to*

# Internal Audit Work Plan 2016/17

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

“More work is needed to improve the timeliness of issuing final reports”



## SWAP Performance (Quarter 1)

SWAP now provides the Internal Audit service for 14 Councils and also many subsidiary bodies.

SWAP performance is subject to regular monitoring review by both the Board and the Members Meeting. The respective performance results for Wiltshire Council for the 2016/17 year so far are as follows:

Performance Target	Average Performance
<p><b><u>Audit Plan – Percentage Progress</u></b>                      15/16 Percentage completion                      16/17 Completion</p>	<p>100%                      0%</p>
<p><b><u>Draft Reports</u></b>                      Issued within 5 working days of closeout                      Issued within 10 working days of closeout</p>	<p>N/A*                      N/A*</p>
<p><b><u>Final Reports</u></b>                      Issued within 10 working days of discussion of draft report.</p>	<p>N/A*</p>
<p><b><u>Quality of Audit Work</u></b>                      Customer Satisfaction Questionnaire</p>	<p>N/A*</p>

\*It is not possible to provide statistics because we have not progressed audits beyond discussion paper stage at the time of writing this report. We will provide a verbal update to Committee at the end of July.

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



### SWAP Performance

At the end of each audit review, a Customer Satisfaction Questionnaire is sent out to the service manager or nominated officer. The aim of the questionnaire is to gauge satisfaction against timeliness; quality; and professionalism. As part of the Balanced Scorecard presented to the SWAP Management Board, a target of 85% is set where 75% would represent a 'good' score. The accumulative feedback over the 2015/16 period for Wiltshire Council is 84%.

## Internal Audit Work Plan 2016/17

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



### Approved Amendments to Annual Audit Plan 2016/17

Planned audit work is detailed in Appendix B. Audit work remains under constant review to ensure that, if necessary, internal audit resources can also be targeted at emerging issues in a timely manner. Any changes that are required are agreed with the Associate Director Finance (Section 151) and are reported to the Committee.

#### **Removed Work (3 items)**

1. **BDUK:** We had originally intended to undertake a review of the Council's BDUK arrangements but this was subject to an independent review in the past 12 months which reported favourably. Consequently we have been able to undertake a review of the Army Basing Programme, a request we received this quarter.
2. **CRC:** In addition we were informed that we would not be required to assist with the Carbon Reduction Certification (CRC) Grant this year and that budget has been re-assigned to Luckington School following consultation with the School's Finance & Budgetary Control Team.
3. **SFVS:** The same team advised against undertaking the School theme work – SFVS Compliance. The budget has been re-allocated to the school reviews to permit extra auditor testing.

#### **Deferred Work (12 items)**

You will note that the continuation of 15/16 activity into Quarter One has impacted the delivery of the IA Plan (16/17), *please see amber entry on Appendix B '2016/17 Audits in Progress'*. In recognition of this, twelve audits have been deferred to later date in the 16/17 plan to take advantage of auditor efficiencies arising from undertaking audits in the functional area already that is already subject to review (e.g. financial audits to run alongside existing key financial control audits that occur in January 2017); school themed reviews to commence when all schools have either been or nearing completion. However, IA have also been requested to defer work until later in the year to allow new arrangements to be implemented (e.g. Strategic Hub - Procurement).

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

- Substantial
- Reasonable
- Partial
- None



## Audit Framework Definitions

### Control Assurance Definitions

<b>Substantial</b>	▲ ★ ★ ★	I am able to offer substantial assurance as 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.
<b>Reasonable</b>	▲ ★ ★ ★	I am able to offer reasonable assurance as 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.
<b>Partial</b>	▲ ★ ★ ★	I am able to offer Partial assurance 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.
<b>None</b>	▲ ★ ★ ★	I am not able to offer any assurance. 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.

### Categorisation of Recommendations

When making recommendations to Management it is important that they 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. No timeframes have been applied to each Priority as implementation will depend on several factors; however, the definitions imply the importance.



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



## Audit Framework Definitions

- Priority 5: Findings that are fundamental to the integrity of the unit's business processes and require the immediate attention of management.
- Priority 4: Important findings that need to be resolved by management.
- Priority 3: The accuracy of records is at risk and requires attention.
- Priority 2: Minor control issues have been identified which nevertheless need to be addressed.
- Priority 1: Administrative errors identified that should be corrected. Simple, no-cost measures would serve to enhance an existing control.

### Definitions of Risk

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

Line No.	Directorate / Service	Audit Area	Audit Type	Audit Name	Quarter	Status	Opinion	Proposed Draft Report	Draft Issued	Proposed Final	Final Issued	No. of recs	Recommendations					Recommendation Unique Nos: Priority 3,4,5.
													5	4	3	2	HO	
<b>2015/16 AUDITS AT FINAL/COMPLETED (STATUS GREEN)</b>																		
1	*Adult Care Services	Supporting Adults	Follow Up	Court of Protection	15/16	Complete	Follow-up	10/05/2016	17/05/2016	24/05/2016	17/05/2006	9	0	3	6	0	0	26161 (I), 26162 (I), 26566 (I), 26021 (I), 26025(I), 26272 (I), 26567 (I), 26024 (I), 26160(I)
2	*Economic development	Growth Hub	Grant Certification	Extended Growth Hub - BIS Grant	15/16	Complete	Grant	06/05/2016	17/05/2016	20/05/2016	17/05/2016	0	0	0	0	0	0	
3	*Information and communication technology	Information and Communication Technology	ICT	Primary & Secondary Datacentre Review	15/16	Complete	Reasonable	09/06/2016	27/06/2016	27/06/2016	06/07/2016	13	0	1	8	4	0	32562, 32563, 32683, 32587, 32560, 32581, 32582,32590, 32568
4	Schools - Primary (incl First, Infant & Junior)	Westwood with Iford School	School	Westwood with Iford School	15/16	Complete	Reasonable	15/03/2016	01/04/2016	29/03/2016	10/05/2016	13	0	0	9	4	0	31929, 31940, 31941, 31942, 31949, 31950, 31951, 31952, 31953, 31954, 31971, 31972, 37092
5	*Children and families services	School Themed Reviews (Contingency)	School	Governors Minutes	15/16	Complete	Non Opinion	10/05/2016	07/06/2016	24/05/2016	22/06/2016	0	0	0	0	0	0	
6	*Children and families services	Healthy Organisation	Healthy Organisation	Combined Assurance - Children's Safeguarding	15/16	Complete	High / Substantial Assurance	30/11/2015	01/04/2016	14/12/2015	12/07/2016	14	0	0	0	0	14	32893, 32932, 32933, 32934, 32935, 32936, 32937, 32938, 32939, 32940, 32941, 32942, 32943, 32944,
7	*Transport and infrastructure	Healthy Organisation	Healthy Organisation	Highways	15/16	Complete	Medium / Reasonable Assurance	26/01/2016	03/03/2016	09/02/2016	06/07/2016	7	0	0	0	0	7	32894, 32895, 32896, 32897, 32898, 32899, 32802
<b>TOTAL RECOMMENDATIONS MADE</b>												56	0	4	23	8	21	
<b>2015/16 AUDITS AT DRAFT /DISCUSSION PAPER (STATUS AMBER)</b>																		
8	*Economic development	Healthy Organisation	Healthy Organisation	Economic Development	15/16	Draft		08/03/2016	03/03/2016	22/03/2016								Draft report re-issued on 27/6/16 to raise awareness with senior officers of need to finalise work.
9	*Information and communication technology	Strategy and Governance	Governance, Fraud & Corruption	ICT Healthcheck	15/16	Discussion Paper		06/05/2016		20/05/2016								This audit was delayed until the completion of the Healthy Organisation corporate review since findings across 8 Key Lines of Enquiry (KLOE) had implications for this work.
<b>2016/17 AUDITS AT DRAFT /DISCUSSION PAPER - NO ISSUES TO REPORT (STATUS GREEN)</b>																		
10	*Adult care services	Supporting adults	Healthy Organisation	Adults Safeguarding	April 2016	Discussion Paper		15/07/2016		29/07/2016								Close out meeting 14th July 2016
11	*Economic development	Sustainability	Governance, Fraud & Corruption	Army Basing Programme	April 2016	Discussion Paper		06/07/2016		20/07/2016								Close out meeting 26th July 2016
12	*Information and communication technology	ICT Service Delivery	ICT	Benefits Management Arrangements	April 2016	Draft		13/07/2016	13/07/2016	27/07/2016								Close out meeting 11th July 2016

Line No.	Directorate / Service	Audit Area	Audit Type	Audit Name	Quarter	Status	Opinion	Proposed Draft Report	Draft Issued	Proposed Final	Final Issued	No. of recs	Recommendations					Recommendation Unique Nos: Priority 3,4,5.
													5	4	3	2	HO	
13	*Information and communication technology	System support	ICT	Incident & Problem Management	April 2016	Draft		13/07/2016	13/07/2016	27/07/2016								Close out meeting 11th July 2016
14	Schools - Primary (incl First, Infant & Junior)	Staverton CofE Voluntary controlled Primary School	School	Staverton CofE Voluntary Controlled Primary School	April 2016	Draft		19/07/2016	19/07/2016	02/08/2016								Close out at the school 8th July 2016
<b>2016/17 AUDITS IN PROGRESS (STATUS AMBER)</b>																		
15	*Adult care services	Supporting adults	Operational	Adult Care - Deferred payments	April 2016	In Progress												Audit commenced in June 2016, Terms of Reference (ToR) agreed & fieldwork now underway.
16	*Children and families services	Early Years	Operational	Early Years Funding	April 2016	In Progress												Audit commenced late May 2016, ToR agreed & fieldwork completed & being reviewed.
17	*Housing	Housing Repairs	Operational	Housing Repairs	April 2016	In Progress												Audit commenced June 2016 2016, ToR agreed & fieldwork 50% complete.
18	*Leisure and culture	Sports facilities	Operational	Leisure Centre Income Management	April 2016	In Progress												Audit commenced in June 2016, ToR agreed but leisure centre staff sickness delayed initial visit until 5/7/16. 2 visits now completed & further 3 confirmed in July.
19	*Management	Project management	Governance, Fraud & Corruption	Project Management Arrangements	April 2016	In Progress												Audit has commenced but awaiting ToR agreement by Council.
20	Schools - Primary (incl First, Infant & Junior)	Chirton CofE Voluntary Controlled Primary School	School	Chirton CofE Voluntary Controlled Primary School	April 2016	In Progress												Audit commenced in June 2016, ToR agreed & fieldwork 75% complete.
21	Schools - Primary (incl First, Infant & Junior)	Pitton CofE Voluntary Aided Primary	School	Pitton CofE Voluntary Aided Primary	April 2016	In Progress												Audit commenced in June 2016, ToR agreed & fieldwork 60% complete.
22	Schools - Primary (incl First, Infant & Junior)	St. Barnabas School CofE Primary	School	St. Barnabas School CofE Primary	April 2016	In Progress												Audit commenced in June 2016, ToR agreed & fieldwork 80% complete.
<b>2016/17 AUDITS IN PROGRESS - NO ISSUES TO REPORT (STATUS GREEN)</b>																		
23	*Finance	Payroll and pensions	Operational	Pensions Administration Review	July 2016	In Progress												Audit ToR drawn up - initial meeting to be set up.
24	*Information and communication technology	Business Continuity and Disaster Recovery	ICT	Business Continuity & Disaster Recovery	July 2016	In Progress												ToR agreed, fieldwork now underway.
25	Schools - Primary (incl First, Infant & Junior)	Alderbury & West Grimstead CofE Primary School	Follow Up	Alderbury & West Grimstead CofE Primary School	July 2016	In Progress												Follow up action plan issued to the school in June, deadline for submission of evidence 8/7/16 missed. School has requested extra time to complete submission.

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													5	4	3	2	HO	
26	Schools - Primary (incl First, Infant & Junior)	Grove Primary School	Follow Up	Grove Primary School	July 2016	In Progress												Follow up action plan was issued in June, Deadline for submission of evidence extended until 25th July at request of school as new School Admin. Officer just appointed.
27	Schools - Primary (incl First, Infant & Junior)	Hilperton CofE Voluntary Controlled Primary School	Follow Up	Hilperton CofE Voluntary Controlled Primary School	July 2016	In Progress												Follow up action plan was issued in June, deadline for submission of evidence 15/7/16.
28	Schools - Primary (incl First, Infant & Junior)	St Nicholas CofE Primary School, Porton	Follow Up	St Nicholas CofE Primary School, Porton	July 2016	In Progress												Follow up action plan issued in June, deadline for submission of evidence 6/7/16 has been missed. School has been prompted for response.
29	Schools - Secondary (incl Upper)	Abbeyfield School	Follow Up	Abbeyfield School	July 2016	In Progress												Follow up action plan issued in June but deadline 8/7/16 missed. Discussions between the school & S151 are currently in progress regarding the school's finances.
<b>2016/17 AUDITS PLANNED BUT NOT YET STARTED (STATUS GREEN)</b>																		
30	*Adult care services	Supporting adults	Operational	Direct Payments	October 2016	Created												
31	*Children and families services	Child protection	Follow Up	Safeguarding	January 2017	Created												
32	*Children and families services	School Support & Advice	School	Right Choice	July 2016	Created												
33	*Children and families services	School Themed Reviews (Contingency)	School	Overall Report on Compliance	July 2016	Created												
34	*Children and families services	Troubled Families	Grant Certification	Troubled Families PBR Certification	January 2017	Created												
35	*Council property	Maintenance of council property	Operational	Vehicle Workshops	July 2016	Created												
36	*Democracy	Decision making	Governance, Fraud & Corruption	Area Boards	October 2016	Created												
37	*Economic development	Growth Hub	Grant Certification	Chippenham Station Hub Grant	July 2016	Created												
38	*Economic development	Growth Hub	Grant Certification	Growth Hub	July 2016	Created												

Line No.	Directorate / Service	Audit Area	Audit Type	Audit Name	Quarter	Status	Opinion	Proposed Draft Report	Draft Issued	Proposed Final	Final Issued	No. of recs	Recommendations					Recommendation Unique Nos: Priority 3,4,5.
													5	4	3	2	HO	
39	*Economic development	Local Enterprise Partnerships	Follow Up	LEP	October 2016	Created												
40	*Economic development	Local Enterprise Partnerships	Governance, Fraud & Corruption	LEP Governance Arrangements	October 2016	Created												
41	*Finance	Accounts Payable	Key Control	Accounts Payable	October 2016	Created												
42	*Finance	Financial transactions management	Operational	Housing Revenue Account (HRA)	January 2017	Created												
43	*Finance	General Ledger / Main Accounting	Key Control	General Ledger & Financial Accounting	January 2017	Created												
44	*Finance	Housing Rents	Key Control	Housing Rents	October 2016	Created												
45	*Finance	Local taxation	Key Control	Council Tax	October 2016	Created												
46	*Finance	Local taxation	Key Control	Housing & Council Tax Benefits	October 2016	Created												
47	*Finance	National taxation	Key Control	NNDR	October 2016	Created												
48	*Finance	National taxation	Operational	NNDR (Business Rates) Arrangements	January 2017	Created												
49	*Finance	Payroll and pensions	Key Control	Payroll	October 2016	Created												
50	*Finance	Payroll and pensions	Key Control	Pensions	October 2016	Created												
51	*Finance	Treasury Management	Key Control	Treasury Management	January 2017	Created												
52	*Healthy Organisation	Assurance Mapping	Advice	Assurance Map Update	July 2016	Created												
53	*Healthy Organisation	Finance	Operational	Corporate Feeder Systems	January 2017	Created												
54	*Healthy Organisation	Management	Governance, Fraud & Corruption	Performance & Risk Management	July 2016	Created												

Line No.	Directorate / Service	Audit Area	Audit Type	Audit Name	Quarter	Status	Opinion	Proposed Draft Report	Draft Issued	Proposed Final	Final Issued	No. of recs	Recommendations					Recommendation Unique Nos: Priority 3,4,5.
													5	4	3	2	HO	
55	*Housing	Housing provision	Grant Certification	HCA	October 2016	Created												
56	*Housing	Housing stock	Operational	Right to Buy	July 2016	Created												
57	*Human resources	Monitoring employees	Governance, Fraud & Corruption	GROW (Developing Staff Skills)	July 2016	Created												
58	*Human resources	Recruitment	Governance, Fraud & Corruption	Human Resources Security	July 2016	Created												
59	*Information and communication technology	Strategy and Governance	ICT	Business Applications	October 2016	Created												
60	*Information and communication technology	Threat and Vulnerability Management	ICT	Threat Management	October 2016	Created												
61	*Information management	Access to information	ICT	User Access Controls	October 2016	Created												
62	*Information management	Records management	ICT	ICO Key Findings Progress	October 2016	Created												
63	*Legal services	Land registration	Operational	Land Charges	July 2016	Created												
64	*Planning and building control	Building control	Operational	Income Management - Building Control & Planning	July 2016	Created												
65	*Procurement	Contracting	Governance, Fraud & Corruption	Commissioning & Contract Management	July 2016	Created												
66	*Procurement	Contracting	Governance, Fraud & Corruption	Service Area Specialist Commissioning	October 2016	Created												
67	*Public Health	Public Health	Grant Certification	Public Health Grant	July 2016	Created												
68	*Public Health	Public Health	Operational	Pharmoutcomes & SAP	October 2016	Created												
69	Schools - Primary (incl First, Infant & Junior)	Bishops Cannings CoFE (Aided) Primary School	School	Bishops Cannings CoFE (Aided) Primary School	July 2016	Created												
70	Schools - Primary (incl First, Infant & Junior)	Box CoFE Primary School	School	Box CoFE Primary School	July 2016	Created												

Line No.	Directorate / Service	Audit Area	Audit Type	Audit Name	Quarter	Status	Opinion	Proposed Draft Report	Draft Issued	Proposed Final	Final Issued	No. of recs	Recommendations					Recommendation Unique Nos: Priority 3,4,5.
													5	4	3	2	HO	
71	Schools - Primary (incl First, Infant & Junior)	Harnham CofE Controlled Junior School	School	Harnham CofE Controlled Junior School	July 2016	Created												
72	Schools - Primary (incl First, Infant & Junior)	Ivy Lane Primary School	School	Ivy Lane Primary School	January 2017	Created												
73	Schools - Primary (incl First, Infant & Junior)	Longford CofE (VC) Primary School	School	Longford CofE (VC) Primary School	July 2016	Created												
74	Schools - Primary (incl First, Infant & Junior)	Luckington School	School	Luckington Primary School	July 2016	Created												
75	Schools - Primary (incl First, Infant & Junior)	St Andrew's CofE Voluntary Aided Primary School, Laverstock	School	St Andrew's CofE Voluntary Aided Primary School, Laverstock	July 2016	Created												
76	Schools - Primary (incl First, Infant & Junior)	St Mary's CofE Infant School Marlborough	School	St Mary's CofE Infant School Marlborough	January 2017	Created												
77	Schools - Primary (incl First, Infant & Junior)	Whiteparish All Saints CofE Primary School	School	Whiteparish All Saints CofE Primary School	January 2017	Created												
78	*Transport and infrastructure	Public transport	Governance, Fraud & Corruption	Concessionary Fares	July 2016	Created												
79	*Transport and infrastructure	Public transport	Grant Certification	Local Authority Bus Subsidy	July 2016	Created												
80	*Transport and infrastructure	Public transport	Grant Certification	Local Transport Settlement	July 2016	Created												
<b>2016/17 AUDITS AT DEFERRED OR REMOVED (STATUS GREEN)</b>																		
81	*Children and families services	School Themed Reviews (Contingency)	School	School Theme - SFVS Compliance Review	April 2016	Removed												This is no longer required by Accounting & Budget Support. The budget has been reassigned to an perform an additional testing in schools to be visited in 16/17.
82	*Economic development	Regeneration	Operational	BDUK	April 2016	Removed												Not required by client -subject to independent review by BDUK in 2015. Budget allocated to Army Basing Programme review.
83	*Economic development	Sustainability	Grant	Carbon Reduction Scheme Certification (CRC) Grant	April 2016	Removed												Not required by client, budget now allocated to new school review (Luckington School)

Line No.	Directorate / Service	Audit Area	Audit Type	Audit Name	Quarter	Status	Opinion	Proposed Draft Report	Draft Issued	Proposed Final	Final Issued	No. of recs	Recommendations					Recommendation Unique Nos: Priority 3,4,5.
													5	4	3	2	HO	
84	*Children and families services	School Themed Reviews (Contingency)	School	School Themed Review Contingency <i>(subject yet to be determined)</i>	April 2016	Deferred												Audit deferred until Quarter 4 16/17 until all schools have been completed.
85	*Children and families services	School Themed Reviews	School	School Theme - Procurement	July 2016	Deferred												Audit deferred until Quarter 4 16/17 until all schools have been completed.
86	*Children and families services	School Support & Advice	School	School Liaison & Support Arrangements Review	July 2016	Deferred												Audit deferred until Quarter 4 16/17 until all schools have been completed.
87	*Healthy Organisation	Procurement	Governance, Fraud & Corruption	Strategic Procurement Hub	April 2016	Deferred												Audit has been deferred until Quarter 3 (16/17) at client request to give Procurement officers more time to implement new arrangements.
88	*Healthy Organisation	Finance	Operational	Budget Management Arrangements	October 2016	Deferred												Audit deferred until Quarter 4 (16/17) to coincide with Financial key control work which will inform this review.
89	*Healthy Organisation	Finance	Operational	Financial Regulations Compliance	October 2016	Deferred												Audit deferred until Quarter 4 (16/17) to coincide with Financial key control work which will inform this review.
90	*Healthy Organisation	Management	Governance, Fraud & Corruption	Corporate Governance Framework Review	April 2016	Deferred												Audit deferred until Quarter 4 (16/17) to coincide with Financial key control work which will inform this review.
91	*Healthy Organisation	Management	Governance, Fraud & Corruption	Decision Making	July 2016	Deferred												Audit deferred until Quarter 3 (16/17) and to be progressed in tandem with service level decision making audit.
92	*Healthy Organisation	Management	Operational	Decision Making - Service Level	July 2016	Deferred												See above.
93	*Housing	Estate management	Governance, Fraud & Corruption	Safeguarding Assets & New Homes Bonus	July 2016	Deferred												Audit deferred until Quarter 3 (16/17) to allow extra time in Quarter 2 to undertake concessionary fares audit (see Public Transport above).
94	*Leisure and culture	Sports facilities	Operational	Corsham Leisure Centre	July 2016	Deferred												Audit deferred until Quarter 3 (16/17) to allow extra time in Quarter 2 to undertake concessionary fares audit (see Public Transport above).
95	*Public Health	Public Health	Operational	Income Management & Public Protection	July 2016	Deferred												Audit deferred until Quarter 3 (16/17) to allow extra time in Quarter 2 to undertake concessionary fares audit (see Public Transport above).



Line No.	Directorate / Service	Audit Area	Audit Type	Audit Name	Quarter	Status	Opinion	Proposed Draft Report	Draft Issued	Proposed Final	Final Issued	No. of recs	Recommendations					Recommendation Unique Nos: Priority 3,4,5.
													5	4	3	2	HO	
2016/17 CLIENT SUPPORT																		
96	Client Support	Committee Reporting & Attendance	Advice	Audit Committee / Member Liaison			ALL YEAR											
97	Client Support	Corporate Advice	Advice	Corporate Advice			ALL YEAR											
98	Client Support	External Audit	Advice	External Audit			ALL YEAR											
99	Client Support	Planning/Client Liaison	Advice	Planning/Client Liaison			ALL YEAR											
100	Client Support	Corporate Advice	Advice	Assurance Group Attendance			ALL YEAR											
101	Client Support	Corporate Advice	Advice	Corporate Fraud Team Liaison			ALL YEAR											
102	Client Support	Investigations	Advice	Special Investigations Contingency			ALL YEAR											
103	Client Support	Corporate Advice	Advice	CLT Attendance			ALL YEAR											
104	Client Support	Contingency	Non Opinion	Non Opinion Contingency			ALL YEAR											
105	Client Support	Follow Up (Contingency)	Follow Up	Follow Up Contingency			ALL YEAR											
106	Client Support	Investigations (Contingency)	Governance, Fraud & Corruption	Fraud Contingency			ALL YEAR											

**Schedule of Potential Significant Risks Identified from Internal Audit Work**

NEW RISKS IDENTIFIED DURING THE PERIOD 1st April 2016 TO 30<sup>th</sup> June 2016

There were no significant risks identified from internal audit during this period.

<b>SUMMARY OF KEY POINTS RELATING TO PARTIAL ASSURANCE DURING THE PERIOD 1st APRIL 2016 TO 30<sup>th</sup> JUNE 2016</b>
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There were no audits that reported partial opinion during this period.
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Abbeyfield School								
Assigned To	Final Report Issue Date	Age Analysis	Description	Priority	Unique Reference	Target Implementation Date	Current Position	
WUC Associate Director - Finance (Section 151 Officer)	15-Mar-16	120+	I recommend that a consistent approach be adopted to financial reporting and recording of the overall School's financial position allowing clear tracking of the School's actual spend against agreed deficit recovery arrangements to date.	4	30253	15-Mar-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.	
WUC Associate Director - Finance (Section 151 Officer)	15-Mar-16	120+	I recommend that minutes should evidence the nature & period of budget reporting, the bottom line position and Governors' formal acceptance, or otherwise, that reports represent the School's true financial position.	4	30254	09-Dec-15	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.	
WUC Associate Director - Finance (Section 151 Officer)	15-Mar-16	120+	I recommend that in order to demonstrate application of the School's tendering process and how value for money is achieved, Governor's minutes should evidence: tenderer's names and the amounts they quoted; and formal acceptance of the selected tender; and where the lowest quote is not selected, the reason for the selection should be justified.	3	30257	09-Dec-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.	
WUC Associate Director - Finance (Section 151 Officer)	15-Mar-16	120+	I recommend that the School should ensure that invoices are raised for income due within 30 days of the debt being incurred.	3	30261	31-Oct-15	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.	
WUC Associate Director - Finance (Section 151 Officer)	15-Mar-16	120+	I recommend, in accordance with recently agreed requirements of the Local Authority for continued cash flow support, that the School provides the following information to Accounting and Budget Support on a monthly basis: 1. A budget monitoring report (using the template and style agreed with Accounting and budget Support); 2. An updated monthly Cashflow position, in the format prepared by the School; 3. A revised 5 year Budget Template updated in HCSS, to take account of any known changes and reflect the most up-to-date position for the school.	4	30522	15-Mar-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.	
WUC Associate Director - Finance (Section 151 Officer)	15-Mar-16	120+	I recommend that the School works closely with the Accounting & Budget Support team to formulate an updated recovery plan that is mutually approved and seeks to mitigate contributory spending factors within the School's control.	4	30523	15-Mar-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.	

Assigned To	Final Report Issue Date	Age Analysis	Description	Priority	Unique Reference	Target Implementation Date	Current Position
<b>Alderbury &amp; West Grimstead CofE Primary School</b>							
WUC Associate Director - Finance (Section 151 Officer)	02-Feb-16	120+	I recommend the Governing Body ensure their formal approval of the school budget is recorded in the minutes in accordance with the School's Scheme of Delegation.	3	31168	26-Jan-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	02-Feb-16	120+	I recommend the School ensure a separation of duties is operated and evidenced over the collection, recording and banking of income so one person can check the accuracy and completeness of a process performed by another person to avoid errors and potential loss of income.	4	31169	31-Jan-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	02-Feb-16	120+	I recommend that the Headteacher reconciles monthly the sums collected in School to the sums deposited at the bank. This check should be evidenced by signing and dating an appropriate income document.	4	31170	31-Jan-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	02-Feb-16	120+	I recommend that the Governors formally record the number of quotations / tenders sought and obtained, the amounts quoted and then state the winning supplier and the reason for the decision. Also the quotations / tenders should be retained by the School to provide a full audit trail.	3	31171	29-Feb-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	02-Feb-16	120+	I recommend the School raise official orders through the SIMS Financial Management System for all goods and services except utilities, rents, rates and petty cash payments, to support other purchase controls and ensure commitments are captured in the accounts.	3	31172	31-Jan-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	02-Feb-16	120+	I recommend that the Finance Officer signs as well as dates the authorisation stamp to confirm receipt of goods and checks on the accuracy of invoices thus also demonstrating that a separation of duties is maintained over the processing and authorisation of creditor payments.	3	31173	31-Jan-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	02-Feb-16	120+	I recommend the Headteacher ensures that evidence is sought from individuals claiming to be self-employed to confirm their employment status before they are paid directly as creditors. Evidence of such checks should be retained. If there are any concerns, such individuals should be paid through payroll so the School can meet its obligations under HMRC tax and employment regulations.	3	31174	29-Feb-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	02-Feb-16	120+	I recommend that Governors set a limit above which at least three quotes are sought to ensure best value is achieved. This threshold and the tender threshold should be stated in the Scheme of Delegation or Purchasing Policy and be formally approved and adopted by the Governors.	3	31175	31-Jan-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	02-Feb-16	120+	I recommend the School ensures it has a Whistleblowing Policy in place that is approved by the Governing Body and made available to staff, Governors, and all other stakeholders.	4	31176	26-Feb-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	02-Feb-16	120+	I recommend that the Governing Body ensures the School's Scheme of Delegation is reviewed annually and is updated with any changes decided upon.	3	31178	24-Nov-15	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	02-Feb-16	120+	I recommend that the Headteacher always countersigns and dates the bank reconciliation reports to demonstrate a separation of duties.	4	31224	31-Dec-15	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.

Assigned To	Final Report Issue Date	Age Analysis	Description	Priority	Unique Reference	Target Implementation Date	Current Position
WUC Associate Director - Finance (Section 151 Officer)	02-Feb-16	120+	I recommend the Headteacher ensures that cheque numbers 003718 and 003723 are accounted for and if the actual cheques cannot be found they should be cancelled through the bank to protect against the potential loss of funds.	4	31225	31-Jan-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	02-Feb-16	120+	I recommend that the School Finance Officer verifies the correlation of cheque numbers in SIMS FMS to those on bank statements to ensure cheque payments recorded in the Financial Management System match to actual cheques produced and all cheques can be accounted for.	4	31226	31-Jan-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	02-Feb-16	120+	I recommend that, in order to improve the transparency of budget monitoring by Governors, minutes should: refer to the title of budget reports presented to the Governors along with the period covered and the bottom line position, and evidence the formal approval, or otherwise, of reporting as representing the true financial position of the School.	3	31285	26-Jan-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	02-Feb-16	120+	I recommend that the School carries out benchmarking analysis to compare its expenditure against similar schools in compliance with the Schools Financial Value Standard. The results of the benchmarking should be presented to the Full Governing Body where investigations and actions should be noted and monitored.	3	31286	31-Mar-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
<b>Grove Primary School</b>							
WUC Associate Director - Finance (Section 151 Officer)	10-Mar-16	120+	I recommend that the Scheme of Delegation clearly defines the level of purchase thresholds between the Headteacher, the Finance & Premises sub Committee and the Full Governing Body.	3	31051	01-Mar-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	10-Mar-16	120+	I recommend the School ensures that original, signed copies of minutes along with supporting documents submitted for Governor scrutiny are readily available for inspection at the School.	3	31052	01-Mar-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	10-Mar-16	120+	I recommend that the Governors set a diary of meeting dates at the start of the academic year to ensure all necessary school business is undertaken within required timescales.	3	31053	01-Mar-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	10-Mar-16	120+	I recommend the Governors ensure that their formal approval of the school budget is recorded in the minutes in accordance with the School's Scheme of Delegation and that the minutes are retained to demonstrate this.	3	31055	01-Mar-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	10-Mar-16	120+	I recommend that the School continues to liaise with the LA and seeks the necessary authority to operate a deficit budget if required, and to continue to use a cash flow forecast whilst a potential deficit situation prevails.	3	31056	01-Mar-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	10-Mar-16	120+	I recommend the School ensures that budget monitoring reports are retained and cross referenced in the Governors' minutes along with any notes explaining significant variances between budgeted and actual amounts. Formal acceptance, or otherwise, of the reports and the financial position of the School should also be minuted.	4	31057	01-Mar-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	10-Mar-16	120+	I recommend that the budget monitoring report is given a title and incorporates the period it covers, to maintain a clear audit trail.	3	31058	01-Mar-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.

Assigned To	Final Report Issue Date	Age Analysis	Description	Priority	Unique Reference	Target Implementation Date	Current Position
WUC Associate Director - Finance (Section 151 Officer)	10-Mar-16	120+	I recommend that, when the bench marking exercise is next carried out, the School retains a copy of the analysis sheets printed from the schools benchmarking website, in order to show the range of comparators and findings that are presented for discussion. Any action plan resulting from discussion should also be retained.	3	31059	01-Mar-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	10-Mar-16	120+	I recommend that the Governors formally record the number of quotations / tenders sought and obtained, the amounts quoted and state the winning supplier and the reason for the decision. Also the quotations / tenders should be retained by the School to provide a full audit trail.	3	31061	10-Mar-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	10-Mar-16	120+	I recommend that an official order should be raised through the SIMS Financial Management System to ensure commitments are captured in the accounting records.	3	31062	10-Mar-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	10-Mar-16	120+	I recommend that Governors set a limit above which at least three quotes are sought to ensure best value is achieved. This threshold and the tender threshold should be stated in the Scheme of Delegation or Purchasing Policy and be formally approved and adopted by Governors.	3	31063	10-Mar-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	10-Mar-16	120+	I recommend that the School's Whistleblowing Policy is published on the School's website to ensure it is made readily available to all interested parties.	3	31065	01-Mar-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	10-Mar-16	120+	I recommend that the authorisation stamp used on invoices is replaced with one that captures the date and the confirmation signature of the person checking that goods are received and services are rendered as ordered and thus better evidences the separation of duties maintained.	3	31067	10-Mar-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	10-Mar-16	120+	I recommend the School uses an authorisation stamp that requires the date and the signature of the people carrying out checks on invoices, as well as of the person who authorises the payment.	3	31068	10-Mar-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	10-Mar-16	120+	I recommend that all invoices are signed and dated to confirm certification for payment before the payment is raised.	3	31069	10-Mar-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	10-Mar-16	120+	I recommend that the School's Charging and Remissions Policy includes a schedule of charges that has been reviewed and approved by the Governors. The Policy should also specify time scales within which the School raises invoices and expects due payment.	3	31070	10-Mar-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	10-Mar-16	120+	I recommend that the School Business Manager compiles a monthly statement reconciling the monthly sums collected to the sums deposited at the bank. This should be signed and dated by the SBM as an accurate statement and checked, signed and dated by the Headteacher to confirm verification of balances.	3	31071	10-Mar-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	10-Mar-16	120+	I recommend that evidence is sought from individuals claiming to be self-employed to confirm their employment status before they are paid directly as creditors. Evidence of such checks should be retained. If there are any concerns, individuals should be paid through the payroll so the school can meet its obligations under HMRC tax and employment regulations.	3	31072	10-Mar-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.

Assigned To	Final Report Issue Date	Age Analysis	Description	Priority	Unique Reference	Target Implementation Date	Current Position
WUC Associate Director - Finance (Section 151 Officer)	10-Mar-16	120+	I recommend that the School maintains weekly banking as a minimum and below safe limits for balances.	3	31073	10-Mar-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	10-Mar-16	120+	I recommend that income is input into SIMS FMS as soon as it is received to ensure a clear audit trail for all income received and for accounting records to be kept up to date.	3	31074	10-Mar-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	10-Mar-16	120+	I recommend that the Headteacher signs and dates the monthly FMS journal transfer report to confirm that the total reconciles to the source documents presented alongside i.e. charge card transaction lists and orders / receipts. Along with evidence that the FMS report is produced by the SBM, this will demonstrate a separation of duties.	3	31076	10-Mar-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	10-Mar-16	120+	I recommend that the School's Scheme of Delegation includes the Governors responsibility to monitor the School's budget throughout the year.	4	31084	01-Mar-16	Full follow up review initiated 27.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
<b>Hilperton CofE Voluntary Controlled Primary School</b>							
WUC Associate Director - Finance (Section 151 Officer)	14-Dec-15	120+	I recommend that the Governors ensure their formal approval of the school budget template is recorded more clearly in the minutes in accordance with the Governor's terms of reference included in the School's Scheme of Delegation.	3	30419	15-Dec-15	Full follow up review initiated 28.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	14-Dec-15	120+	I recommend the School ensures that budget monitoring reports are retained and cross referenced in the Governors' minutes and the School Business Managers notes. Formal acceptance, or otherwise, of the reports and the financial position of the School should also be minuted.	4	30420	15-Dec-15	Full follow up review initiated 28.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	14-Dec-15	120+	I recommend that, when the School next reviews the benchmarking comparators, the Governors should ensure their discussion and any actions arising are recorded in the minutes.	3	30422	30-Apr-16	Full follow up review initiated 28.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	14-Dec-15	120+	I recommend the School Business Manager verifies the correlation of cheque numbers in SIMS FMS to those on bank statements to ensure cheque payments recorded in the Financial Management System match to actual cheques produced and all cheques can be accounted for.	4	30423	30-Apr-16	Full follow up review initiated 28.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	14-Dec-15	120+	The Headteacher should reconcile monthly the sums collected in school to the sums deposited at the bank and evidence the check has been carried out by signing and dating an appropriate income document.	4	30430	15-Dec-15	Full follow up review initiated 28.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
WUC Associate Director - Finance (Section 151 Officer)	14-Dec-15	120+	I recommend the School ensures that authorisation to make a payment is retained as evidence alongside the certification of all checks made in order to demonstrate an independent and adequate separation of duties.  When either of the signatories receive or benefit from the payment, a third person should replace them as the certifying or authorising officer as is appropriate.	4	30432	15-Dec-15	Full follow up review initiated 28.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.



Assigned To	Final Report Issue Date	Age Analysis	Description	Priority	Unique Reference	Target Implementation Date	Current Position
WUC Associate Director - Finance (Section 151 Officer)	14-Dec-15	120+	I recommend the Headteacher ensures that evidence is sought from individuals claiming to be self-employed confirming their employment status before they are paid directly as creditors.  Evidence of such checks should be retained. If there are any concerns, such individuals should be paid through payroll so the School meets its obligations under HMRC tax and employment regulations.	3	30435	01-May-16	Full follow up review initiated 28.06.16. Audit work currently 'In Progress' July 2016, please see Appendix B.
<b>Lacock CofE Primary School</b>							
WUC Associate Director - Finance (Section 151 Officer)	02-Feb-16	120+	I recommend that the School reviews existing contracts to ensure best value is maintained and in accordance with the School's Scheme of Delegation seeks at least three quotations or tenders to compare alternative providers and then records the process and accounts for the decisions taken.	3	31114	31-Mar-16	Update requested 20.06.16 and Finance Manager responded 22.06.16: In Progress by Resources Committee/FGB to be implemented in 2016/17 SoD for September to December 2016.
WUC Associate Director - Finance (Section 151 Officer)	02-Feb-16	120+	I recommend that the School includes the pre-determined limits set by the Governors for obtaining at least three quotations and seeking formal tenders in the Scheme of Delegation.	3	31117	31-Mar-16	Update requested 20.06.16 and Finance Manager responded 22.06.16: In Progress by Resources Committee/FGB to be implemented in 2016/17 SoD in September to December 2016.
WUC Associate Director - Finance (Section 151 Officer)	02-Feb-16	120+	I recommend that official orders are raised through the SIMS Financial Management System to ensure commitments are captured in the accounting records.	3	31144	01-Sep-16	Update requested 20.06.16 and Finance Manager responded 22.06.16: Deferred to start next Academic Year by Head Teacher & Finance Manager from September 2016.
<b>Recommendation Totals:</b>							
Priority 4					16		
Priority 3					37		
Total					53		

<b>Pensions (14/15)</b>							
<b>Assigned To</b>	<b>Final Report Issue Date</b>		<b>Description</b>	<b>Priority</b>	<b>Unique Reference</b>	<b>Target Implementation Date</b>	<b>Current Position</b>
WUC Associate Director - Finance (Section 151 Officer)	01-Apr-15	120+	I recommend that the workflow processes should be further supported by procedure notes to explain the processes for GMP to officers and ensure consistent application.	3	28298	30-Sep-15	Followed up with Head of Pensions 01.07.16 and SWAP review currently 'In Progress' (see Appendix B, July 2016)
WUC Associate Director - Finance (Section 151 Officer)	01-Apr-15	120+	I recommend that the WPF develops an updated set of performance measures and publishes the results on a regular basis.	3	28306	30-Sep-15	Followed up with Head of Pensions 01.07.16 and SWAP review currently 'In Progress' (see Appendix B, July 2016)
<b><u>Recommendation Totals</u></b>							
			Priority 4		0		
			Priority 3		2		
			Total		2		

**Recommendations not Agreed  
(since last report to Committee)**

No.	Assigned To	Final Report Issue Date	Description	Priority	Unique Reference	Target Imp. Date	Management Responses
1	Acting. Head of ICT	07/07/2016	I recommend a more secure enclosure for the Secondary Data Centre's (SDC) Air Conditioning units & power cabling is provided.	3	32582	N/A	Not agreed - see 32587 below.
2	Acting. Head of ICT	07/07/2016	I recommend that server cabinets & USB enabled equipment are kept locked to prevent accidental or deliberate damage arising from unauthorised access	3	32586	N/A	Not agreed. Management accept the risk. There are 24 cabinets in the PDC & 16 in the SDC. Main doors are secured.
3	Acting. Head of ICT	07/07/2016	I recommend that the position of the Uninterruptable Power Supply (UPS) & backup generators are reviewed as part of the SDC's risk assessment.	3	32587	N/A	Not Agreed – ICT are aware of the requirements used for the Monkton Park refurbishment & we accepted the risks associated with the build at the time & continue to. Given the topology of the site, there was little option for siting the generator, UPS, and Air Con fans. We have a strategic plan to migrate as many of our services to the cloud as possible and so our reliance on the SDC will diminish over the next 3 – 4 years.

# Grant Certifications

## Partner Guidance + Expectations

June 2016

## 1. Overview:

- 1.1 As part of our audit work, South West Audit Partnership (SWAP) are often asked to certify that public grants have been incurred in accordance with specified conditions; either as an organisation independent of the body receiving the grant, or more specifically as a qualified accountant or audit individual within SWAP.
- 1.2 SWAP are happy to incorporate this work within our annual audit plans where this certification has been highlighted to us in advance of the annual plan being approved. This is so that we can build this time into our work programme, and ensure that we have the appropriate staff available for grant certification deadlines.
- 1.3 If we are not informed of grant certifications as part of our annual planning process and asked to certify a grant at short notice, it provides a challenge in terms of staff resource and availability. In these circumstances we will do our best to accommodate grant certification requests, however we cannot guarantee that we will be able to certify these grants by the necessary deadlines.

## 2. SWAP Expectations:

- 2.1 To ensure that we are able to certify grants in the most efficient and effective manner, SWAP have prepared some brief expectations in terms of grant certification requests:
  - ✓ As above, **all grant certification requests should be highlighted to SWAP as part of our annual audit planning process** i.e. by February each year for the following financial year. If for any reason the above is not possible i.e. a new in-year grant, then the service should aim to **provide SWAP with at least three months' notification** of any certification required
  - ✓ As part of notification, an **estimate should be given as to the expected time it will take to certify the grant**. This will be based on a number of factors but should include an assessment of: the financial value of the grant, the complexity of the spending conditions attached to the grant, and the level and availability of supporting evidence
  - ✓ **SWAP expects a good level of record keeping** in relation to any grant that we are asked to certify. If records are unavailable or inadequately maintained, SWAP reserve the right to cease any certification or provide standards caveats in our certifications
  - ✓ If SWAP are required to use a **standard grant certification template** as one of the conditions of the grant, **please provide us with a copy** of this template at the start of our work. We will use templates wherever possible although it may be necessary for us to add clarifications or context on certain areas of the certification. Please also **provide us with any standard auditor's guidance** for the grant certification at the outset of the work
  - ✓ As part of the certification process, we may produce a brief **Terms of Reference** for the key contact to agree and sign. This will set out the **scope of our grant certification work** and should include the **records we expect to see** in place, along with the **key personnel involved**
  - ✓ We would expect a **nominated partner lead** for the grant certification who is **responsible for coordinating all responses and/or evidence** required on behalf of the Authority. This individual would also be responsible for rectifying any outstanding items/ issues we may have prior to our final certification.

### 3. Common Grant Certification Pitfalls to Avoid

- 3.1 **Changes to grant figures at the last minute** – when certifying grants, we will aim to book in a block of time to review the grant claim. Prior to this date, we will expect to be sent final grant figures for certification. If figures change once we have initially reviewed the work, this is likely to cause delays and potential additional work.
- 3.2 **Unsupported assumptions** – we frequently see assumptions used as part of grant claims. Whilst these are often permitted as part of the grant conditions, we will seek evidence of the basis used to support these assumptions. For example, the grant conditions may state that overheads can be claimed at a rate consistent with that used in your organisation. In this case we would seek evidence that enquires have been made with regards to a reasonable organisation overhead rate and that this evidence is readily available.
- 3.3 **Use of estimates** – occasionally estimated figures are permitted as part of grant claims however more often than not, the grant conditions will require actual incurred amounts to be included. If estimated figures have been used, please ensure that again, the basis for including these is clear and can be easily referenced back to the grant conditions.
- 3.4 **Transfer of information** - as part of our grant certification we will require a number of documents/ supporting evidence to retain on file as part of our professional certification obligations. These are often large data files or paper records. Prior to our work, consideration should be given as to how these records will be transferred across to us for our records i.e. via email/ USB stick. Consideration should also be given to any email quarantine rules that exist at your organisation given that we operate on an external email address.

We hope the above provides you with some helpful information in advance of our grant certification. We look forward to working with you shortly.

**South West Audit Partnership**

June 2016