

APPENDIX A



Wiltshire Council

Internal Audit Plan 2014/15

Contents

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Role of Internal Audit Background Page 1

The Annual Plan Page 2

The Annual Plan – Continued Page 3



SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the PSIAS.

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

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. In order to achieve this, the audit activity is split across the review categories listed to the left.

Role Background

It is recommended by the Public Sector Internal Audit Standards that organisations nominate a 'Board' to oversee (monitor and scrutinise) the work of Internal Audit. As such, in addition to senior management oversight, this Council has determined that, the Audit Committee will undertake this function. The plan is presented in Appendix B to this report and represents the internal audit activity for the 2014/15 financial year.

It should be noted that plan days are only indicative for planning our resources. At the start of each audit an initial meeting is held to agree the terms of reference for the audit which includes the objective and scope for the review. Any changes to individual plan items, in terms of days, are managed within the annual payment made by the Council. The plan is pulled together with a view to providing assurance to both officers and Members that current and imminent risks faced by the Authority are adequately controlled and managed. As with previous years the plan will have to remain flexible as new and emerging risks are identified. Any changes to the agreed plan will only be made through a formal process involving the Associate Director, Finance (Section151).

The Annual Plan

The Annual Plan

In order to develop the plan for the year, Audit Managers have engaged with Directors and their Associate Directors to identify and assess areas of potential risk and their key assurance requirements. In addition, the SWAP Audit Managers in conjunction with Partner Section 151 Officers have identified a number of emerging risks facing local authorities in general with a view to co-ordinate, where possible, with the audit plans of the other members of the Partnership. Joint audits of this kind derive real benefits in both reducing the overall time taken and in the shared lessons that can be learnt by all the partners

The audit plan is notionally broken down across various audit categories; the following summarises each:

Key Control Audit – focus primarily on key risks relating to the Council’s major financial and IT systems. It is essential that all key controls identified by the External Auditors are operating effectively to provide management with the necessary assurance. To this end we have liaised with the Council’s External Auditors and included any requirements they have in providing them with necessary assurance, in line with the Auditing Standards, against which they are required to audit.

Fraud/Governance Audit – SWAP operate a specialised Fraud Team who will undertake proactive fraud reviews and also provide a reactive service to Partners should the need arise. The focus of the Governance reviews is primarily the key risks relating to cross cutting areas that are controlled and/or impact at a corporate rather than service specific level. It also provides an annual assurance review of areas of the Council that are inherently higher risk. This work will, in some cases, enable SWAP to provide management with added assurance that they are operating best practice as we will be conducting similar reviews at other Partner Sites.

Risk Register - these reviews are undertaken to assess activity and provide assurance on the management and appropriate mitigation of corporate risk.

The Annual Plan

The Annual Plan Continued

IT Audits – are completed to provide the Authority with assurance with regards to their compliance with industry best practice. Some of these audits have come from previous year assessments and our awareness of current IT risks. As referred to above IT system Key Control work is also undertaken in accordance with the External Auditors requirements.

Operational Audits - are a detailed evaluation of a service or functions control environment. A risk evaluation matrix is devised and controls are tested. Where weaknesses or areas for improvement are identified, actions are agreed with management and target dated.

Schools – we carry out visits to Schools to provide the Council with assurance on the effectiveness of financial and governance arrangements within Schools. Where possible we will be covering the same themes at other County Partner sites to provide opportunity for sharing best practice.

Follow Up Audit – Where an audit receives a Partial or No Assurance level, SWAP are required to carry out a follow up review to provide assurance that identified weaknesses have been addressed and risks mitigated. A contingency has also been built into the plan so that, should any early reviews be awarded this level of assurance, they can be followed up in a timely manner.

Urgent Work/Special Projects – There is a provision of days to allow for work to commence that is required on a responsive basis

The schedule provided at Appendix B details the Annual Internal Audit Plan for 2014/15.