

Wiltshire Council

Approach to Internal Audit Planning 2023/24

Internal Audit Planning 2023/24: A Revised Approach

The work of Internal Audit should align strategically with the aims and objectives of the organisation; taking into account key risks, operations and changes. In order to do this Internal Audit needs to be flexible in adapting audit plans to handle rapidly changing risks, priorities and challenges.

It is the responsibility of the Extended Leadership Team, and the Audit & Governance Committee to ensure that the audit work scheduled and completed throughout the year contains sufficient and appropriate coverage of key risks.

Approach to Internal Audit Planning 2023/24

Background

The COVID pandemic required Local Authorities to be responsive and adaptive, needing them to be able to re-prioritise and shift focus at speed. Whilst the pandemic is no longer the threat that it was, the ever-changing landscape within Local Government is likely to be here to stay. As a result, it is important that SWAP adopts a similarly flexible and responsive approach to audit planning, ensuring that we are supporting the Council by collaboratively aligning our work to its aims, objectives and key risks. This should ensure that we are auditing the right things, at the right time; enabling us to provide insight and value when and where it is required.

Approach to Internal Audit Planning 2023/24

Our approach to Internal Audit planning throughout 2023/24 will be a continuous risk assessment and rolling plan approach. Rather than present a proposed annual plan at the start of the year or periodically throughout the year, which can be subject to a high level of uncertainty and change, we will build our plan in conjunction with management as the year progresses.

The resulting programme will be a combination of requested audit work aligned to service priorities, combined with audit work recommended by SWAP, driven by our continuous risk assessment. This risk assessment will be based on the Council's strategic and service risk registers, as well as the Council's performance management data. Overlaid onto this assessment will be SWAP's sector-wide top 10 risk areas, and consideration of the eight strands of our 'Healthy Organisation' framework. The results of our risk assessments will be shared with Senior Management in Directorates to obtain their view on the value of internal audit involvement. In developing risk assessments, we will also take account of other sources of assurance, where relevant.

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

School Audits

From 2023/24 we plan to change our approach to school audits. These reviews currently exclusively cover the elements of the Schools Financial Value Standard (SFVS) and the focus on other themes has been limited. We have discussed this work with Senior Management and agreed that we can add significantly more value to the Council by undertaking themed reviews that align better to the Council's risk profile.

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* Across the next year the Institute of Internal Auditors (IIA) is planning a change to the current *International Professional Practices Framework (IPPF)* which will ultimately be known as *The Global Internal Audit Standards*.

The Internal Audit Charter, which is reviewed annually by this Committee, and guides the work of internal audit is based around the existing IPPF.

SWAP is contributing to the consultation on the proposed new Global Internal Audit Standards. As such we will be reviewing the Charter as further information becomes available from the IIA and will bring a revised charter to the Committee for approval later in the year.

In the meantime, we will continue to operate in accordance with our existing charter.

Delivery of an internal audit programme of work that provides sufficient and appropriate coverage of key risks, will enable us to satisfy our requirement to provide a well-informed and comprehensive year-end annual internal audit opinion. Our audit work is governed by our Internal Audit Charter* and complies with the International Professional Practices Framework of the Institute of Internal Auditors.

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We would encourage ELT and the Audit & Governance Committee to regularly review our live audit plan to assess our rolling internal audit coverage.

This will help to confirm:

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



A Rolling & 'Live' Programme of Audit Work

A 'live' record of our internal audit programme – Planned, In Progress & Completed work

Throughout the last quarter of 2022/23 we have developed and refined a live rolling plan document which is held on SWAPs audit software, AuditBoard. Committee members and Senior Council officers are able to access and view our live rolling audit plan document.

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

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

We also highlight within the document any work that may have been 'Deferred' or 'Removed' from our programme of work, and the reasons for this.

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

We will continue to provide a detailed list of audits undertaken as part of the Annual Opinion report and also report any significant corporate risks through an update report as the Committee has seen previously.

Internal Audit Planning 2023/24: SWAP Internal Audit Services

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

Over and above our Internal Audit service delivery, SWAP will look to add value throughout the year wherever possible. This will include:

- Benchmarking and sharing of best-practice between our public-sector Partners.
- Regular updates containing emerging issues, risks and fraud alerts identified across the SWAP partnership and beyond.

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

We will:

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



Your Internal Audit Service

Audit Resources

The 2023/24 Internal Audit programme of work will be resourced to an equivalent of 1,709 days (a reduction from 2022/23, which was equivalent to 1,800 days). The current Internal Audit resources available represent a sufficient and appropriate mix of seniority and skill to be effectively deployed to deliver the expected work.

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

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

Becky Brook, Principal Auditor – becky.brook@swapaudit.co.uk 020 8142 5030

External Quality Assurance

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors (IPPF). These are due to be replaced with the Global Internal Auditing Standards in 2024.

Every three years (which is more regular than the required five yearly assessment), SWAP is subject to an External Quality Assessment (EQA) of Internal Audit Activity. The last of these was carried out in March 2020 which confirmed 'General Conformance' with the IPPF. Due to the above changes to the Global Internal Auditing Standards, SWAP is currently considering when it will undertake its next External Assessment which is not formally required until March 2025.

Conflicts of Interest

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

Our Reporting

A summary of Internal Audit activity will be reported quarterly to Executive Leadership Team (ELT) and the Audit & Governance Committee (*as well as our 'live' rolling plan document highlighted above being available throughout the year*). Our reporting to ELT and the Audit & Governance Committee will include any significant risk and control issues, governance issues, and other matters that require the attention of ELT and/or the Audit & Governance Committee. We will also report any response from management to a risk we have highlighted that, in our view, may be unacceptable to the organisation.