AGENDA

Meeting: **Audit and Governance Committee**

Place: **Kennet Room - County Hall, Bythesea Road, Trowbridge, BA14 8JN**

Date: **Thursday 21 July 2022**

Time: **10.00 am**

Please direct any enquiries on this Agenda to Tara Shannon, of Democratic Services, County Hall, Bythesea Road, Trowbridge, direct line 01225 718352 or email tara.shannon@wiltshire.gov.uk

Press enquiries to Communications on direct lines (01225) 713114/713115.

This Agenda and all the documents referred to within it are available on the Council's website at www.wiltshire.gov.uk

Membership:

Cllr Mark Connolly (Chairman)   Cllr Edward Kirk
Cllr Stuart Wheeler (Vice-Chairman)   Cllr Antonio Piazza
Cllr Chuck Berry   Cllr Pip Ridout
Cllr Adrian Foster   Cllr Mike Sankey
Cllr Gavin Grant   Cllr Martin Smith
Cllr George Jeans

Substitutes:

Cllr Liz Alstrom   Cllr Ross Henning
Cllr Ernie Clark   Cllr Jon Hubbard
Cllr Matthew Dean   Cllr Pauline Church
Cllr Nick Errington   Cllr Tom Rounds
                          Cllr Jo Trigg

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Public Participation

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

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

The full constitution can be found at this link.

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

AGENDA

Part I

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

1 **Apologies**

To receive any apologies or substitutions for the meeting.

2 **Minutes of the Previous Meeting** *(Pages 5 - 10)*

To confirm and sign the minutes of the meeting held on 27 April 2022.

3 **Declarations of Interests**

To receive any declarations of disclosable interests or dispensations granted by the Standards Committee.

4 **Chairman's Announcements**

To receive any announcements through the Chairman.

5 **Public Participation**

The Council welcomes contributions from members of the public.

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

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

Those wishing to ask questions are required to give notice of any such questions in writing to the officer named on the front of this agenda no later than 5pm on Thursday 14 July 2022 in order to be guaranteed of a written response. In order to receive a verbal response questions must be submitted no later than 5pm on Monday 18 July 2022**.** Please contact the officer named on the front of this agenda for further advice. Questions may be asked without notice if the Chairman decides that the matter is urgent.

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

6 **Internal Audit Reports** *(Pages 11 - 64)*

To consider the:

- 2021/22 Internal Audit Annual Opinion.
- July 2022 Internal Audit Update Paper and Summary of Outstanding Priority 2 Actions.
- 2022/23 Q2 Proposed Audit Plan.

7   **Good Lives Alliance** *(Pages 65 - 76)*

To receive a presentation from Helen Jones (Director Procurement and Commissioning) on the Good Lives Alliance in response to a limited assurance audit.

8   **Updates** *(Pages 77 - 82)*

To receive updates on:

- The Redmond Review
- SWLEP and the Committees role in relation to SWLEP
- National issues holding up accounts

9   **Forward Work Programme** *(Pages 83 - 86)*

To note the Forward Work Programme

10   **Date of Next Meeting**

To note that the next regular meeting of the Committee will be held on 27 September 2022.

11   **Urgent Items**

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

Part II

Items during whose consideration it is recommended that the public should be excluded because of the likelihood that exempt information would be disclosed

Wiltshire Council

Audit and Governance Committee

MINUTES OF THE AUDIT AND GOVERNANCE COMMITTEE MEETING HELD ON 27 APRIL 2022 AT COUNCIL CHAMBER - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Cllr Mark Connolly (Chairman), Cllr Stuart Wheeler (Vice-Chairman), Cllr Chuck Berry, Cllr Gavin Grant, Cllr George Jeans, Cllr Edward Kirk, Cllr Antonio Piazza, Cllr Pip Ridout, Cllr Mike Sankey and Cllr Martin Smith

17   **Apologies**

Apologies were received from Cllr Adrian Foster.

18   **Minutes of the Previous Meeting**

The minutes of the meeting on 1 March 2022 were presented for consideration and it was,

Resolved:

To approve and sign the minutes as a true and correct record.

19   **Declarations of Interests**

There were no declarations of interest.

20   **Chairman's Announcements**

The Chairman made the following announcements:

- **Statement of Accounts 2019/20**
  The Chairman stated that at the last committee delegation was given to Andy Brown (Corporate Director Resources, Deputy Chief Executive and s151 Officer) in consultation with himself, as Chair of the committee to approve the Statement of Accounts for 2019/20 once the final audit sign-off was received. The council had presented all outstanding evidence to Deloitte and was awaiting the final sign-off from them. There had been an issue raised nationally by one audit firm that all audit firms and CIPFA were now debating which was impacting the audit sign-off and approval of all local authority accounts. The issue was of a technical accounting

nature and was specifically in relation to the value held in local authority accounts for 'infrastructure assets' which, in the councils accounts are mainly roads. The items in the accounts that may be affected by the issue were of a technical accounting nature and similar to the issues the Committee had seen and been discussing on asset accounting. It was not known how long it would take to resolve the national issue, but the Committee would be kept updated as the issue progressed.

- **Recruitment of Independent Co-opted Members**
  The Chairman announced that the Constitution Focus Group and the Standards Committee had met and approved the proposed changes to the constitution in order to allow the recruitment of independent co-opted members, with some minor clarifications to ensure the terms of reference were up to date and clear. Final approval of the changes would take place at Full Council on 17 May. The Independent Renumeration Panel had met to discuss renumeration for the independent co-opted member and they had more meetings planned. Further updates would come to the Committee as appropriate.

- **Agenda Order and Members Private Meeting with SWAP**
  The Chairman announced that agenda item 9, The Q1 Internal Audit Plan would be moved up and taken after item 6. Also, the Members annual private meeting with SWAP would not take place after the Committee but would be arranged as a Teams meeting at a future date which would be confirmed to the Committee.

21 **Public Participation**

No public statements or questions had been received.

22 **External Audit Plans**

At the Chairman's invitation, Ian Howse (Deloitte) gave an update to the meeting.

Mr Howse highlighted that the 2019/20 accounts could not be signed off due to a national issue regarding the values held against 'infrastructure assets' as the Chairman had stated within his announcements. It was explained that CIPFA was expected to issue guidance in June which may mean there would be extra work to address the problem, which would then need to be audited.

The team was booked to start working on the 2020/21 accounts in July and it was highlighted that the team was positive about these as there was a good foundation to work from.

In response to questions Mr Howse explained that the national issue was delaying all local authority accounts that were unsigned. Wiltshire Council records regarding infrastructure assets were recorded as a lump sum. The cost recorded grew every time the asset was repaired, and this was the issue CIPFA was looking at. Many Council's also recorded them in this way, so Wiltshire

Council was not alone. Depending on the recommendations CIPFA provided the level of work generated could be quite challenging. It was not thought that the implications of this were any more difficult for the 2019/20 accounts than the 2020/21 accounts.

A debate followed whereby Members and officers discussed how infrastructure assets were valued and that Deloitte and Wiltshire Council would work together to address any guidance that came out.

23 **Policies on Anti-Fraud and Corruption, Anti-Tax Evasion and Whistleblowing**

a) Anti-Fraud, Bribery and Corruption Policy

Lizzie Watkin (Assistant Director Finance and Deputy s151 Officer) introduced the refreshed Anti-Fraud, Bribery and Corruption Policy and this would be reviewed by the Committee going forward every 2 years. The policy itself could be seen in Appendix A. It was a zero-tolerance policy and applied to all staff including Members, suppliers and agency staff. A fraud risk assessment had been undertaken to understand risks and fraud awareness training had been developed for managers in service areas with more risk, such as accounts payable and procurement. The officer's recommendation was to approve the policy.

In response to questions the officer explained that the Council was part of a national fraud initiative, as part of which data was shared and cross referenced (for example with the DWP). In response to questions regarding the help available during COVID such as furlough and business grants it was explained that an agile workforce pool helped the Council to administer these and any risks had been managed as effectively as possible. The Council also sought to recover loss as a result of fraud. At the end of the debate it was,

Resolved:

That the Audit and Governance Committee approve the Council's Anti-Fraud, Bribery and Corruption Policy.

b) Anti-Tax Evasion Policy

Lizzie Watkin introduced the new Anti-Tax Evasion Policy which contained guidance and actions to prevent tax-evasion. It provided a supporting mechanism for communicating, set out our responsibilities and included how to raise concerns. This again was a zero-tolerance policy that would be communicated on to staff and reviewed by the Committee every two years.

The Committee discussed the difference between tax evasion and tax avoidance and officers stated that they would clarify the wording around those in response to comments. It was,

Resolved:

That the Audit and Governance Committee approve the council's Anti-Tax Evasion Policy with officers to amend the wording of point 2.2 to soften the language.

c) Whistleblowing Policy

Perry Holmes (Director Legal and Governance) introduced the Whistleblowing Policy which gave people a mechanism to raise concerns and gave them protection. An officer group would triage concerns and see whether to investigate and or escalate matters. The Committee would receive annual updates on whistleblowing cases and how the policy was being used and the policy would be refreshed and approved every 2 years. It was noted that the charity Public Concern at Work was now called Protect and the policy would be updated to reflect this.

Resolved:

To note the development of the Draft Whistleblowing Policy and the subject work to be undertaken once adopted.

24   **Accounting Policies**

Lizzie Watkin (Assistant Director Finance & Deputy s151) presented the Accounting Policies 2021/22. The accounting policies come annually to the Committee; these policies would be used in the presentation of the draft Statement of Accounts for year ending 31 March 2022. It was noted that there had been some changes to the previous years accounting policies and that due to the concerns around infrastructure assets previously discussed at the meeting it may be necessary to update the policies once the CIPFA recommendations had been made. It was,

Resolved:

That the Audit & Governance Committee approve the council's accounting policies for the financial year 2021/22 by those charged with governance, subject to changes that may result due to changes in guidance. Any resultant changes would come back to the Committee for approval.

25   **Q1 Internal Audit Plan 2022/23**

Charlotte Wilson (SWAP) briefly presented the Q1 Internal Audit Plan which would be taken as read. The plan starting on page 94 of the agenda had been discussed with the director of resources and required approval by the Committee.

Members commented that they were pleased to see follow up actions in limited and no assurance audits. It was,

Resolved:

To note the Q1 Internal Audit Plan 2022/23 and to approve the Internal Audit Charter.

26 **Forward Work Programme**

The FWP was considered. It was noted that the FWP was a dynamic document which would be amended as required and that the Good Lives Alliance would be coming to the next meeting. It was,

Resolved:

To note the FWP.

27 **Date of Next Meeting**

The next regular meeting of the Audit and Governance Committee would be held on 21 July 2022.

28 **Urgent Items**

There were no urgent items. The Chairman thanked everyone for attending and closed the meeting.

(Duration of meeting: 10.00 - 11.35 am)

The Officer who has produced these minutes is Tara Shannon of Democratic Services, direct line 01225 718352, e-mail tara.shannon@wiltshire.gov.uk

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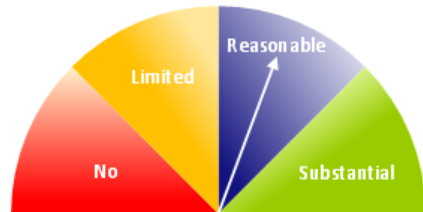
Wiltshire Council

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Wiltshire Council

Internal Audit Annual Opinion Report 2021/22

Agenda Item 6

Internal Audit ▪ Risk ▪ Special Investigations ▪ Consultancy

Unrestricted

Internal Audit Annual Opinion – 2021/22: 'At a Glance'

Annual Opinion

There is generally a sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives.

The Headlines

	Reasonable internal audit opinion provided
	Three Significant Risks identified in year. (However, actions have been agreed to significantly lower the residual risk)
	69 reviews delivered as part of the 2021/22 Internal Audit Plan. Includes assurance (45), advisory (10) and grant certifications (14). 3 reviews are at draft report stage and 7 are in progress.
	Internal Audit staff redeployed directly into Council areas to assist with the COVID response. COVID 19 Business Grant processing and post payment checks.
	A number of agreed actions from remain outstanding (some agreed actions have had time extensions due to Covid-19). We will continue to follow-up all agreed actions.

Internal Audit Assurance Opinions 2021/22

Substantial	20
Reasonable	17
Limited	6
No	2
Advisory	10
Grant Certification	14

Internal Audit Agreed Actions 2021/22

Priority 1	6
Priority 2	55
Priority 3	61
Total	**122**

Internal Audit provides an independent and objective opinion on the effectiveness of the Authority's risk management, control and governance processes.

Purpose

The Head of Internal Audit (SWAP Assistant Director) should provide a written annual report to those charged with governance to support the Authority's Annual Governance Statement (AGS). This report should include the following:

- An opinion on the overall adequacy and effectiveness of the organisation's governance, risk management and internal control environment, including an evaluation of the following:
  - the design, implementation and effectiveness of the organisation's ethics-related objectives, programmes and activities;
  - whether the information technology governance of the organisation supports the organisation's strategies and objectives;
  - the effectiveness of risk management processes; and
  - the potential for the occurrence of fraud and how the organisation manages fraud risk.
- 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 and the Annual Internal Audit Opinion given.

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 Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

Page 1

Executive Summary

Three Lines Model

To ensure the effectiveness of an organisation's risk management framework, the Audit and Governance Committee and Senior Management need to be able to rely on adequate line functions – including monitoring and assurance functions – within the organisation.

The 'Three Lines' model is a way of explaining the relationship between these functions and as a guide to how responsibilities should be divided:

1. **the first line – functions that own and manage risk.**
2. **the second line – functions that oversee or specialise in risk management, compliance.**
3. **the third line – functions that provide independent assurance.**

Background

The Internal Audit service for Wiltshire Council is provided by SWAP Internal Audit Services. The team's work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note. The work of the team is 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. This report summarises the activity of the Internal Audit team for the 2021/22 year.

The position of Internal Audit within an organisation's governance framework is best summarised in the Three Lines model shown below.

SWAP INTERNAL AUDIT SERVICES — Helping Organisations to Succeed — 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 Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

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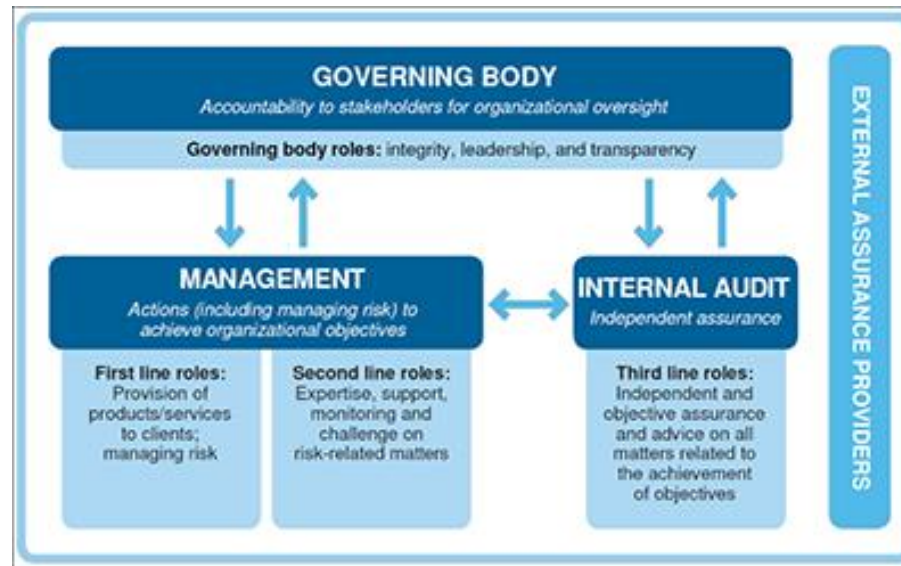
The Head of Internal Audit (SWAP Assistant Director) is required to provide an opinion to support the Annual Governance Statement.

Annual Opinion

On the balance of our 2021/22 audit work for Wiltshire Council, enhanced by the work of external agencies, I am able to offer a **Reasonable Assurance** opinion in respect of the areas reviewed during the year.

Just as in more normal times, audit work has been planned to ensure that sufficient assurance will be available to inform the annual opinion as well as supporting the key principles that underpin Wiltshire Council's Corporate Strategy:

- Providing for the most sustainable pattern of development that minimises the need to travel and maximises the potential to use sustainable transport.
- Creating the right environment to deliver economic growth, delivering the jobs Wiltshire's population needs locally, and taking a flexible and responsive approach to employment land delivery.
- Managing development to ensure that jobs and the right infrastructure are delivered at the right time to ensure that out commuting, in particular to areas outside of Wiltshire, is not increased and development does not have a detrimental impact on infrastructure.
- Working towards lowering Wiltshire's carbon footprint through the appropriate location of development, and through renewable energy and sustainable construction.
- Protecting and planning for the enhancement of the natural, historic and built environments, including maintaining, enhancing and expanding Wiltshire's network of green infrastructure to support the health and wellbeing of communities.
- Providing high-quality, well-designed development, and ensuring full local community involvement in planning for significant new proposals.
- Providing the framework to deliver appropriate community-led planning policy documents, including neighbourhood plans.

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Our audit work supports each of these principles, whether as an assurance audit, an advisory piece of work, ad hoc requests or support to the council.

The professional requirements of PSIAS have remained unchanged and in line with these, audit priorities have been agreed throughout the year and this work supports the annual opinion.

The additional work performed to carry out assurance work on risks associated with the continued pandemic were:
- Work around business support grants
- Audit of Covid grants
- Relevant advisory work

As we are working to a more agile / rolling audit plan the following audits have been agreed with Management to be carried forward to 2022/23.
- Planning
- Risk Management
- Assurance Mapping

The following are considered key pieces of audit work that support the annual opinion on the overall adequacy and effectiveness of the organisation's governance, risk management and control.
- Business Continuity
- Continuous assurance
- Key financial audits
- Information governance and security
- Key front-line services
- Fraud Baseline Assessment

Throughout another challenging year, we have tried to ensure a balance between providing direct assistance to the Council and maintaining a continuum of audit work.

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 Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

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Our audit plan coverage assessment is designed to provide an indication of whether we have provided sufficient, independent assurance to monitor the organisation's risk profile effectively.

For those areas where no audit coverage is planned, assurance should be sought from other sources to provide a holistic picture of assurance against key risks.

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SWAP Internal Audit Plan Coverage

Recent internal audit coverage and outcomes are reflected in the chart below. Audit coverage by corporate risk is just one measure of the extent of audit coverage. In addition, we also monitor coverage by 'Corporate Plan Objectives', 'Core Areas of Recommended Coverage', and also by 'SWAP Top 10 Risk Themes'.

Corporate Risk	Audit Coverage	Assurance Assessment
CRR.01 – Safeguarding Children	Adequate	Reasonable
CRR.02 – Safeguarding Adults	Some	Reasonable
CRR.03 – Salisbury's Economy	None	
CRR.04 – Interest Rates Changes	Adequate	Substantial
CRR.05 – Cyber Resilience	Adequate	Reasonable
CRR.06 – Staff Capacity	In Progress	In Progress
CRR.07 – Budget Management	Good	Reasonable
CRR.08 – Contract Management	Good	Limited
CRR.09 – Income Collection	Adequate	Reasonable
CRR.10 – Corporate Health, Safety & Wellbeing	Some	
CRR.11 – Information Governance	Adequate	Reasonable

Coverage Key	
	Good coverage
	Adequate coverage
	Some aspects of coverage
	Some aspects of audit work in progress
	No coverage to date

Assurance Key	
Substantial	Sound system of governance, risk management and controls exist.
Reasonable	Generally sound system of governance risk management and control in place.
Limited	Significant gaps, weaknesses or non-compliance were identified.
No Assurance	Fundamental gaps, weaknesses or non-compliance identified.
In Progress	Work is currently ongoing.
Non-Assurance Audit Work	Audit work undertaken does not result in an audit opinion being delivered, but such work can contribute to Internal Audit's annual opinion.

*Assurance assessment based on completed audit work.

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Definitions of Corporate Risk

High Risk
Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.

Medium Risk
Issues which should be addressed by management in their areas of responsibility.

Low Risk
Issues of a minor nature or best practice where some improvement can be made.

Significant Corporate Risks

Our audits examine the controls that are in place to manage the risks that relate to the area being audited. We assess the risk at a 'Corporate' level once we have tested the controls in place. Where the controls are found to be ineffective and the 'Corporate risk' as 'High' these are brought to the Audit and Governance Committee's attention.

Care Home Alliance – Interim Report
An interim review of the new platform to provide residential and nursing care home bed services in Wiltshire to assess the readiness to re-tender.

As part of this audit, we initially planned to look at the following areas:
- Planning for the procurement exercise is thorough and takes on board lessons learned.
- Providers and the Council work in partnership.
- Due diligence checks are undertaken before engaging with new suppliers.
- Management is working to reduce the number of off framework placements.

However, after discussions with key officers it was determined that the scope would be reduced as fundamental issues were found with the planning and progress made towards the re-tender. We therefore did not look at due diligence or whether management are actively working to reduce off framework placements.

The following risk was reviewed as part of this audit and an assessment made of the residual risk.

Risk Reviewed	Assessment
1. Poor planning results in the procurement exercise not delivering the required outcomes. Potential failure of second tendering exercise.	**High**

The Director Procurement and Commissioning has advised all six actions agreed within this revie have now been completed. SWAP is currently in the process of completing a follow up review to obtain evidence to support this.

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 Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

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Category Management

To provide assurance that category management is effective, complies with legislation and policies and is appropriate ensuring value for money.

For this audit we would normally have met with Category Managers, however, due to the vacant posts, we have instead met with commissioning staff within the services involved in the procurement process. We note the work being carried out on the restructure within services and the procurement governance project and have reviewed job descriptions for staff involved in procurement and commissioning. Category management policies and processes were reviewed where available, as was the management information to support procurement when available. Category management plans were included in the review to confirm whether benefits are identified and recorded. We also ascertained what performance is being recorded and how poor performance was addressed.

The following risks were reviewed as part of this audit and an assessment made of the residual risk.

Risk Reviewed	Assessment
1. The Authority's Category Management Strategy has not been defined and individual strategies for categories are not complete. This could lead to improper or unlawful practices resulting in legal challenge, reputational damage and unnecessary financial loss.	**High**
2. Category management is not completed or reviewed effectively in accordance with the Authority's policy, procedures and processes, leading to challenge, reputational damage and financial losses.	**Medium**

Five actions were agreed as a part of this audit, all with a target date of 30th September 2022. SWAP will conduct a follow up audit in October 2022 to ensure the risks have been mitigated.

Procurement Exemptions

To review whether the exemptions process provides adequate controls to ensure compliance with procurement rules and value for money.

This audit was requested by the Head of Commercial & Procurement as part of the audit plan for 2021/22. The scope included:

- Exemption policies and procedures.
- Roles and responsibilities.
- Confirming that exempted contracts are compliant with the exemption rules.

The following risks were reviewed as part of this audit and an assessment made of the residual risk.

Risk Reviewed	Assessment
1. The Authority's Exemption Policy and procedures are not current with legislation and best practice and do not promote achieving value for money.	Medium
2. Contract exemptions are not completed or reviewed effectively in accordance with the Authority's policy, procedures and processes for exemptions. Increasing the risk of challenge, reputational damage and financial losses.	High

Three actions were agreed as a part of this audit, due to be implemented by 30th September 2022. SWAP will conduct a follow up audit in October 2022 to ensure the risks have been mitigated.

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Summary of Audit Work 2021/22

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

Assurance Definitions	
No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Summary of Audit Opinions

Table 1: Summary of Audit Opinions
- Substantial 44%
- Reasonable 38%
- Limited 13%
- None 2%

Table 2: Audit Work by Type
- Assurance 65%
- Advice and Guidance 15%
- Grant Certification 20%
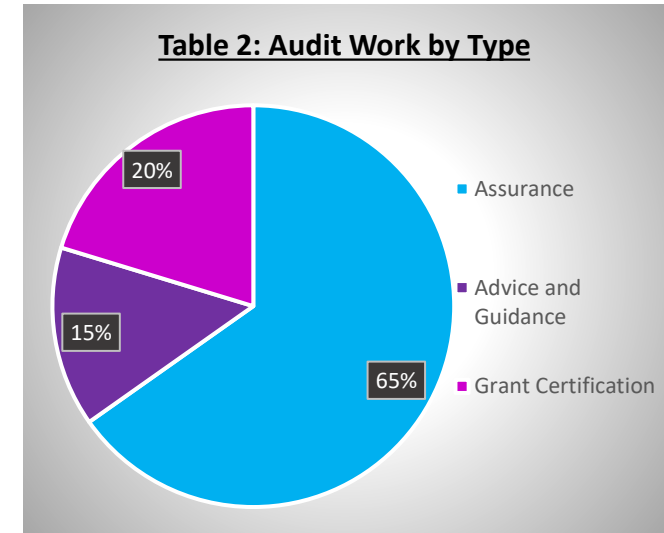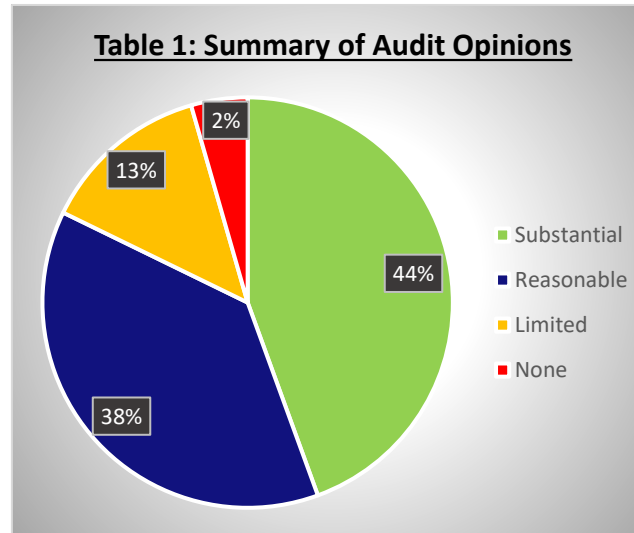
Table 1 above indicates the spread of assurance opinions across our work during the past year (2021/22).
Assurance figures for 2020/21 – Substantial: 17% Reasonable: 48% Limited: 11% None: 0%

Table 2 indicates the audit work by type.

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 Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

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SWAP Performance - Summary of Audit Actions by Priority

We rank our actions on a scale of 1 to 3, with 3 being medium or administrative concerns to 1 being areas of major concern requiring immediate corrective action
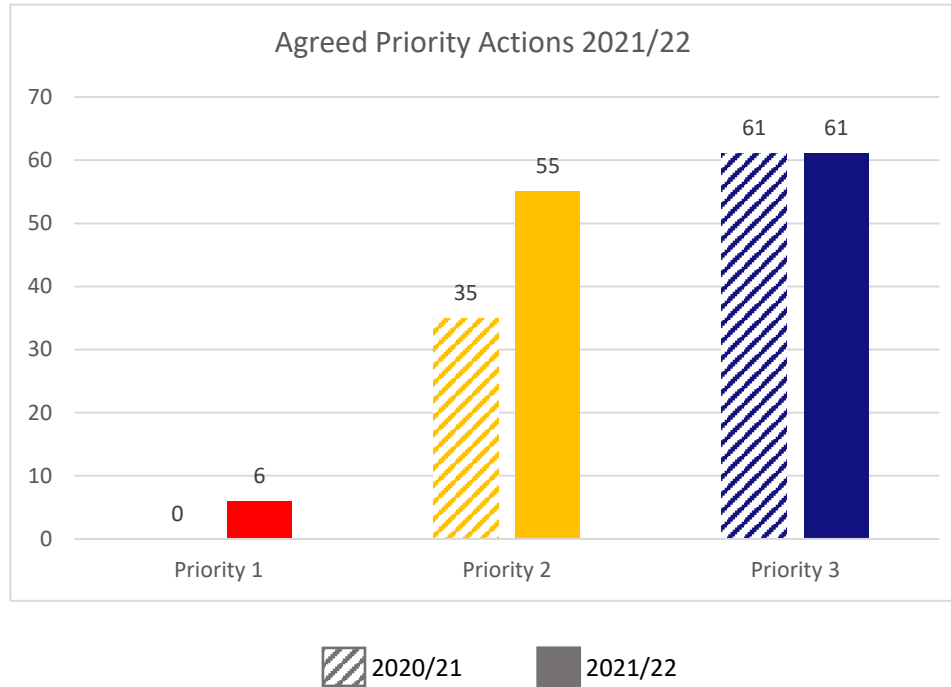
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Priority Actions

Agreed Priority Actions 2021/22

2020/21   2021/22

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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 Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

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Added Value

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

Added Value

Throughout the year, SWAP strives to add value wherever possible i.e. going beyond the standard expectations and providing something 'more' while adding little or nothing to the cost.

CIFAS data Matching
SWAP has paid an annual subscription of £12,600 for 2021/22 to enable Wiltshire Council to be part CIFAS. This data matching service will help the Council to both prevent and detect fraud.

Benchmarking
During the year we have provided benchmarking data across either the SWAP partnership or the wider reach of the Local Authority Chief Auditors Network (LACAN). This data is useful for services to develop and improve their own systems and processes so that business objectives can be achieved with continuingly decreasing resources.

News Roundup
We produce a fortnightly newsletter that provides information on topical areas of interest for public sector bodies.

Counter Fraud Team
SWAP has a number of specialist teams namely the ICT team and the Data Analytics team. Additionally, during the past year SWAP has further developed the Counter Fraud Team to provide specialist Fraud experts where required by our partners. The team are also undertaking some fundamental fraud assessment work to help our partners strengthen their resilience to fraud. Furthermore, the team also provide regular fraud bulletins to our partners on the latest intelligence on fraud targets.

Innovations and Enhancements to our Audit Process
Throughout this year, we have continued to improve our continuous audit reviews in relation to the key fundamental areas. In addition, we are also taking all opportunities to implement the concept of 'Agile Auditing' to our audit process.

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 Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

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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 Performance

SWAP's performance is subject to regular monitoring and review by both the SWAP Board of Directors and the Owners Board. The respective outturn performance results for Wiltshire Council for the 2021/22 year are as follows:

Performance Target	Average Performance
Audit Plan – Percentage Progress	
Final, Complete, Draft and Discussion 90%	92%
In progress/Review	8%
Yet to commence	0%
Customer Satisfaction Questionnaire	
Feedback 95%	98%

SWAP work is completed to comply with the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

Under these standards we are required to be independently externally assessed at least every five years to confirm compliance to the required standards. SWAP was recently assessed in February 2020 and confirmed that we are in conformance of PSIAS.

Attribute Standard 1300 of the IPPF requires Heads of Internal Audit to develop and maintain a Quality Assurance and Improvement Programme (QA&IP). Standard 1310 continues this dual aspect by stating that the programme must include both internal and external assessments. This acknowledges that high standards can be delivered by managers, but it also implies that improvements can be further developed when benchmarking is obtained from outside the organisation and the internal audit function. Following our External Assessment, we have pulled together our QA&IP and included additional improvements and developments identified internally that we want to make, as aligned to SWAP's Business Plan. The QA&IP is a live document and will be regularly reviewed by the SWAP Board to ensure continuous improvement and delivery on our actions.

Summary of Internal Audit Work 2021/22

Audit Type	Audit Area	Status	Opinion	No of Actions	1 = Major	Action	3 = Medium
					1	2	3
Completed Work							
Assurance	Care Home Alliance	Completed	High No Assurance	6	3	3	
Assurance	Pension Fund Key Control Review	Completed	High No Assurance	9	2	7	
Assurance	Good Lives Alliance	Completed	Low Limited	3		3	
Assurance	Category Management	Completed	Low Limited	5		3	2
Assurance	Procurement Exemptions	Completed	Medium Limited	3	1	1	1
Assurance	Complaint Handling	Completed	Medium Limited	5		3	2
ICT	Information Asset Security	Completed	Medium Limited	6		5	1
Assurance	Council Oversight of Maintained Schools – Interim Assessment	Completed	High Limited	N/A			
Assurance	Old Sarum Primary School	Completed	Low Reasonable	4		2	2
Assurance	St Joseph's Catholic School (Secondary)	Completed	Low Reasonable	5		2	3
Assurance	Newtown Community Primary School	Completed	Medium Reasonable	2		1	1
Assurance	Accounts Receivable Continuous Audit Q2	Completed	Medium Reasonable	2		1	2
Assurance	Accounts Receivable Continuous Audit Q1	Completed	Medium Reasonable	3		1	2
Assurance	Main Accounting Continuous Audit Q1	Completed	Medium Reasonable	4		2	2
ICT	ICT Incident Management Process	Completed	Medium Reasonable	5		2	3

SWAP INTERNAL AUDIT SERVICES — Helping Organisations to Succeed

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 Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

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Summary of Internal Audit Work 2021/22

Audit Type	Audit Area	Status	Opinion	No of Actions	1 = Major	↔	3 = Medium
					Action		
					1	2	3
ICT	Segregation of Duties and Profiles in Key financial Systems	Completed	Medium Reasonable	2		1	1
Assurance	Designated Officer for Allegations (DofA)	Completed	Medium Reasonable	4		4	
Assurance	Education, Health and Care Plans	Completed	Medium Reasonable	5		4	1
Assurance	Accounts Receivable Continuous Audit Q3	Completed	Medium Reasonable	1			1
Assurance	Accounts Payable Continuous Audit Q1	Completed	High Reasonable	2			2
Assurance	Wardour Catholic Primary School	Completed	High Reasonable	5		1	4
Assurance	Accounts Payable Continuous Audit Q2	Completed	High Reasonable	2		2	
Assurance	Safeguarding Vulnerable People Partnership	Completed	High Reasonable	4		2	2
Assurance	Accounts Payable Continuous Audit Q3	Completed	High Reasonable	0			
Assurance	Accounts Payable Continuous Audit Q4	Completed	High Reasonable	0			
Assurance	Payroll Continuous Audit Q1	Completed	Low Substantial	4			4
Assurance	Matravers Secondary School	Completed	Low Substantial	3		1	2
Assurance	Abbeyfield Secondary School	Completed	Low Substantial	3		1	2
Assurance	Harnham Church of England Controlled Junior School	Completed	Low Substantial	3		1	2
Assurance	Westbury Leigh C of E Primary School	Completed	Low Substantial	3		1	2
Assurance	Decision Making Processes	Completed	Low Substantial	2			2

SWAP INTERNAL AUDIT SERVICES — Helping Organisations to Succeed

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 Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

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Summary of Internal Audit Work 2021/22

Audit Type	Audit Area	Status	Opinion	No of Actions	1 = Major	Action	3 = Medium
					1	2	3
Assurance	Virtual Schools	Completed	Low Substantial	3		1	2
Assurance	Housing Benefit and Council Tax Support Continuous Audit Q1	Completed	Medium Substantial	1			1
Assurance	Housing Rents Continuous Audit Q1	Completed	Medium Substantial	2			2
Assurance	Hullavington Primary and Nursery School	Completed	Medium Substantial	3			3
Assurance	Marlborough St Mary's CEVC Primary School	Completed	Medium Substantial	3			3
Assurance	Langley Fitzurse Church of England Primary School	Completed	Medium Substantial	2			2
Assurance	Treasury Management Continuous Audit Q1	Completed	High Substantial	1			1
Assurance	Pension Fund Investment Transfer and Cost Savings	Completed	High Substantial	1			1
Assurance	Payroll Continuous Audit Q2	Completed	High Substantial	0			
Assurance	Housing Benefit and Council Tax Support Continuous Audit Q2	Completed	High Substantial	0			
Assurance	Council Tax and Business Rates Continuous Audit Q1 - Q2	Completed	High Substantial	0			
Assurance	Housing Rents Continuous Audit Q2	Completed	High Substantial	0			
Assurance	Treasury Management Continuous Audit Q3 - Q4	Completed	High Substantial	0			
Assurance	Housing Benefit and Council Tax Support Continuous Audit Q3 - Q4	Completed	High Substantial	0			
Grant Certification	EU Transition Readiness Growth Hub Grant	Completed	Grant Certification	N/A			

SWAP INTERNAL AUDIT SERVICES — Helping Organisations to Succeed

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 Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

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Summary of Internal Audit Work 2021/22

Audit Type	Audit Area	Status	Opinion	No of Actions	1 = Major	⟷ Action	3 = Medium
					1	2	3
Grant Certification	Growth Hub	Completed	Grant Certification	N/A			
Grant Certification	Supplemental Growth Hub Funding	Completed	Grant Certification	N/A			
Grant Certification	Building Digital UK Grant	Completed	Grant Certification	N/A			
Grant Certification	Supporting Families May Claim	Completed	Grant Certification	N/A			
Grant Certification	Supporting Families August Claim	Completed	Grant Certification	N/A			
Grant Certification	Peer Networks Certification	Completed	Grant Certification	N/A			
Grant Certification	Public Health Grant	Completed	Grant Certification	N/A			
Grant Certification	Local Transport Capital Grants	Completed	Grant Certification	N/A			
Grant Certification	Local Authority Bus Service Operators Grant (BSOG)	Completed	Grant Certification	`N/A			
Grant Certification	COVID-19 Additional Dedicated Home to School and College Grant	Completed	Grant Certification	N/A			
Grant Certification	Supporting Families December Claim	Completed	Grant Certification	N/A			
Grant Certification	Supporting Families March Claim	Completed	Grant Certification	N/A			
Grant Certification	Covid-19 Bus Services Support Grant (CBSSG) Restart	Completed	Grant Certification	N/A			
Advisory	Service Level Fraud Risk Self-Assessments	Completed	Advisory	N/A			
Advisory	New Procurement Process Maps	Completed	Advisory	N/A			
Advisory	Planning Policy and Development Position Statement	Completed	Advisory	N/A			

SWAP INTERNAL AUDIT SERVICES Helping Organisations to Succeed — 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 Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note. Page 16

Summary of Internal Audit Work 2021/22

Audit Type	Audit Area	Status	Opinion	No of Actions	1 = Major	↔	3 = Medium
						Action	
					1	2	3
ICT	Cyber Security Framework Review Follow-Up	Completed	Advisory	N/A			
Special Investigation	Special Investigation	Completed	Advisory	N/A			
Advisory	National Fraud Initiative	Completed	Advisory	N/A			
Advisory	External Audit Liaison	Completed	Advisory	N/A			
Advisory	Anti-Fraud and Corruption Advice	Completed	Advisory	N/A			
Advisory	CIFAS	Completed	Advisory	N/A			
Advisory	COVID-19 Advice	Completed	Advisory	N/A			
Reporting							
Assurance	Adult Payment to Providers	Draft Report	Currently undergoing some additional follow up work				
Assurance	Housing Rents Continuous Audit Q3 - Q4	Draft Report					
Advisory	Workforce Planning and Capacity & Mental Health and Wellbeing	Discussion					
In Progress							
Assurance	Housing Private Finance Initiative Contracts	Initiation					
Assurance	Waste Collection Service	Fieldwork					
Assurance	Main Accounting Continuous Audit Q3 – Q4	Fieldwork					
Assurance	Payroll Continuous Audit Q3 – Q4	Fieldwork					

Summary of Internal Audit Work 2021/22

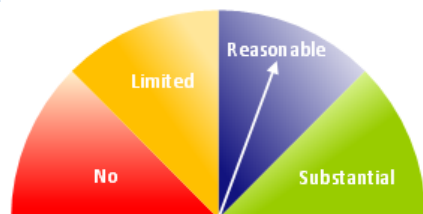| Audit Type	Audit Area	Status	Opinion	No of Actions	1 = Major	⟷	3 = Medium
					Action		
					1	2	3
Assurance	Use of Unregulated / Unregistered Placements	Fieldwork					
Assurance	Council Tax and Business Rates Continuous Audit Q3 - Q4	Fieldwork					
Audits Deferred/Removed							
Advisory	Risk Maturity Assessment	Deferred	Deferred to the Q1 plan for 2022/23.				
Assurance	Assurance Mapping	Deferred	Deferred to 2022/23.				
Assurance	Climate Change Strategy	Removed	As agreed with the Corporate Director Resources.				
Assurance	Planning Policy and Development	Deferred	Deferred to the Q1 plan for 2022/23.				
Assurance	Downlands Special School	Deferred	Due to staffing challenges as a result of the Pandemic this audit has been deferred to 2022/23.				
Assurance	Horningsham Primary School	Deferred	Due to staffing challenges as a result of the Pandemic this audit has been deferred to 2022/23.				
Assurance	Fostering Excellence	Deferred	Due to ongoing work in this area, this audit has been deferred to Q2 of the 2022/23 Plan.				

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Wiltshire Council

Internal Audit Update Report

July 2022

Internal Audit ▪ Risk ▪ Special Investigations ▪ Consultancy

Unrestricted

Rolling Opinion

There is generally a sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives.

The Headlines (Since our last update)

⚠️	**2 Significant Corporate Risks identified and 1 No Assurance Opinion assigned** 4 Limited Opinion assigned 3 Priority 1 Actions
📋	**31 reviews delivered since our last update in March 2022** Includes 23 assurance reviews (including 5 grant certifications), and 7 advisory pieces.
📈	**Improvements from the implementation of agreed actions** We continue to follow up agreed actions as part of our agreed follow up protocol.
💡	**Range of innovations and enhancements made to our internal audit process throughout the year** Data analytics continues to drive/support reviews; Further development of the Continuous Assurance programme for Key Financial Systems; Agile audit techniques; Benchmarking exercises offer useful insight and suggested practices.

Internal Audit Assurance Opinions
(Since last update)

	This Period
Substantial	5
Reasonable	9
Limited	4
No Assurance	1
Grant Certification	5
Advisory	7
Total	**31**

Internal Audit Agreed Action
(Since last update)

	This Period
Priority 1	3
Priority 2	33
Priority 3	21
Total	**57**

As part of our rolling plan reports, we will provide an ongoing opinion to support the end of year annual opinion, detail progress against the approved plan and any updates in scope and coverage.

We will also provide details of any significant risks that we have identified in our work, along with the progress of mitigating significant risks previously identified through audit activity.

The contact at SWAP in connection with this report is:

Charlotte Wilson
Assistant Director
Tel: 07732 688 505
Charlotte.Wilson@swapaudit.co.uk

Rolling Opinion and Summary of Significant Risks

Introduction
This is our July 2022 update and reports the progress since our March 2022 update against the quarterly plans agreed by this Committee. Our planning process involves regular reviews with senior managers to ensure internal audit activity remains appropriate in scope and timing with the opportunity for risk-based flex.

Rolling Opinion
The Rolling Opinion is based on information obtained from multiple engagements and sources, the results of which, when viewed together, provide an understanding of the organisation's governance arrangements, risk management processes and internal control environment and facilitate an assessment of overall adequacy and effectiveness. These sources include:

- Completed reviews since our last update which evaluate risk exposures relating to the organisation's governance, operations, risk and information systems, reliability and integrity of information, efficiency and effectiveness of operations and programmes, safeguarding of assets and compliance with laws and regulations;
- Observations from consultancy/advisory support;
- Follow up of previous audit activity, including agreed actions;
- Notable changes to the organisation's strategy, objectives, processes or IT infrastructure; and
- Other assurances (1st and 2nd line) and from other providers, including third parties, regulators etc.

Based upon our completed work to date, which covers various assurance and advisory pieces and a range of grant certifications, our rolling opinion is 'Reasonable'. Appendix B summarises internal activity completed, in progress and due to commence for the period covered by this report.

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 Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

SWAP
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Significant Corporate Risks:

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

Summary of Work Completed – Significant Corporate Risks

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

Category Management
To provide assurance that category management is effective, complies with legislation and policies and is appropriate ensuring value for money.

For this audit we would normally have met with Category Managers, however, due to the vacant posts, we have instead met with commissioning staff within the services involved in the procurement process. We note the work being carried out on the restructure within services and the procurement governance project and have reviewed job descriptions for staff involved in procurement and commissioning. Category management policies and processes were reviewed where available, as was the management information to support procurement when available. Category management plans were included in the review to confirm whether benefits are identified and recorded. We also ascertained what performance is being recorded and how poor performance was addressed.

The following risks were reviewed as part of this audit and an assessment made of the residual risk.

Risk Reviewed	Assessment
1. The Authority's Category Management Strategy has not been defined and individual strategies for categories are not complete. This could lead to improper or unlawful practices resulting in legal challenge, reputational damage and unnecessary financial loss.	High
2. Category management is not completed or reviewed effectively in accordance with the Authority's policy, procedures and processes, leading to challenge, reputational damage and financial losses.	Medium

Five actions were agreed as a part of this audit, all with a target date of 30th September 2022. SWAP will conduct a follow up audit in October 2022 to ensure the risks have been mitigated.

Procurement Exemptions

To review whether the exemptions process provides adequate controls to ensure compliance with procurement rules and value for money.

This audit was requested by the Head of Commercial & Procurement as part of the audit plan for 2021/22. The scope included:

- Exemption policies and procedures.
- Roles and responsibilities.
- Confirming that exempted contracts are compliant with the exemption rules.

The following risks were reviewed as part of this audit and an assessment made of the residual risk.

Risk Reviewed	Assessment
1. The Authority's Exemption Policy and procedures are not current with legislation and best practice and do not promote achieving value for money.	Medium
2. Contract exemptions are not completed or reviewed effectively in accordance with the Authority's policy, procedures and processes for exemptions. Increasing the risk of challenge, reputational damage and financial losses.	High

Three actions were agreed as a part of this audit, due to be implemented by 30th September 2022. SWAP will conduct a follow up audit in October 2022 to ensure the risks have been mitigated.

Completed Assignments:

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

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

Summary of Work Completed – Limited and No Assurance Opinions

Pension Fund Key Control Review

Assurance Opinion

Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Key Findings

🟡	New enrolments are not always processed in line with SLAs, reconciliations are time consuming and not reviewed.
🟡	Employer contribution rate checks are not robustly controlled and there is not clear ownership for escalating issues.
🟡	Lumpsum payment are not always processed in line with SLAs, supporting documentation is not always saved on file, inadequate segregation of duties between the person processing calculations and approving payments.
🟡	Accounting errors noted when processing members transferring into the Fund.
🟡	Amendments are not always processed in line with SLAs and supporting documentation is not always saved on file.
🔴	The process of distributing tasks to team members and ensuring robust monitoring of SLAs and team capacity / backlog requires review. A formal quality assurance process should be implemented to ensure work is carried out correctly.
🟡	Weaknesses identified in the management of the Fund's projects.
🔴	Backlog of historic tasks relating to aggregations, frozen refunds, retired members and status 3 members.
🟡	Pensions system access review – the action to implement a schedule of software licenses for systems used within the Fund has not been implemented.

Nine actions have been agreed with the Head of the Wiltshire Pension Fund, all due to be implemented between May 2022 and October 2022. Two of these have now been implemented, three are in progress and five have not yet reached their implementation target date. SWAP will undertake a follow up audit in November 2022 to ensure all actions have been implemented and risks mitigated.

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

Changes to the Audit Plan

We will regularly re-visit and adjust our rolling programme of audit work to ensure that it matches the changing risk profile of the organisation's operations, systems, and controls. Details of our current work areas are provided in **Appendix B**.

Unplanned work, special reviews or projects carried out on a responsive basis which are requested as a result of new and emerging risk areas, and which result in significant changes to the agreed plan will be reported to CLT and the Audit and Governance Committee. The agreed plan provides for flexibility in coverage and scope and includes some provision for responsive activity.

The following table highlights some notable changes to the plan since the last update in March 2022.

Assignment	Amendment	Reason
Assurance Mapping	Deferred	To be undertaken during 2022/23
Climate Change Strategy	Removed	As agreed with the Corporate Director Resources and Deputy Chief Executive (S.151)
Downlands Special School	Deferred	Due to staffing challenges as a result of the Pandemic this audit has been deferred to 2022/23.
Horningsham Primary School	Deferred	Due to staffing challenges as a result of the Pandemic this audit has been deferred to 2022/23.
Financial Controls – Feeder Systems	Addition	Request from the Corporate Director Resources and Deputy Chief Executive.
Housing Rents Data Analytics	Addition	As a result of the work already undertaken during the Housing Rents Continuous Audit process.
Fostering Excellence	Deferred	Due to ongoing work in this area, this audit has been deferred to Q2 of the 2022/23 Plan.
Contain Outbreak Management Fund	Addition	Late request received for Head of Internal Audit grant sign off.
Universal Drug Treatment Grant	Addition	Late request received for Head of Internal Audit grant sign off.

Aged Analysis of Audit Actions Exceeding the Originally Agreed Target Implementation Date

Summary of Actions

Outstanding Audit Actions by Priority
Non Schools

	< 30 Days	< 60 Days	< 90 Days	< 120 Days	120+ Days	Totals
3	1	0	0	0	12	**13**
2	0	3	0	0	7	**10**
1	0	1	0	0	0	**1**
Totals	**1**	**4**	**0**	**0**	**19**	**24**

Appendix C provides a summary of any outstanding Priority 1 and 2 non-schools actions.

Added Value

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.

SWAP strives to add value wherever possible, and this can be demonstrated in a number of ways ranging from how we deliver your assurance requirements to how we optimise our reach across our partner base and the wider profession to deliver information, reflection and learning.

CIFAS
SWAP continue to support the council to roll out the use of the CIFAS database. The aim of this work is to prevent fraud by sharing data, intelligence and learning. By preventing fraud, the Council can save time and money in fraud investigation work and attempting to recover fraudulent expenditure.

Benchmarking:
Information on topical issues and good practice is gathered and appropriately shared across SWAP and sector partners – through a fortnightly *News Round Up*, attendance at professional groups and conferences.

COVID Grant Certification Work:
Due to the COVID-19 pandemic, Central Government have issued numerous grants. We continue to undertake COVID related grant certification.

Newsletters and updates
SWAP regularly produces a newsletter and other relevant updates for partners such as fraud bulletins, which provide information on topical issues of interest.

Performance

The Chief Executive Officer for SWAP reports performance on a regular basis to the SWAP Directors and Owner Bords.

We will build our audit plan as the year progresses to ensure that we are auditing the right things at the right time.

SWAP Performance

SWAP performance is subject to regular review by both the Directors and Owners meetings. The respective outturn performance results for 2021/22 year (as of 5th July 2022) are as follows:

Performance Measure	Performance
Quality of Audit Work	
Overall Client Satisfaction *(Did our work meet or exceed expectations, when looking at our Communication, Auditor Professionalism and Competence, and Value to the Organisation)*	98%
Value to the Organisation *(Client view of whether our audit work met or exceeded expectations in terms of value to their area)*	97%

The role of SWAP as the internal auditors for Wiltshire Council is to provide independent assurance that the Council's risk management, governance and internal control processes are operating effectively. In order for senior management and members to be able to appreciate the implications of the assurance provided within an audit report, SWAP provide an assurance opinion. We have four opinion ratings defined as follows:

Assurance Definitions	
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

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

In addition to the assurance definitions above we have also introduced an 'assurance dial' which indicates on a range of high medium or low where within the range of that assurance a particular audit assurance sits.

As can be seen in this example the assurance provided is low limited as the dial is sitting on the lower end of the limited scale. It could equally have been a medium limited assurance where the dial sits midway or high limited when it is sitting at the upper end close to the reasonable assurance.

We provide the Committee with details of the overall assurance opinion for all completed audits, and they can be seen in the plan progress table in Appendix B below.

In addition to the corporate risk assessment, it is important that management know how important the action 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 action. Actions are prioritised from 1 to 3 on how important they are to the service/area audited. These are not necessarily how important they are to the organisation at a corporate level. Each action has been given a priority rating at service level with the following definitions:

Categorisation of Actions	
Priority 1	Findings that are fundamental to the integrity of the service's business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management.
Priority 3	Finding that requires attention.

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

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

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

Summary of Internal Audit Work — APPENDIX B

Audit Type	Audit Area	Status	Opinion	No of Actions	1 = Major	Action (↔)	3 = Medium
					1	2	3
2021-2022							
Complete							
Assurance	Pension Fund Key Control Review	Completed	High No Assurance	9	2	7	
Assurance	Category Management	Completed	Low Limited	5		3	2
Assurance	Procurement Exemptions	Completed	Medium Limited	3	1	1	1
Assurance	Complaint Handling	Completed	Medium Limited	5		3	2
ICT	Information Asset Security	Completed	Medium Limited	6		5	1
ICT	Segregation of Duties and Profiles in Key financial Systems	Completed	Medium Reasonable	2		1	1
Assurance	Designated Officer for Allegations (DofA)	Completed	Medium Reasonable	4		4	
Assurance	Accounts Receivable Continuous Audit Q3	Completed	Medium Reasonable	1			1
Assurance	Education, Health and Care Plans	Completed	Medium Reasonable	5		4	1
Assurance	Accounts Payable Continuous Audit Q2	Completed	High Reasonable	2		2	
Assurance	Safeguarding Vulnerable People Partnership	Completed	High Reasonable	4		2	2
Assurance	Accounts Payable Continuous Audit Q3	Completed	High Reasonable	0			
Assurance	Accounts Payable Continuous Audit Q4	Completed	High Reasonable	0			
Assurance	Decision Making Processes	Completed	Low Substantial	2			2

Audit Type	Audit Area	Status	Opinion	No of Actions	1 = Major	↔ Action	3 = Medium
					1	2	3
Assurance	Virtual Schools	Completed	Low Substantial	3		1	2
Assurance	Housing Rents Continuous Audit Q2	Completed	High Substantial	0			
Assurance	Treasury Management Continuous Audit Q3 - Q4	Completed	High Substantial	0			
Assurance	Housing Benefit and Council Tax Support Continuous Audit Q3 - Q4	Completed	High Substantial	0			
Grant Certification	Supporting Families March Claim	Completed	Grant Certification	N/A			
Grant Certification	Covid-19 Bus Services Support Grant (CBSSG) Restart	Completed	Grant Certification	N/A			
ICT	Cyber Security Framework Review Follow-Up	Completed	Advisory	N/A			
Special Investigation	Special Investigation	Completed	Advisory	N/A			
Advisory	National Fraud Initiative	Completed	Advisory	N/A			
Advisory	External Audit Liaison	Completed	Advisory	N/A			
Advisory	Anti-Fraud and Corruption Advice	Completed	Advisory	N/A			
Advisory	CIFAS	Completed	Advisory	N/A			
Advisory	COVID-19 Advice	Completed	Advisory	N/A			
Reporting							
Assurance	Adult Payment to Providers	Draft Report					

Summary of Internal Audit Work   APPENDIX B

Audit Type	Audit Area	Status	Opinion	No of Actions	1 = Major	⬌	3 = Medium
					Action		
					1	2	3
Assurance	Housing Rents Continuous Audit Q3 - Q4	Draft Report					
Advisory	Workforce Planning and Capacity & Mental Health and Wellbeing	Discussion					
In Progress							
Assurance	Housing Private Finance Initiative Contracts	Initiation					
Assurance	Waste Collection Service	Fieldwork					
Assurance	Main Accounting Continuous Audit Q3 – Q4	Fieldwork					
Assurance	Payroll Continuous Audit Q3 – Q4	Fieldwork					
Assurance	Use of Unregulated / Unregistered Placements	Fieldwork					
Assurance	Council Tax and Business Rates Continuous Audit Q3 - Q4	Fieldwork					
2022-2023							
Complete							
Grant Certification	Supporting Families May Claim	Completed	Certification	N/A			
Grant Certification	Contain Outbreak Management Fund	Completed	Certification	N/A			
Grant Certification	Superfast Broadband Annual Return	Completed	Certification	N/A			
Assurance	ICT Disaster Recovery	Completed	Reasonable	6			6

SWAP INTERNAL AUDIT SERVICES
Helping Organisations to Succeed

Summary of Internal Audit Work   APPENDIX B

Audit Type	Audit Area	Status	Opinion	No of Actions	1 = Major	⟷	3 = Medium
					Action		
					1	2	3
Reporting							
Assurance	Pension Payroll Reconciliation Project	Discussion					
In Progress							
Assurance	Financial Controls – Feeder Systems	Fieldwork					
Follow Up	Baseline Assessment of Fraud Risk	Fieldwork					
Follow Up	Brokerage – Adults	Fieldwork					
Follow Up	Brokerage – Childrens	Fieldwork					
Follow Up	Care Home Alliance	Fieldwork					
Follow Up	Third Party Spend – Purchase to Pay	Fieldwork					
Grant Certification	Growth Hub	Fieldwork					
Grant Certification	Universal Drug Treatment Grant	Fieldwork					
Advisory	Housing Rents Data Analytics	Fieldwork					
Advisory	National Fraud Initiative	Ongoing Support					
Advisory	External Audit Liaison	Ongoing Support					
Advisory	Anti-Fraud and Corruption Advice	Ongoing Support					
Advisory	CIFAS	Ongoing Support					

Summary of Internal Audit Work — APPENDIX B

Audit Type	Audit Area	Status	Opinion	No of Actions	1 = Major	↔	3 = Medium
					1	Action 2	3
To Commence							
Assurance	Main Accounting Continuous Audit – Period 1						
Assurance	Accounts Payable Continuous Audit – Period 1						
Assurance	Accounts Receivable Continuous Audit – Period 1						
Assurance	Payroll Continuous Audit – Period 1						
Assurance	Council Tax and Business Rates Continuous Audit – Period 1						
Assurance	Housing Benefit and Council Tax Support Continuous Audit – Period 1						
Assurance	Housing Rents Continuous Audit – Period 1						
Assurance	Risk Management						
Assurance	Planning						

SWAP INTERNAL AUDIT SERVICES — Helping Organisations to Succeed

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 Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

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Consolidated Outstanding Priority 1 and 2 Internal Audit Actions

Wiltshire Council Outstanding Actions 01.07.2022
Non Schools

Corporate Director Resources

Main Accounting (Audit Report Issued 11th June 2020)

Reference Number	Action	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Update
43460	We recommend that the Financial Manual is finalised, approved and published to the Council as a whole as soon as is practically possible. The published manual should be communicated to relevant officers to ensure they have an appropriate understanding of the practices they are required to follow.	2	Outstanding	30-Sep-20	30-Sep-22	Head of Corporate Finance	A full review of Financial Regulations and Financial Procedures is planned to ensure procedures remain relevant, transparent and understandable. Due to other business priorities this work is now due to be completed by the end of summer 2022

Corporate Debt Management Management (Audit Report Issued 24th June 2020)

Reference Number	Action	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Update
43749	We recommend that the Debt Management Policy, Corporate Debt Management and Recovery Strategy and associated guidance are revisited to ensure they are complete, encompassing the requirements for full and proper records and adequately details responsibilities for all areas of income and debt management. These should then be finalised and approved. Once approved these should be rolled out with an appropriate programme of training for relevant officers to ensure that their obligations are fully communicated and understood.	2	Outstanding	31-Mar-21	31-Mar-22	Chief Accountant and Head of Revenues and Benefits	The Debt Management Policy continues to be maintained and updated, however the launch of the policy has been delayed due to Covid related pressures and delivery of emergency support. The latest edition incorporates Adult Social Care debt and will be ready for release to support the Evolve programme and training.

Programme Management (Audit Report Issued 4th October 2019)

Reference Number	Action	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Update
42099	We recommend that the existing framework is developed to capture all projects and programmes being delivered across the whole Council so there is consistency of approach and a clear corporate wide view.	2	Outstanding	30-Nov-19	31-Dec-21	Corporate Director Resources	This recommendation has been included as a main focus in the creation of a new Transformation Board, Transformation Delivery Group and Transformation Pipeline. Transformation Board Terms of Reference and membership agreed at first meeting in June 2022, and initial draft pipeline is in place. Further work to develop this, create the mechanisms for collecting information on all projects and applying corporate prioritisation to them will continue over the next 4-5 months.

Pensions (Audit Report Issued 30th April 2019)

Reference Number	Action	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Update
41018	We recommend that a full reconciliation be undertaken between Altair and SAP Payroll. This recommendation is carried over from last year's audit report.	2	Outstanding	01-Dec-19	31-Dec-20	Head of Pensions Administration and Relations	Rectification project commenced in July 2021 & is now being outsourced. The additional value of a full reconciliation will only be gained on correction of the records of pensioners within this exercise, however the new Pen & Dep reconciliations continue in line with previous SWAP recommendations and a more comprehensive reconciliation is currently being trialled. Subsequent migration to an integrated payroll system will further enable reconciliation. 2022/23 SWAP audit currently in progress on the subject of payroll reconciliation.

Pension Fund Key Control Review (Audit Report Issued 15th March 2022)							
Reference Number	Action	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Update
46885	We will carry out a reconciliation to identify transfers in that have been processed in the SAP system but not in Altair. We will ensure Altair is updated with any missing liabilities and embed the new process to monitor transfers in are accurately processed going forward.	2	Outstanding	31-May-22		Head of Wiltshire Pension Fund	Staff resource constraints have been preventing progress of this action. This will be treated as a priority in work allocation going forward.
46887	We will review the backlog of aggregations, frozen refunds and retired members and take necessary steps to ensure this is progressed where possible.

We will develop controls to monitor backlog in these areas going forward and report updates to the Pensions Committee regularly.

We will review the data stored for status 3 members and determine a way to remove any personal data which is no longer necessary. | 1 | Outstanding | 31-May-22 | | Head of Wiltshire Pension Fund | A tendering exercise to outsource aggregation backlogs is underway and due to be completed by mid-August. Reviews of and actions taken have occurred concerning refund and retirements. However, work on all activities is still ongoing

A new weekly casework KPI report has been developed, via a software application called Insights. Arrangements for regular reporting to Board and Committee have been outlined and will be put in place.

A data minimisation exercise has been completed for relevant members and an initial review of the Fund's data retention policy has taken place to assess when personal data should be deleted. |

Reference Number	Action	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Update
46880	We will ensure the employer contribution rates schedule is finalised and procedures are put in place to make sure it is well controlled going forward. We will discuss roles and responsibilities with the team to ensure there is clear ownership with raising and resolving issues.	2	Outstanding	31-May-22		Head of Wiltshire Pension Fund	An updated internal procedure is in place to ensure appropriate contribution rate controls. The Contributions working group will have a standing item to review contribution rates of all employers, noting any changes and upcoming new employers. These will be recorded on the central rates schedule. However, conclusion of the matter remains outstanding as Fund officers need to liaise with the Scheme Actuary. In this respect, any rates agreed by the fund without the actuary will be communicated by the employer relationship manager to the actuary. A clear process for resolving issues is set out in the Administration Strategy. The Escalation appendix identifies roles and responsibilities.

Third Party Spend - Purchase to Pay (Audit Report Issued 7th June 2021)							
Reference Number	Action	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Update
45263	To note the procurement governance project has now been superseded by the Commercial Workstream and Organisation Recovery programmes, therefore the Procurement Strategy and Procurement Rules will be included as part of this overall review.	2	Outstanding	29-Oct-21		Head of Strategic Procurement	The "procurement rules" have been adjusted as necessary during the creation of the new End to End process. A fully refreshed set of rules will accompany the launch of the new End to End process (this will likely require changes to the Constitution), and will of course be adjusted to align to the new Whitehall Procurement Bill (due 2023). The basis for the new Procurement Strategy was developed and agreed as part of the recent procurement team restructure, and the various components are being developed alongside the practical delivery of the specific elements of the strategy. This will be captured in a full strategy document shortly as part of the procurement transformation programme.
45376	Social Value Policy This will be picked up by the Commercial Workstream as part of the creation of the new commercial governance framework.	2	Outstanding	29-Oct-21		Head of Strategic Procurement	A Social Value Policy has been drafted in the form of a Socially Responsible Procurement Policy. This is currently being discussed with colleagues throughout the council and it is expected it will be presented to CLT during the Summer of 2022.

Director Access & Reablement

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

Reference Number	Action	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Update
40680	We recommend that the Court of Protection Team Manager gives consideration to the most cost effective and efficient manner of document storage for the service.	2	Outstanding	31-Aug-19	30-Oct-21	Court of Protection Team Manager	In order to determine the type of document storage required, the team are undertaking an exercise to reduce their reliance on paper, for example, they now receive all bank statements electronically. This month they will also be trialling a paperless payment process. In addition, they have been looking at other solutions across the council, for example, Central Copying and Housing Benefit Team (also handle a lot of paper). Once there is clear understanding about storage requirements we will have further conversations with IT.

Director Legal and Governance

Complaint Handling (Audit Report Issued 1st March 2022)

Reference Number	Action	Priority	Status	Original Target Date	Revised Target Date	Responsible Officer	Management Update
46646	We will, as part of the on-going review: Provide training and guidance to Complaints Officers which will include the importance of accurately recording and monitoring complaints data. Review and update the Complaints Dashboard within Iken to ensure it presents the data available in a useable format (pending the implementation of an improved casework management system in 2023). Establish a method to monitor complaints information.	2	Outstanding	31-May-22	31-Aug-22	Head of Democracy & Governance Democracy & Complaints Manager	New casework management system, in progress. On target for 2023 implementation.

Wiltshire Council

Proposed Q2 2022-23 Internal Audit Plan

Internal Audit ▪ Risk ▪ Special Investigations ▪ Consultancy

Unrestricted

The Internal Audit Plan: Summary

The internal audit plan represents a summary of the proposed audit coverage that the internal audit team will deliver throughout Q2 of the 2022/23 financial year.

Delivery of an internal audit programme of work that provides sufficient and appropriate coverage, will enable us to provide a well-informed and comprehensive year-end annual internal audit opinion.

Introduction and Objective of the Internal Audit Plan

Internal audit provides an independent and objective opinion on the Authority's risk management, governance, and control environment by evaluating its effectiveness.

The outcomes of each of the audits in our planned programme of work, will provide senior management and Members with assurance that the current risks faced by the Authority in these areas are adequately controlled and managed.

It should be noted that internal audit is only one source of assurance, and the outcomes of internal audit reviews should be considered alongside other sources, as part of the 'three lines of defence' assurance model. Key findings from our internal audit work should also be considered in conjunction with completion of the Authority's AGS.

It is the responsibility of the Authority's Corporate Leadership Team (CLT), and the Audit and Governance Committee, to determine that the audit coverage contained within the proposed audit plan is sufficient and appropriate in providing independent assurance against the key risks faced by the organisation.

When reviewing the proposed internal audit plan (as set out in Appendix 1), key questions to consider include:

- Are the areas selected for coverage this coming quarter appropriate?

- Does the internal audit plan cover the organisation's key risks as the Corporate Leadership Team and the Audit and Governance Committee recognise them?

- Is sufficient assurance being received within our plan to monitor the organisation's risk profile effectively?

Internal audit coverage can never be absolute and responsibility for risk management, governance and internal control arrangements will always remain fully with management. As such, internal audit cannot provide complete assurance over any area, and equally cannot provide any guarantee against material errors, loss or fraud.
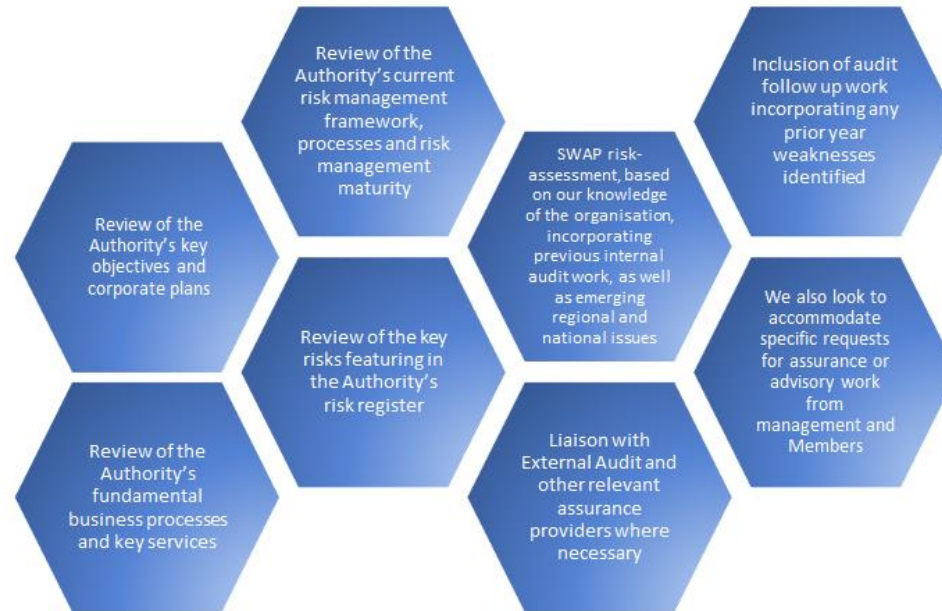
To develop an appropriate risk-based audit plan, SWAP have consulted with senior management, as well as reviewing key documentation, in order to obtain an understanding of the organisation's strategies, key business objectives, associated risks, and risk management processes.

Approach to Internal Audit Planning 2022/23

The factors considered in putting together the 2022/23 internal audit plan have been set out below:

Review of the Authority's current risk management framework, processes and risk management maturity

Inclusion of audit follow up work incorporating any prior year weaknesses identified

Review of the Authority's key objectives and corporate plans

SWAP risk-assessment, based on our knowledge of the organisation, incorporating previous internal audit work, as well as emerging regional and national issues

We also look to accommodate specific requests for assurance or advisory work from management and Members

Review of the key risks featuring in the Authority's risk register

Review of the Authority's fundamental business processes and key services

Liaison with External Audit and other relevant assurance providers where necessary

Due to the pace of change within Local Authorities and now the impact of the Pandemic, it is becoming increasingly difficult to accurately predict longer-term key organisational risks. Our approach to internal audit planning therefore reflects this. The risk-assessed work plan contains key areas of coverage, to ensure that we are auditing the right areas at the right time. The precise scope of each audit will be determined at the start of the review, in line with local risk factors at that time.

We will regularly re-visit and adjust our programme of audit work to ensure that it matches the changing risk profile of the organisation's operations, systems and controls. Our 2022/23 audit plan therefore reflects an increased contingency allocation, in order that the plan can remain flexible to respond to new and emerging risks as and when they are identified.

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The Internal Audit Plan: Risk Assessment

A documented risk assessment prior to developing an internal audit plan, ensures that sufficient and appropriate areas are identified for consideration.
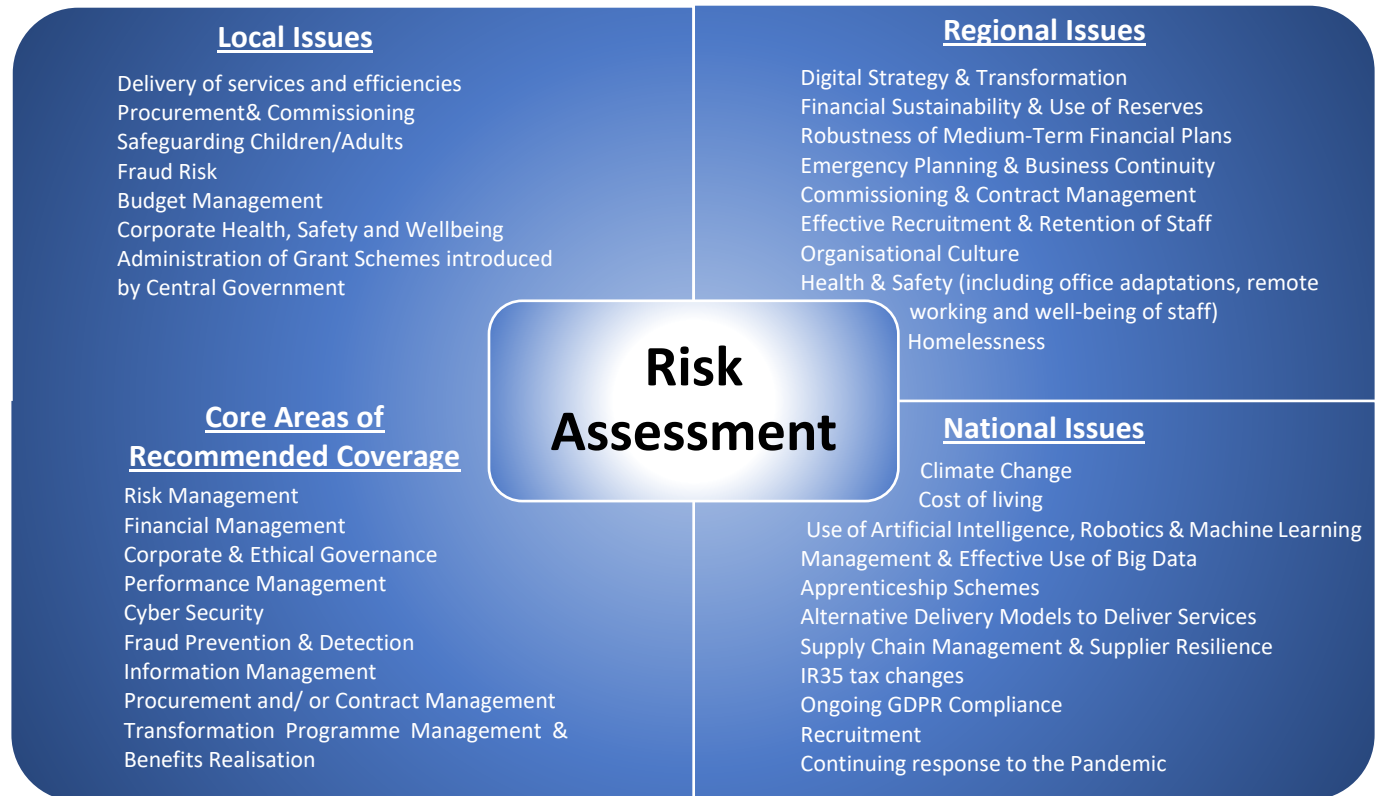
As above, it is the responsibility of the Authority's Corporate Leadership Team, and the Audit and Governance Committee to ensure that, following our risk assessment, the proposed plan contains sufficient and appropriate coverage.

Internal Audit Annual Risk Assessment

Our 2022/23 internal audit programme of work is based on a documented risk assessment, which SWAP will re-visit regularly, but at least annually. The input of senior management as well as review of the Authority's risk register will be considered in this process.

Below we have set out a summary of the outcomes of the risk assessment for Wiltshire Council:

Local Issues

Delivery of services and efficiencies
Procurement& Commissioning
Safeguarding Children/Adults
Fraud Risk
Budget Management
Corporate Health, Safety and Wellbeing
Administration of Grant Schemes introduced by Central Government

Regional Issues

Digital Strategy & Transformation
Financial Sustainability & Use of Reserves
Robustness of Medium-Term Financial Plans
Emergency Planning & Business Continuity
Commissioning & Contract Management
Effective Recruitment & Retention of Staff
Organisational Culture
Health & Safety (including office adaptations, remote working and well-being of staff)
Homelessness

Risk Assessment

Core Areas of Recommended Coverage

Risk Management
Financial Management
Corporate & Ethical Governance
Performance Management
Cyber Security
Fraud Prevention & Detection
Information Management
Procurement and/ or Contract Management
Transformation Programme Management & Benefits Realisation

National Issues

Climate Change
Cost of living
Use of Artificial Intelligence, Robotics & Machine Learning
Management & Effective Use of Big Data
Apprenticeship Schemes
Alternative Delivery Models to Deliver Services
Supply Chain Management & Supplier Resilience
IR35 tax changes
Ongoing GDPR Compliance
Recruitment
Continuing response to the Pandemic

SWAP Internal Audit Services is a public sector, not-for-profit partnership, owned by the public sector partners that it serves. The SWAP Partnership now includes 25 public sector partners, crossing nine Counties, but also providing services throughout the UK.

As a company, SWAP has adopted the following values, which we ask our clients to assess us against following every piece of work that we do:

- **Candid**
- **Relevant**
- **Inclusive**
- **Innovative**
- **Dedicated**

Over and above our internal audit service delivery, SWAP will look to add

Your Internal Audit Service

Audit Resources
The 2022/23 internal audit programme of work will be equivalent to 1800 days. The current internal audit resources available represent a sufficient and appropriate mix of seniority and skill to be effectively deployed to deliver the planned work. The key contacts in respect of your internal audit service for Wiltshire Council are:

Charlotte Wilson, Assistant Director – Charlotte.Wilson@SWAPAudit.co.uk, 07732 688 505

Conformance with Public Sector Internal Audit Standards
SWAP's framework and methods comply with the International Professional Practices Framework of the Institute of Internal Auditors (IPPF), and further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

Every five years, SWAP is subject to an External Quality Assessment of Internal Audit Activity. The last of these was carried out in February 2020 which confirmed general conformance with the IPPF. An annual self-assessment process confirms ongoing compliance.

Conflicts of Interest
We are not aware of any conflicts of interest within Wiltshire Council that would present an impairment to our independence or objectivity. Furthermore, we are satisfied that we will conform with our IIA Code of Ethics in relation to Integrity, Objectivity, Confidentiality, & Competency.

Consultancy Engagements
As part of our internal audit service, we may accept proposed consultancy engagements, based on the engagement's potential to improve management of risk, add value and improve the organisation's operations. Consultancy work that is accepted, will contribute to our annual opinion and will be included in our plan of work.

Approach to Fraud
Internal audit may assess the adequacy of the arrangements to prevent and detect irregularities, fraud and corruption. We have a dedicated counter fraud resource available to undertake specific investigations if required. However, the primary responsibility for preventing and detecting corruption, fraud and irregularities rests with management who should institute adequate systems of internal control, including clear objectives, segregation of duties and proper authorisation procedures.

value throughout the year wherever possible. This will include:

- **Benchmarking and sharing of best practice between our public-sector Partners**

- **Regular newsletters and bulletins containing emerging issues and significant risks identified across the SWAP partnership**

- **Communication of fraud alerts received both regionally and nationally**

Our Reporting

A summary of internal audit activity will be reported quarterly to senior management and the Audit and Governance Committee. This reporting will include any significant risk and control issues (including fraud risks), governance issues and other matters that require the attention of senior management and/or the Audit and Governance Committee. We will also report any response from management to a risk we have highlighted that, in our view, may be unacceptable to the organisation.

Link to Corporate Objective/ Corporate Risk Register or Healthy Organisation Theme	Areas of Coverage and Brief Rationale	Audit Sponsor/ Senior Management Lead
Corporate and Resources (including ICT)		
Evolve – HR	Review of the preparation for the implementation of the new Evolve system and how this will impact HR practices.	Agreed with Assistant Director HR & OD
Grant Certifications/ Assurances	Existing and new grant activity – Full list to be confirmed and agreed.	Agreed with Corporate Director of Resources & Deputy Chief Executive (S. 151 Officer)
Brunel Pension Partnership Cost Transparency	To consider the cost savings expected from the migration of assets and review the business plan and how the cost savings have been calculated.	Agreed with the Wiltshire Pensions Committee
ICT Network Boundary Defences	Review of the Council's ICT Network Boundary Defences. The full scope will be agreed during the initial meeting.	Agreed with Assistant Director ICT
People		
Children's Home Inspections	Review to ensure the systems and process in place for children's home inspections are adequate.	Agreed with Corporate Director of People (DCS)
Adults Transformation	A review of the finances involved with the Adult's Transformation. The full scope will be agreed during the initial meeting.	Agreed with Corporate Director of People (DCS)
Supporting Families	MHCLG requirement for audit of claims submitted reviewed a representative sample of families and achievement of outcomes.	Agreed with Director Families and Children
Fostering Excellence	Review of the 3-year project in place for the development of Wiltshire's fostering service. This audit will primarily review the objectives set out in the business case to ascertain if the project is on track to achieve priorities.	Agreed with Director Families and Children

Link to Corporate Objective/ Corporate Risk Register or Healthy Organisation Theme	Areas of Coverage and Brief Rationale	Audit Sponsor/ Senior Management Lead
Place		
Housing Repairs	Review of the Housing Repairs service. Full scope to be agreed at the initial meeting.	Agreed with Director Assets and Commercial Development
Public Health Grant	Grant certification to support the S151 Officer's Statement of Assurance to Department of Health over expenditure complying with the conditions.	Agreed with Director of Public Health (DPH)
Local Authority Bus Services Operators Grant (BSOG)	Grant certification required by the Department for Transport.	Agreed with Director Highways and Transport
Local Transport Capital Grants	Grant certification to include: Local Transport Capital Block Funding (Integrated Transport and Highways Maintenance) Specific Grant Determination. Local Transport Capital Block Funding (Pothole Action Fund) Specific Grant Determination.	Agreed with Director Highways and Transport
Peer Networks Certification	Grant certification for the 2021/22 financial year.	Agreed with Corporate Director of Resources & Deputy Chief Executive (S. 151 Officer)
Follow Up Work and Support Activities		
Follow Up Contingency	Follow up of audits awarded Partial or No Assurance opinions. The work will assess responses to previous audit coverage and any changes to the control environment.	Inclusion of audit follow up work incorporating any prior year weaknesses identified.
Proactive Fraud Work	Linked to risks in Protecting the Public Purse.	
Reactive Fraud Work	To undertake ad-hoc unplanned investigations as agreed.	Agreed with Corporate Director of Resources & Deputy Chief Executive (S. 151 Officer).

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Link to Corporate Objective/ Corporate Risk Register or Healthy Organisation Theme	Areas of Coverage and Brief Rationale	Audit Sponsor/ Senior Management Lead
Corporate Advice	Includes meetings and direct liaison with the Corporate Director of Resources and the Assistant Director of Finance.	
External Audit	Ongoing liaison with External Audit.	

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Wiltshire Council

Audit and Governance Committee

21 July 2022

Subject: **Good Lives Alliance Internal Audit Response**

Cabinet Member: Councillor Jane Davies Cabinet Member for Adult Social Care, SEND, Transition and Inclusion

Decision: The Committee is asked to note the actions taken in response to the Good Lives Alliance internal audit report which was finalised in November 2021.

Executive Summary

This report presents an update about actions taken following a 'no assurance' internal audit of the Good Lives Alliance tender process. The report identified 3 key areas for improvement:

- Business Care
- Provider Performance Monitoring
- Providers and The Council Work in Partnership

The report concluded that several actions needed to be taken between March and September 2022.

This report provides a further update and assurance to the Committee of the actions taken by management to mitigate and rectify the weaknesses identified.

Significant work has been undertaken to address the areas of concern and all actions have been completed. Officers have also held an internal learning review which will be used to inform the governance, risk management and control of future commissioning exercises.

Proposal(s)

It is recommended that the Audit and Governance Committee note the actions taken in response to the internal audit.

Reason for Proposal(s)

The Director of Procurement and Commissioning is required to update the Committee on actions taken in response to the internal audit.

Helen Jones
Director of Procurement and Commissioning

Wiltshire Council

Audit and Governance Committee

21 July 2022

Subject: **Good Lives Alliance Internal Audit Response**

Cabinet Member: **Councillor Jane Davies Cabinet Member for Adult Social Care, SEND, Transition and Inclusion**

Decision: The Committee is asked to note the actions taken in response to the Good Lives Alliance internal audit report which was finalised in November 2021.

Purpose of Report

1. This report presents an update about actions taken following a 'no assurance' internal audit of the Good Lives Alliance (GLA) tender which was finalised in November 2021.

Relevance to the Council's Business Plan

2. The Director of Procurement and Commissioning is required to update the Committee on actions taken in response to the internal audit.

Background

3. A review to assess the GLA tender process was carried out in October 2021, with a 'no assurance' report completed in November 2021. The Director of Procurement and Commissioning requested that the audit was undertaken to inform future commissioning.

4. In 2018 a tender was issued for the purchase of supported living and residential care services under the GLA. It was important to maintain services, whilst transferring providers onto a single standard contract and to streamline the various hourly rates and used.

5. An audit has been undertaken of the GLA. The aim was to determine if the GLA is delivering the outcomes and benefits that were expected at the start of the project.

6. The main risk higlighted was poor planning resulting in the procurement exercise not delivering the required outcomes. Other areas included: potential failure of second tendering exercise; significant gaps, weaknesses or non-compliance. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.

Key Findings	
📄	A formal business case was not produced at the start of the GLA framework project, it is therefore not possible to reliably measure if the project has achieved its expected outcomes.
📝	An effective and consistence approach to monitor providers has not yet been fully established.
🔍	There are several weaknesses across the GLA governance structure; the providers and the council are not always working in partnership.

The following suggestions were made to the Council:

- *From our sample testing we found there was not always evidence to support due diligence performed. However, as the responsibility for due diligence has only recently moved to Commissioning, a suggestion rather than recommendation has been raised. Commissioning should ensure all due diligence checks are carried out and can be appropriately evidenced.*

- *No findings were noted for Off Framework Placements.*

Actions have been agreed with the Director of Procurement & Commissioning, with all due to be implemented by 30th September 2022.

Main Considerations for the Council

The following actions have been taken in response to the audit:

Business Case
A formal business case was not produced at the start of the GLA framework project. Whilst high level benefits can be sited in the 2016 Residential Care buying cost models paper and the GLA Specification paper, these are not measurable and target dates were not set against them. The overarching aim seemed to be to reduce the level of cost, have a more standardised efficient process and improved level of care. However, as it was not stated what the expected reduction in cost was and how many spot providers, they wanted to join the GLA, by when and how, it is not possible to determine if the GLA framework project has delivered the expected outcomes.

Action taken:
Future projects will include a formal business case setting out the aims and objectives of the project, the timescale, and criteria for measuring the outcomes and benefits derived from the project.

The change to the GLA provided some consistency in costing, reducing the number of hourly rates from 100 to 2. Although this did not reduce the overall cost and

achieve a saving, time and resource has been saved in back-office costs for all stakeholders.

This continues to move in the right direction as we target spot providers each quarter, see the KPI data below.

Performance Indicator	Jan-22	Feb-22	Mar-22	Apr-22
Number of SL packages of care GLA & Spot In & Out	1272	1257	1245	1239
Number of RCH packages of care GLA & Spot In & Out	837	832	835	832
Number of Providers on GLA at end of month	72	72	73	73
Number of passive providers	52	52	47	48
% of Packages on Alliance with Active Providers	65.70	66.20	67.30	67.60
% of Packages not on Alliance	34.30	33.80	32.70	32.40
Weekly GLA spend	£829,767.38	£818,255.83	£821,595.64	£850,297.65
Weekly non-GLA spend (Spot)	£590,665.01	£579,021.01	£556,302.26	£566,061.15
GLA spend as % of total	58.42	58.56	59.63	60.03

Provider Performance Monitoring
An effective and consistence approach to monitor providers has not yet been fully established. There is a risk that providers are not meeting expected performance and care standards. The KPIs collated are not bench marked against an expected criteria to measure performance.

Action taken:
Regular contract monitoring is now in place and officers collate key performance indicators.

Officers have worked with the GLA provider group to streamline the KPI reporting and improve the contract monitoring process.

We are working with stakeholders across the southwest, to align with other frameworks and reporting mechanisms, such as the Learning Disability Residential Framework Agreement.

The council, along with other local authorities in the South-west have purchased a market oversight tool, Provider Assessment & Market Management Solution (PAMMS) which we intend on implementing collaboratively across the sector in 2022.

This will further reduce duplication and make better use of live systems for capturing data.

We have reviewed our internal KPI reporting to capture trends in data and to improve our benchmarking.

We are also reviewing providers who are not actively engaging with Wiltshire and will be removing them from the GLA.

Providers and The Council Work in Partnership

There are several weaknesses across the GLA governance structure, and the providers and the Council are not always working in partnership.

A GLA forum is held every 2 months where members of the council meet with GLA providers to share feedback on the GLA framework performance. However, whilst there is a draft Terms of Reference (ToR) in place for the GLA forum, it does not define the forum's decision-making powers or reporting lines and although the forum has been operational for 2 years, a final ToR has not been suitably approved.

The GLA forum has a pattern of limited attendance and feedback is not being obtained from non-attending members.

Internally in the Council several functions must work collaboratively for the framework to work effectively. Whilst there is a forum with providers, the Council's Commissioning, Operations, Brokerage and Finance teams do not regularly meet to discuss internal performance and issues.

The following operational weaknesses were identified:

- Not all providers on the GLA actively bid for work and the pool of providers available does not always meet the quality of care required. However, the data to support the extent of this problem has not yet been produced by the Brokerage team.

- Service Agreements are sometimes issued after a provider has commenced work. This means there can be delays in payments due to providers as the data does not always appear in the Controc System until after a provider invoice falls due.

- Concern was raised regarding the fees paid for the level of care being provided. There are currently 2 pricing bands which can't clearly be distinguished from one another. The care bands need to be clearer and potentially expanded so that the level of care provided meets the needs required and providers are paid proportionately to the level of care given.

- A mini search email is sent to all providers on a weekly basis, which is a log of all open placements. Improvements could be made to the weekly mini search email so providers stay engaged and can more easily keep track of what they could bid for. For example, it would be beneficial if the mini search had a date added column and more detail than 'ASAP or Urgent' in the 'date placement is required' field so providers can manage their availability better.

Action taken:

Officers reviewed the GLA forum earlier this year, as the provider volunteer stepped back from this role. We are now actively working with a committee of 6 providers who are supporting the wider GLA provider group. We also agreed

and signed off the Terms of Reference in February 2022. The Committee of providers regularly engage with their allocated group of GLA providers for feedback. This approach appears to be working well.

At each forum officers ask for feedback on the structure of the meeting and members have confirmed that this format works well for them and that they find the forums informative. We are using these forums to invite other stakeholders for further information sharing.

We have also had smaller workshop sessions with providers around specific areas, such as finance, support planning and accommodation.

The number of non-engaging providers, that do not have business in Wiltshire, is still a concern and we have been working with our procurement colleagues to write to these providers to remove them from the framework.

The Council's key internal functions do meet regularly to discuss performance and issues. Internal relationships between commissioning and operations have improved and we continue to build on our positive relationships with GLA providers. We have an alert policy in place to support with the quality assurance process. We have also introduced multi-disciplinary team meetings with our Provider Oversight and Support Team for providers of concern.

The Commissioning and brokerage relationship has improved in the last 6 months, with daily communications, a clear escalation plan and easy access to information and data.

The issuing of Confirmation of Service Agreements still requires some improvement to ensure they are issued prior to a package commencing, Brokerage are working on this, and this should improve as vacant posts are recruited to.

We have been engaging with the GLA providers about the two bands and the fee levels for these. There is some challenge from providers about the minimum training requirement for band 2 providers and the discrepancy between some organisations. Officers will be addressing this through the re-tender of the GLA as we are unable to change the current framework.

We have a small cohort of people that we have had to go off framework for to find a provider and use spot provision, which has meant a higher hourly rate. We are engaging with these providers to try and get them to sign up to the GLA.

The brokerage team has been engaging with providers to alter the way in which the mini search takes place. The gaps in data have been rectified, e.g., priority and start date. We have also discussed and used pen pictures as a starting point and we have been using a targeted approach to providers and vacancies, where possible. This is also highlighting where we consistently do not get a response from providers.

We have had some providers handing back multiple packages of care and have successfully transferred to other GLA providers, ensuring that we maintain costs.

Any actions that arise in the meetings will be monitored, action owners and deadlines will be assigned.

The Brokerage team will gather data to assess how many providers are actively bidding for work and determine if the GLA providers available meets the quality of care required.

We will review the GLA pricing bands so they can clearly be distinguished from one another and consider if other pricing bands should be added in the future.

Next Steps

7. The lessons learned from this tender will be shared for future tender processes. There are some 'quick wins' as well as some longer-term actions we plan to take to ensure lessons are implemented for the benefit of the Council, particularly as we start to plan for the replacement of the GLA in 2023. Consultations with other local authorities in relation to how they deliver their banding structures are underway.

8. A Wiltshire Living Well Strategy has been developed with key partners and will go to Cabinet in October 2022.

Developing and sharing good practice

9. The team used several templates, both procurement and project management related. These templates can be adapted and used by other tenders. The project plan template for example will provide a good basic set of tasks to consider as well as indicative resource required. Other templates such as risk management, decision logs etc can be adapted from core Council ones developed by the Programme and Systems-Thinking team. We will encourage use of these templates in future tenders through the development of a toolkit.

10. We have also utilised SharePoint by using a collaboration space that multiple teams can access the information and data.

11. We undertook a review of due diligence across the directorate when placing with out of county providers, building on the existing good practice in the learning disability area.

Co-Production

12. Engagement with providers continues to work well as well as having designated officers as main contacts for providers.

13. Officers have engaged with Wiltshire Care Partnership to ensure that specialist providers are kept informed.

14. We also continue to engage with Wiltshire Centre for Independent living who have supported our user engagement and provided various reports to support how we commission future services.

15. We still have some progress to make in having an outcome based, fully person-centred approach, however we can evidence co-production; working with providers to consider solutions to issues around service delivery.

Overview and Scrutiny Engagement

16. No overview and scrutiny engagement has taken place. The Audit and Governance Committee are responsible for the review and approval of internal audits.

Safeguarding Implications

17. There are no safeguarding implications associated with this report.

Public Health Implications

18. There are no public health implications associated with this report.

Procurement Implications

19. There are no procurement implications associated with this report.

Equalities Impact of the Proposal

20. There are no equalities impacts arising from this report.

Environmental and Climate Change Considerations

21. There are no environmental and climate change considerations arising from this report.

Risks that may arise if the proposed decision and related work is not taken

22. The paper being presented does not require a decision to be made

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

23. The paper being presented does not require a decision to be made.

Financial Implications

24. There are no financial implications to this report. A Cabinet report will be submitted in January 2023 for the replacement of the GLA framework.

Legal Implications

25. There are no legal implications associated with this report.

Workforce Implications

26. There are no workforce implications associated with this report.

Options Considered

27. The Director of Procurement and Commissioning is required to address the issues raised in the audit of the GLA tender as soon as reasonably practicable.

Conclusions

28. It is recommended that the Audit and Governance Committee note the action taken following the internal audit of the GLA tender and the progress made.

Helen Jones
Director of Procurement and Commissioning

Report Author:
Helen Jones, Director of Procurement and Commissioning
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10 June 2022

Appendices – None

Background Papers

Audit Action Plan

Task	Status	Target Date	Completed	Comments	Action	Outcome	Owner
OVERALL PROJECT							
Ongoing Improvements							
Difference between Band 1 and 2	In progress	01-Sep-21	Y	We have a description for level of need but are missing staffing			Vicky Bayley
What does this mean in terms of staff training	In progress	01-Jun-22	In Progress	Need to understand this from a provider viewpoint . Different training matrixes from support providers have been reviewed. These are extensive and from manual handling, to having a degree in social care. Training will not be relevant to those organisations who dont support people with specific needs - if they pay for staff to do the training then dont win any	Do not believe the level of training can reastically feed into banding. This is open to too many anomolies and associated risks of unfairness. Scoping with other LA frameworks to feed into final decision		CD
Implementation meeting with ops/brokerage/LAS etc -understand barriers to EOI receipts	In progress	01-Aug-22	In Progress	CD to meet with Brokerage to understand how Wiltshire Council send these and what it looks like upon receipt by support provider. Meeting dates suggested - awaiting confiramtion.	Meeting arranged 23rd June with Debs Elliot and Sarah Young		CD
Reach out to other local authorities for feedback on bandings and other relevant queries	In progress	01-Jul-22	In progress	To compile a list of queries and share with commissioners we have close working relationships with	Meeting with Torbay CC 24th June 22. Meeting with Somerset CC TBC		CD
Meet with Procurement to discuss, review and next steps	In progress		In progress	Meet with Nick Buchanan and to gain feedback from Procurement perspective	Meeting arranged 23rd June 22		CD
Key Perfomance Indicators							
Confirm new CM processes in PAMMS	In progress	01-Sep-22	In Progress	Understand the contractrual obligations that need to reflect PAMMS			CD
Contract Monitoring	In progress	01-Oct-22	In Progress	Review how we will contract monitor in line with expecations of PAMMS			CD
Send Letters of 90 day notice to those who have not engaged and do not have any POC;s in Wilts	In progress	02-Oct-22	In Progress	WLC to review existing Alliance members to establish engagement, current packages and future intentions in relation to delivering support in Wiltshire. Work with procurement, understand why they've applied. What T&Cs we have in place to remove those providers not responding as well as those not wishing to work in Wiltshire	19.5.22 Letter with Debs Jeff to approve - CD to chase. To reduce provider list to around 40 providers		CD
Survey GLA providers who do have POC in Wiltshire but do not engage with new packages or Forums	In progress	03-Oct-22	In Progress	Create Survey to email out to Providers?			CD
Confirm Business Case Internal KPI's	In progress	04-Oct-22	In Progress	This will depend on what we choose within the PAMMS system			CD
Finance							
Approach to contractrual uplift 2022 RCH & SL	Pending	01-Sep-22	In Progress	Contract confirms CPI for RCH and 1.5% for SL under 4.4 Pricing of service specification and within the drawdown agreement currently - What will be the agreed amount for the new contracts?			CD
What's happening with CareCubed 2021	In progress	01-Oct-22	No	To confirm ongoing use of Care Cubed and whether using this as a took needs to be written into the new contracts			CD
Quality Monitoring/Contract Management							
Providers on requires improvement, do we want to include this as a concern alongside inadequate?	Pending	01-Nov-22	No	Need to review current contract terms as to WC reactions for inadequate providers			CD
Engagement with Wiltshire Care Partnership	Pending	01-Sep-22		Engage with WCIL for additional support			CD
Non Engagement Feedack Form for non attendance at Forums	Pending	02-Sep-22		To drill down on non engagement and consider contractual obligations			AC - TBC
Dedicated Forums to seek feedback on the GLA re-ternding process	In progress	01-Sep-22	In Progress	Meetings arranged - June and September	Next meeting 28th June		CD
Doing - Procurement							
Evaluation sessions to continue with new framework?	Pending	01-Jan-23	No	Do we look to have the same 3 monthly rounds on the new framework?			CD
Reference request form	Pending		Y	Reference Request form to be reviewed if needed			CD
Terms and conditions - are we confident this is sufficient (temp abs. due to covid)	Pending			Produce a supporting template for brokerage & operations with the T&Cs and what ifs... Create a temp. abs notification form for providers to complete and share with WLC , inline with 13wks/Housing benefit claims			
Variation of Contract Issued to cover Uplifts							
Variation of Contract to cover QA in relation to the new PAMMS system							
Spot T&Cs	Pending			With legal			Amy Williams
Review other DPS Frameworks used	Pending						

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Wiltshire Council

Audit and Governance Committee

21 July 2022

Subject:	**Regulatory updates**

Executive Summary

This report presents an update to the committee on some areas of governance regulation, including the Redmond Review, Local Enterprise Partnerships, and the national issue on audit sign-off of accounts.

Proposal(s)

To note the updates on the governance regulatory areas provided.

Reason for Proposal(s)

The Audit & Governance Committee need to be kept abreast of changes and updates to the regulatory environment, to ensure the governance and control environment of the council remain appropriate and robust and action is taken early to address changes that may be required.

Andy Brown
Corporate Director of Resources and Deputy Chief Executive (S.151 Officer)

Wiltshire Council

Audit and Governance Committee

21 July 2022

Subject:	Regulatory updates

Purpose of Report

1. This report sets out updates to some areas of the regulatory environment, including the Redmond Review, Local Enterprise Partnerships, and the national issue on audit sign-off of accounts.

Relevance to the Council's Business Plan

2. Providing updates to the Audit and Governance committee on the regulatory environment ensures the committee need to be kept abreast of changes and updates that may affect the governance and control environment of the council, and allows the committee to ensure that the frameworks, policies and practices remain appropriate and robust and action is taken early to address changes that may be required.

Background

Redmond Review

3. The Redmond Review was an independent review undertaken by Sir Tony Redmond which was carried out in response to issues that were raised on the quality of local authority financial reporting and external audit. A call for views was issued in September 2019 inviting views, information and evidence from direct and indirect interested parties. Conclusions and recommendations were published in September 2020, and an initial government response to those recommendations in December 2020.

4. During the last year government have continued to consider the recommendations and have implemented elements of their response, such as the lengthening of the deadlines in the audit and publication of the statutory accounts, the need for increases in fees charged for the audit process to support the new and increasing requirements on external auditors, system leadership, and elements of the enhanced function of audit and governance.

5. More specifically an additional grant was provided to councils for the expected increase fees, with £15m provided nationally and Wiltshire Council's allocation being £76k. Deadlines for the audit and publication of the statutory accounts have been extended for the financial year 2021/22 to 30 November 2022 and reverts back to 30 September for the five years to 2027/28.

6. Further announcements were made at the end of May 2022 and government has confirmed plans to establish a new regulator, the Audit Reporting and

Governance Authority (ARGA) and a shadow system leader arrangement through the Financial Reporting Council will be in place from September 2022. Plans have also been announced to make audit committees compulsory for all councils and include a requirement for at least one independent member be appointed to that committee.

7. Work continues with stakeholders to refine proposals around the commitments from government and further updates will be provided to this committee as government make further announcements.

Local Enterprise Partnerships

8. Local Enterprise Partnerships (LEPs) are non-statutory bodies responsible for local economic development in England. Swindon and Wiltshire LEP is the LEP that manages this responsibility for the council. The council is the main accounting body for the grant funding provided by government for much of the activity approved and coordinated by SWLEP.

9. In 2021 a review of LEPs was undertaken by Cities and Local Growth Unit, reporting jointly to the Department for Business, Energy and Industrial Strategy (BEIS) and Department for Levelling Up, Housing and Communities (DLUHC). This followed the curtailment of LEPs role in allocating funding and the set up of the Levelling Up Fund and the UK Shared Prosperity Fund, which are both being administered by councils direct. Where combined authorities exist, it is expected that the LEPs and their activity will be integrated with the combined authority by 2030. These are indications that more funding will be directed through councils and the role of LEPs is likely to be in the form of joint working and collaboration rather than the approval of funding priorities.

Accounts External Audit sign-off

10. Following on from the update given by the Chair of the Audit and Governance Committee at the meeting on 27 April on the national issue that is holding up the final audit sign-off of the 2019/20 Accounts a further update is provided. A national task and finish working group was set up by CIPFA in March 2022 and following several meetings a short national consultation was issued in May, which set out the proposal on Infrastructure Asset Accounting and reporting to resolve the issue, along with a draft form of guidance on the accounting treatment and requirements.

 Main Considerations for the Council

Redmond Review

11. There is little impact for the council to consider as a result of the latest government responses to the Redmond Review. An Audit Committee already is in place in the form of this Audit and Governance Committee. The Committee have already approved, and a recruitment process is underway, to appoint an independent member. A recruitment process has been undertaken and initially no interest was received, therefore a recommendation has been made to the Independent Remuneration Panel to provide remuneration for this position. Once approved by Full Council the recruitment process will be re-launched.

12. It is also likely that further changes to the Accounting Code of Practice will come forward in future years to address some of the underlying reporting issues and changes will be reported to this committee through the training provided to support the committee's responsibility for approving the accounts.

Local Enterprise Partnerships

13. The council are not expecting any significant change with the SWLEP and will continue to administer the current funds on behalf of the LEP. The council are actively working on the allocation of the UK Shared Prosperity Fund to ensure outcomes are maximised.

Accounts External Audit sign-off

14. We are awaiting final confirmation of the changes to the Accounting Code of Practice and are expecting further disclosure requirements, specifically for Infrastructure Assets with the need for a specific Accounting Policy on the valuation of these assets. The expectation remains that the 2019/20 accounts will be signed off by the external auditor during summer which will be followed by the approval of the accounts to be made by the Corporate Director of Resources and Deputy Chief Executive (S151 Officer) in consultation with the Chair of the Audit and Governance Committee. This further delay may impact on resources available to progress the 2020/21 Accounts and 2021/22 Accounts through the audit process, and therefore sign-off that was originally planned November may not be possible, although focus will be given to this important area and November remains the target date for approval.

Overview and Scrutiny Engagement

15. No overview and scrutiny engagement has taken place due to the responsibility of governance lying with the Audit and Governance committee. These updates relate to governance and control environment considerations for the council.

Safeguarding Implications

16. There are no safeguarding implications associated with this report.

Public Health Implications

17. There are no public health implications associated with this report.

Procurement Implications

18. There are no procurement implications associated with this report.

Equalities Impact of the Proposal

19. There are no equalities impacts arising from this report.

Environmental and Climate Change Considerations

20. There are no environmental and climate change considerations arising from this report.

Risks that may arise if the proposed decision and related work is not taken

21.   There are no proposed decisions within this report.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

22.   There are no proposed decisions within this report.

Financial Implications

23. There are no direct financial implications as a result of this report.

Legal Implications

24. There are no legal implications associated with this report.

Workforce Implications

25. There are no workforce implications associated with this report.

Options Considered

26. It is good practice to provide the Audit and Governance committee regular updates to the regulatory environment that are pertinent to governance and control environment aspects of the running of the council, that fall within the responsibility of the committee. To not provide updates may mean that the governance and control environment of the council is not appropriate and robust and action or action is not taken early to address changes that may be required to frameworks, policies and procedures.

Conclusions

27. It is recommended that Audit and Governance Committee note the contents of this report.

Andy Brown
Corporate Director of Resources and Deputy Chief Executive (S.151 Officer)

Report Author: Lizzie Watkin, Assistant Director of Finance, lizzie.watkin@wiltshire.gov.uk, 01225 713065

11/07/2022

Appendices

None

Background Papers

None

Audit and Governance Committee
Proposed Forward Work Plan 2022

Please note that the FWP is a dynamic document, updated on a regular basis as required

Meeting Date	Item	Responsible Officer	Draft Report Deadline	Publication Deadline
27 Sep 2022 **Date to be moved**	Internal Audit Reports Q1 IA Report 2022/23 and consolidated IA outstanding management actions report Q3 plan	SWAP/ Andy Brown	14 Sep	19 Sep
	AGS 2021/22	Perry Holmes/Maria Doherty		
	Corporate Risk	Toby Elliot		
	Stone Circle Annual Governance Update	Perry Holmes/Stone Circle		
	Update on Fraud	Lizzie Watkin		

Audit and Governance Committee
Proposed Forward Work Plan 2022

Please note that the FWP is a dynamic document, updated on a regular basis as required

Meeting Date	Item	Responsible Officer	Draft Report Deadline	Publication Deadline
23 Nov 2022	Statement of Accounts 2020/21 TBC To approve the SoA 2020/2021 including: Report to those Charged with Governance (ISA 260) 2019/20 To include assurance from the Pension Committee, 2 Letters of representation, AGS, statements	Lizzie Watkin/ Andy Brown/ Deloitte	9 Nov	15 Nov
	Statement of Accounts 2021/2022 TBC To approve the SoA 2021/2022 including: Report to those Charged with Governance (ISA 260) 2019/20 To include assurance from the Pension Committee, 2 Letters of representation, AGS, statements	Lizzie Watkin/ Andy Brown/ Deloitte		
	Internal Audit Reports Q2 IA Report 2022/23 and consolidated IA outstanding management actions report Q4 plan	SWAP/ Andy Brown		

Audit and Governance Committee
Proposed Forward Work Plan 2022

Please note that the FWP is a dynamic document, updated on a regular basis as required

Meeting Date	Item	Responsible Officer	Draft Report Deadline	Publication Deadline
8 Feb 2023	Internal Audit Reports Q3 IA Report 2022/23 and consolidated IA outstanding management actions report Q1 plan 2023/24	SWAP/ Andy Brown	25 Jan 2023	31 Jan 2023
	Governance Update on AGS	Perry Holmes/Maria Doherty		
	Corporate Risk Update	Toby Eliot		

Audit and Governance Committee
Proposed Forward Work Plan 2022

Please note that the FWP is a dynamic document, updated on a regular basis as required

Meeting Date	Item	Responsible Officer	Draft Report Deadline	Publication Deadline
Late April 2023 – date tbc	Internal Audit Reports Q4 IA Report 2022/23 and consolidated IA outstanding management actions report Q2 plan 2023/24	SWAP/ Andy Brown	TBC	TBC
	External Audit Plans	Deloitte		
	Policies on Anti-Fraud and Corruption, Anti-Tax Evasion, Whistleblowing – every other year	Lizzie Watkin / Frank Cain / Perry Holmes		
	Accounting Policies 2022/23	Lizzie Watkin / Sally Self		