

**Wiltshire Council**

The logo for Wiltshire Council, featuring the text "Wiltshire Council" in a green, sans-serif font. Below the text is a green, wavy horizontal line.

# Wiltshire Council

## Internal Audit Annual Opinion Report 2023-24

**Internal Audit ■ Risk ■ Special Investigations ■ Consultancy**

Unrestricted

## Internal Audit Annual Opinion – 2023/24: 'At a Glance'



**Reasonable internal audit opinion provided;**



**Building on our audit coverage with an aim to deliver assurance across key strategic risks;**  
(The rolling plan approach helps us to ensure that we are delivering the right audits at the right time)



**Three Limited assurance opinions issued; none were reported as a Significant Risk;**  
(Three significant risks previously reported in 2022/23. Two have been followed up during 2023/24 but insufficient evidence available to confirm mitigation of risks and mitigation of the other significant risk is a longer-term ambition of the Council)



**A range of innovations and enhancements being made to our internal audit process throughout the year;**  
(Enhancements to our flexible planning process, use of dashboards for reporting, enhancement of agile auditing)

## Executive Summary

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

Annually we provide you with our Internal Audit Charter, for your approval, that reflects the role and responsibilities, of us as internal auditors within your organisation. Our Charter typically accompanies our internal audit risk-based plan detailing the planning approach we are proposing for the year ahead.

### Purpose

The Head of Internal Audit 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;
- 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;
- Provide the opportunity to review the work actually undertaken during the year, and summarise the performance of the Internal Audit function against its performance measures, criteria and standards; and
- 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.

### Background

The Internal Audit service for Wiltshire Council is provided by the SWAP Internal Audit Services. New Global Internal Audit Standards are being introduced in 2025, however during 2023/24 SWAP work was 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. Internal audit provides an independent and objective opinion on the Authority's control environment by evaluating its effectiveness. This report summarises the activity of SWAP for the 2023/24 year.

## Executive Summary

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



### Annual Opinion

I have considered the balance of 2023/24 audit work for Wiltshire Council, enhanced by the work of external agencies and am able to offer **Reasonable Assurance** in respect of the areas reviewed during the year, as most were found to be adequately controlled. Generally, risks are well managed, however some areas require the introduction or improvement of internal controls to ensure the achievement of the Council's objectives.

The significant risks identified in 2022/23 in relation to **Pension Payroll Reconciliation** and **Pension Fund Key Controls** have been followed up and are still yet to be evidenced as adequately mitigated. We will be undertaking a further full audit of the Pension Fund Key Controls in April 2024 and will report the outcome to this Committee. In relation to the **ICT Network Boundary Defences** this forms part of a longer-term project, and we will be providing the Committee with updates on progress throughout the project period.

There have been no significant corporate risks identified in the work Internal Audit work undertaken in 2023/24.

The table at [Figure 1](#) below, captures our audit coverage this year, mapped against the Authority's strategic risks, and the audit assurance outcomes of those risk areas that we have reviewed. The table demonstrates that we have provided some level of audit work across a number of strategic risks during the last year. There is work ongoing by Risk Management which should ensure that, going forward, we are able to demonstrate that we are providing wider audit coverage across the key risks that Wiltshire Council faces.

# Executive Summary

Internal Audit coverage should be aligned to key corporate priorities and key corporate risks.

Figure 1 highlights our assessment of Internal Audit coverage against the Strategic Risks within 2023/24.

**Figure 1: Audit Coverage by Strategic Risk**

Strategic Risk	Coverage (Completed Audits)	Average Opinion of Completed Audits
WC R01 - Unable to meet demand for special educational needs or disability (SEND) school provision	None	
WC R02 - Lack of capacity in the social care market	Some	Non Opinion Audits
WC R03 - Failure to manage housing developing	None	
WC R04 - Increasing vulnerability to climate impacts	None	
WC R05 - Uncontrolled cost of social care (predominately adults)	Some	Substantial
WC R06 - Cyber Resilience	Some	Limited
WC R07 - Impact of negative media/social coverage on the Council	Some	Reasonable
WC R08 - Failure in Safeguarding Children	Some	Reasonable
WC R09 - Information Governance	Some	Reasonable
WC R10 - Income Collection	Adequate	Reasonable
WC R11 - Corporate Health, Safety and Wellbeing	Some	Reasonable
WC R12 - Hospital discharges resulting in high cost and highly restrictive packages of care	None	
WC R13 - Budget Management	Good	Reasonable
WC R14 - Not on track for the Council to be carbon neutral by 2030	Some	Reasonable

Coverage	Description	Assurance	Description
Good	Good audit coverage completed	Substantial	Sound system of governance, risk management and controls exist
Adequate	Adequate audit coverage completed	Reasonable	Generally sound system of governance, risk management and control in place
Some	Some aspects of audit coverage completed	Limited	Significant gaps, weaknesses or non-compliance were identified
In Progress	Some aspects of audit coverage in progress	No Assurance	Fundamental gaps, weaknesses or non-compliance identified
None	No audit coverage to date		

## Executive Summary

### Implementation of Agreed Actions

**It is the responsibility of Internal Audit to establish a process to monitor and ensure that management actions have been effectively implemented.**

### Risks Accepted

**Where control weaknesses have been brought to the attention of senior management and a decision is taken by them to accept the risk and not implement remedial action this should be brought to the attention of the Audit Committee.**

### Implementation of Agreed Actions and Risks Accepted

Over the past year, the SWAP team has been developing a process of regular follow up of audit actions to ensure appropriate implementation. In this time, we have seen the number of long outstanding actions reducing significantly. SWAP is in the process of refining further dashboards which will give management a real time view of the status of all open actions. We are also in the process of ensuring that we have sufficient engagement with each Directorate and have appointed Directorate Champions within the audit team to become the point of contact for Council Directorates. In addition, we have identified key contacts in each Directorate whom we will work with to ensure timely updates of any overdue actions.

It is recognised that there will be occasions where audit make recommendations to mitigate risk exposure and after consideration of the proposed action, the service decide to accept the risk. On a positive note, there were **no** audit actions that were 'risk accepted' during 2023/24. We believe that instances of risk acceptance are likely to have been mitigated by the collaborative and inclusive agile auditing approach now used by the SWAP team.

# Audit Outcomes

## Summary of Audit Opinions

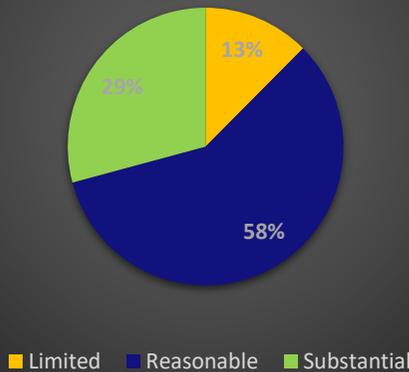
At the conclusion of an audit assurance assignment each review is awarded an Audit Assurance Opinion:

- **Substantial** – A sound system of governance, risk management and control exists.
- **Reasonable** – There is a generally sound system of governance, risk management and control in place.
- **Limited** – Significant gaps, weaknesses or non-compliance were identified.
- **No** – Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified.



## Summary of Audit Opinions and Audit Work by Type

### Table 1: Summary of Audit Opinions



### Table 2: Audit Work by Type

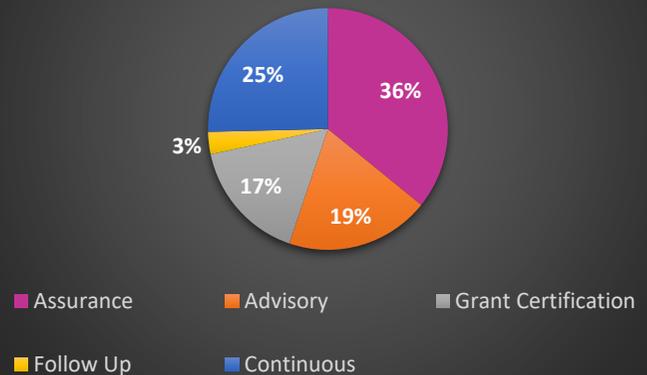


Table 1 above indicates the spread of assurance opinions across our work completed during the past year.

Table 2 indicates the audit work by type. Whilst assurance work is the main focus of Internal Audit, in an ever-changing landscape, Internal Audit has the knowledge and skills to be able to provide advisory work that supports the organisation in understanding these changes.

### Value Added

**'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.'**



### Value Added

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 £13640 for 2023/24 to enable Wiltshire Council to be part CiFAS. This data matching service will help the Council to both prevent and detect fraud. SWAP has supported the Council to explore and roll out, where possible, the use of the CiFAS database in the following areas:

- Insurance Team
- Blue Badges
- Revenues and Benefits Team
- Right to Buy

We have additional work ongoing to support HR and other areas in the use of CiFAS.

SWAP has arranged training with CiFAS for these teams in using the database so that data matching can be started. It remains SWAPs ambition to roll out the use of the CiFAS database more widely across the Council. Its introduction across other councils has had a positive benefit; for example, a reduction in the number of speculative insurance claims being received.

#### **Benchmarking, Surveys and Data Analytics**

During the year as part of our audit work, we have looked to provide additional information on top of our standard audit report. This might be benchmarking across the SWAP partnership or the wider reach of the Chief Internal Auditors Network. It could also take the form of undertaking surveys across appropriate internal groups to further evidence and enhance our work and using the SWAP's Data Analytics team to undertake analysis and enhance the way in which this is presented to the Council. Examples of this added value work are:

- Schools - Model Finance Policy;
- Risk Management – Review of Council's new risk register template and advise of the use of Power BI for reporting;
- Review of proposed new Risk Management Policy;
- Sharing of PFI Report;

- Bevan Brittan – Procurement Act, signposted to training;
- Climate Change Culture - benchmarking report; and
- Payroll Advice regarding Oracle.

### **Financial Saving**

As part of the S106 Financial Control review we identified £125,000 of S106 money that had not been invoiced for.

### **Regular updates**

To help key officers in the Council keep abreast of changes, SWAP produces a monthly newsletter that provides information on topical areas of interest for public sector organisations.

### **Counter Fraud Team**

SWAP's Counter Fraud team have been providing specialist fraud expertise during the year, along with 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.

# Audit Performance 2023/24

The Chief Executive of SWAP reports overall performance of the company on a regular basis to the SWAP Board of Directors.



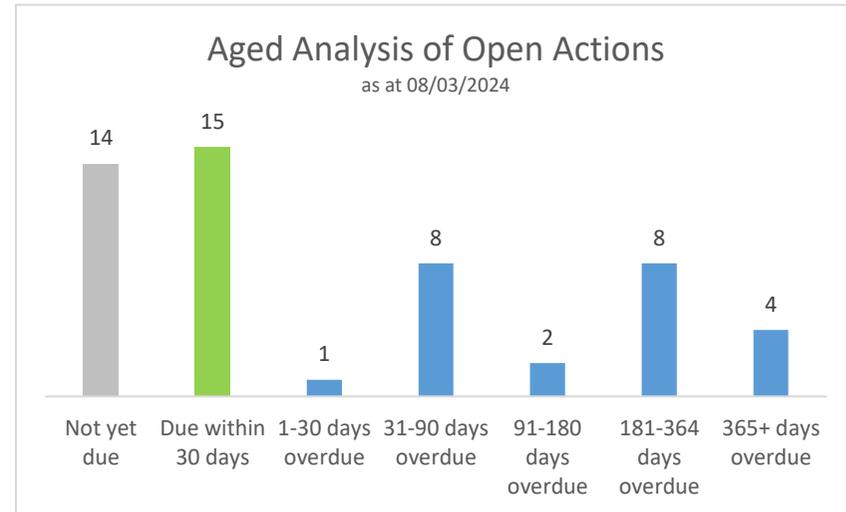
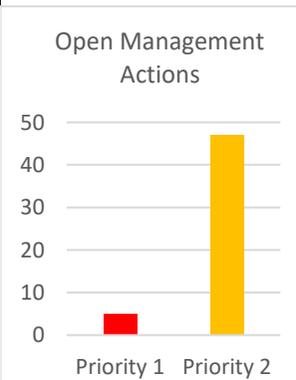
## SWAP Performance

SWAP’s performance is subject to regular monitoring and review by both the Board of Directors and Owners Board. The performance for Wiltshire Council for the 2023/24 year is as follows:

Performance Target	Performance Outturn
<p><b>Audit Value</b></p> <p>Client view of whether our audit work met or exceeded expectations, in terms of value to their area.</p>	100%
<p><b>Overall Score</b></p> <p>Based on the 18 Post Audit Questionnaires (out of 35 sent) that have been completed by the client.</p>	97.5%

### Implementation of audit actions

During 2023/24 we have worked closely with the Council to improve the number of long overdue Priority 1 and 2 actions. There are currently (as of 8<sup>th</sup> March 2024) 52 open actions, of which, 23 have exceeded the agreed implementation date and are now overdue.



At this time there is only one overdue Priority 1 action, and it relates to the Pension Payroll Reconciliation Project.

## Audit Performance 2023/24

Internal Audit is responsible for conducting its work in accordance with the Code of Ethics and Standards for the International Professional Practice Framework (IPPF) 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). Both standards require an Internal and External Assessment (at least every five years) of the Internal Audit function.

The latest assessment undertaken in March 2020 found SWAP to be 'Generally Conforming' with the International Professional Practices Framework and the Public Sector Internal Auditing Standards (PSIAS) and is the highest level of performance awarded. As a result of the External Assessment, a Quality Assessment Improvement Plan (QAIP) is produced and maintained. This document is a live document, reviewed regularly by the SWAP Board to ensure continuous improvement. As the new Global Internal Audit Standards have now been released, SWAP is considering when it will undertake its next External Assessment which is not formally required until March 2025.

## Summary of Internal Audit Work 2023/24

The schedule below contains the audit work undertaken in 2023/24, along with the respective outturn. Members and officers have access to this via the live rolling plan.

At the conclusion of audit assignment work each review is given an Audit Assurance; a summary of the assurance levels is as follows:

- Substantial – A sound system of governance, risk management and control in place;
- Reasonable – A generally sound system of governance, risk management and control in place;
- Limited – Significant gaps, weaknesses or non-compliance were identified; and
- No Assurance – Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified.

Audit Type	Audit Area	Status	Opinion	No of Agreed Actions	1 = Major	↔	3 = Medium
					Recommendation		
					1	2	3
<b>Assurance Work</b>							
Operational	Leisure Services (Wet Side)	Final	Reasonable (Low)	4	0	2	2
Operational	Payroll	Final	Substantial (High)	0	0	0	0
Operational	Section 106 Financial Control	Final	Limited (Low)	10	2	2	6
Operational	Main Accounting	Final	Reasonable (Medium)	6	0	0	6
Operational	Longleaze Primary School	Final	Reasonable (Medium)	3	0	1	2
Operational	Utility Contracts	Final	Reasonable (Low)	4	0	0	4
Operational	Risk Management	Final	Limited (Medium)	20	6	8	6
Operational	Identity Management in the Cloud	Final	Reasonable (Low)	2	0	0	2
Operational	Better Care Fund	Final	Substantial (Low)	1	0	1	0

## Summary of Internal Audit Work 2023/24

Audit Type	Audit Area	Status	Opinion	No of Agreed Actions	1 = Major	↔	3 = Medium
					Recommendation		
					1	2	3
Operational	Procurement Cards	Final	Limited (High)	5	0	3	2
Operational	Housing repairs	Final	Substantial (Medium)	2	0	0	2
Operational	Treasury Management	Final	Reasonable (Medium)	1	0	1	0
Operational	Accounts Receivable Annual Assurance 2023/24	Final	Substantial (High)	0	0	0	0
Operational	Accounts Payable Annual Assurance 2023/24	Final	Substantial (High)	0	0	0	0
Operational	Pension Fund Key Performance Indicators	Final	Reasonable (Medium)	4	0	2	2
Operational	ICT Project Management	Final	Reasonable (Medium)	2	0	0	2
Operational	Council Tax & Business Rates Annual Assurance 2023/24	Final	Reasonable (High)	3	0	2	1
Operational	Housing Benefits & Council Tax Support Annual Assurance 2023/24	Final	Reasonable (High)	1	0	1	0
Operational	Housing Rents Annual Assurance 2023/24	Final	Reasonable (High)	2	0	1	1
Operational	Climate Change	Final	Reasonable (Medium)	7	0	2	5
Operational	Payroll Annual Assurance 2023/24	Final	Substantial (Low)	0	0	0	0
Operational	Public Health – Health Improvement Service	Final	Substantial (Low)	4	0	0	4
Operational	Placement Sufficiency	Final	Reasonable (Low)	5	0	1	4

## Summary of Internal Audit Work 2023/24

Audit Type	Audit Area	Status	Opinion	No of Agreed Actions	1 = Major	↔	3 = Medium
					Recommendation		
					1	2	3
Operational	Coroners Support Service	Final	<b>Reasonable (Medium)</b>	7	0	2	5
<b>Advisory Work</b>							
Operational	Anti-Fraud and Corruption Advice	Final	Advisory	-	-	-	-
Operational	Schools Outstanding Actions	Final	Advisory	-	-	-	-
Operational	Audit #1057 (Investigation)	Final	Advisory	-	-	-	-
Operational	Schools Audit Benchmarking	Final	Advisory	-	-	-	-
Operational	Living My Life – Procurement Process	Final	Advisory	2	0	1	1
Operational	Audit and Governance Skills Audit	Final	Advisory	-	-	-	-
Operational	Power BI – School SFVS Returns	Final	Advisory	-	-	-	-
Operational	Pensions Payroll System Implementation (Altair)	Final	Advisory	-	-	-	-
Operational	Audit #1860 (Investigation)	Final	Advisory	-	-	-	-
Operational	New Evolve System Project Management	Final	Advisory	1	1	0	0
Operational	Decision Making – Changes to Interim Loans Calculation	Final	Advisory	1	0	1	0
Operational	Decision Making – Net to Gross – Adult Transformation	Final	Advisory	1	0	1	0
Operational	Pensions Payroll Data Migration SAP to Oracle	Final	Advisory	2	0	2	0
<b>Continuous Assurance</b>							

## Summary of Internal Audit Work 2023/24

Audit Type	Audit Area	Status	Opinion	No of Agreed Actions	1 =	↔	3 =
					Major		Medium
					Recommendation		
Operational	Accounts Payable Q4 2022/23	Final	Continuous Assurance				
Operational	Accounts Payable Q1/Q2 2023/24	Final	Continuous Assurance				
Operational	Accounts Payable Q3 2023/24	Final	Continuous Assurance				
Operational	Accounts Receivable Q4 2022/23	Final	Continuous Assurance				
Operational	Accounts Receivable Q1/Q2 2023/24	Final	Continuous Assurance				
Operational	Accounts Receivable Q3 2023/24	Final	Continuous Assurance				
Operational	Housing Rents Q4 2022/23	Final	Continuous Assurance				
Operational	Housing Rents Q1/Q2 2023/24	Final	Continuous Assurance				
Operational	Housing Rents Q3 2023/24	Final	Continuous Assurance				
Operational	Housing Benefits & Council Tax Support Q4 2022/23	Final	Continuous Assurance				
Operational	Housing Benefits & Council Tax Support Q1/Q2 2023/24	Final	Continuous Assurance				
Operational	Housing Benefits & Council Tax Support Q3 2023/24	Final	Continuous Assurance				
Operational	Council Tax & Business Rates Q4 2022/23	Final	Continuous Assurance				
Operational	Council Tax & Business Rates Q1/Q2 2023/24	Final	Continuous Assurance				

## Summary of Internal Audit Work 2023/24

Audit Type	Audit Area	Status	Opinion	No of Agreed Actions	1 = Major	↔	3 = Medium
					Recommendation		
					1	2	3
Operational	Council Tax & Business Rates Q3 2023/24	Final	Continuous Assurance				
Operational	Payroll Q4 2022/23 and Q1 2023/24	Final	Continuous Assurance				
Operational	Payroll Q2/Q3 2023/24	Final	Continuous Assurance				
<b>Follow Up</b>							
Operational	Pensions Key Controls	Final	Follow Up	9	1	8	0
Operational	Pensions Payroll Reconciliation Project	Final	Follow Up	1	1	0	0
<b>Grant Certification</b>							
Grant Certification	Supporting Families March 2023 Claim	Final	Grant Certification				
Grant Certification	Supporting Families June 2023 Claim	Final	Grant Certification				
Grant Certification	Supporting Families August 2023 Claim	Final	Grant Certification				
Grant Certification	Supporting Families September 2023 Claim	Final	Grant Certification				
Grant Certification	Supporting Families December 2023 Claim	Final	Grant Certification				
Grant Certification	Supporting Families March 2024 Claim	Final	Grant Certification				
Grant Certification	Rough Sleepers Accommodation Programme 2022/23	Final	Grant Certification				

## Summary of Internal Audit Work 2023/24

Audit Type	Audit Area	Status	Opinion	No of Agreed Actions	Recommendation		
					1 = Major	↔	3 = Medium
					1	2	3
Grant Certification	Next Steps Accommodation Programme 2022/23	Final	Grant Certification				
Grant Certification	S&WLEP Gateway Grant 2023/24	Final	Grant Certification				
Grant Certification	Bus Service Operators Grant 2022/23	Final	Grant Certification				
Grant Certification	Local Transport Capital Funding Grant 2022/23	Final	Grant Certification				
<b>Work In Progress</b>							
Operational	Implementation of CiFAS	In Progress					
Operational	Procurement Processes	In Progress					
Operational	ICT Configuration Management	In Progress					
Operational	Landlord Compliance – Gas Safety	In Progress					
Operational	Lifeguard Training and Competencies	In Progress					
Operational	Pension Fund Key Controls	Scoping					
Operational	Children’s Brokerage	Scoping					
Operational	Safer Recruitment	Scoping					
Operational	Direct Payments – Adults and Childrens	Scoping					
Operational	Missing Children	Scoping					