

AGENDA

Meeting: Audit
Place: Council Chamber - Council Offices, Monkton Park, Chippenham,
SN15 1ER
Date: Wednesday 19 December 2012
Time: 10.30 am

Please direct any enquiries on this Agenda to Stuart Figini of Democratic Services, County Hall, Trowbridge, direct line (01225) 718376 or email stuart.figini@wiltshire.gov.uk

All public reports referred to on this agenda are available on the Council's website at www.wiltshire.gov.uk .

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

Membership:

Cllr John Brady
Cllr Richard Britton
Cllr Nigel Carter
Cllr Peter Doyle
Cllr Mark Griffiths
Cllr George Jeans
Cllr David Jenkins
Cllr Julian Johnson

Cllr Alan MacRae
Cllr Helen Osborn
Cllr Mark Packard
Cllr Sheila Parker (Vice Chairman)
Cllr Pip Ridout
Cllr Jane Scott OBE
Cllr Roy While (Chairman)

Non-Voting Members
Cllr John Brady

Cllr Jane Scott OBE

Substitutes
Cllr Chris Caswill
Cllr Ernie Clark
Cllr Michael Cuthbert-Murray
Cllr Rod Eaton
Cllr Mollie Groom

Cllr Francis Morland
Cllr Jeff Osborn
Cllr Paul Sample
Cllr Bridget Wayman

Part I

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

1 Apologies and Membership Changes

2 Chairman's Announcements

3 Minutes of the Previous Meeting (*Pages 1 - 12*)

To confirm and sign the minutes of the Audit Committee meetings held on 7 and 19 September 2012. (copies attached)

4 Members' Interests

To receive any declarations of pecuniary or non-pecuniary interests or dispensations granted by the Standards Committee.

5 Public Participation and Committee Members' Questions

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. 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 the agenda no later than 5pm on Wednesday 12 December. 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 Annual Audit Letter (*Pages 13 - 22*)

A report by the Service Director of Finance and a letter from KPMG is attached.

7 Internal Audit Quarterly Update (*Pages 23 - 60*)

A report by the Service Director of Finance is attached along with an appendix from the South West Audit Partnership.

8 Forward Work Programme (*Pages 61 - 62*)

To note the Forward Work Programme

9 Date of next meeting

To note that the next regular meeting of the Committee will be held on 20 March 2013.

10 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

NONE

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AUDIT

DRAFT MINUTES OF THE AUDIT MEETING HELD ON 7 SEPTEMBER 2012 AT COUNCIL CHAMBER - COUNCIL OFFICES, MONKTON PARK, CHIPPENHAM, SN15 1ER.

Present:

Cllr John Brady, Cllr Richard Britton, Cllr Nigel Carter, Cllr Peter Doyle, Cllr George Jeans, Cllr David Jenkins, Cllr Julian Johnson, Cllr Alan MacRae, Cllr Helen Osborn, Cllr Jeff Osborn (Substitute), Cllr Sheila Parker (Vice Chairman), Cllr Jane Scott OBE and Cllr Roy While (Chairman)

Also Present:

26 Apologies and Membership Changes

Apologies were received from Cllrs Mark Griffiths, Mark Packard and Pip Ridout.

Cllr Mark Packard was substituted by Cllr Jeff Osborn for this meeting only.

27 Chairman's Announcements

The Chairman informed the Committee that the report on IT Control Systems, referred to in the 'Report to those Charged with Governance' had been delayed until the next meeting of the Committee, 19 September 2012, so that the outcomes from discussions between the Council and KPMG on outstanding issues could be incorporated in the report.

28 Minutes of the Previous Meeting

The minutes of the meeting held on **20 June 2012** were presented, and it was,

Resolved:

To approve the minutes as a true and correct record.

29 **Members' Interests**

There were no declarations.

30 **Public Participation and Committee Members' Questions**

The Committee noted the rules on public participation. There were no submitted questions or statements.

31 **Report to those Charged with Governance**

The Committee considered the report which had been prepared by the Council's external auditor, KPMG. The report summarised the conclusions and key issues arising from the recent audit of the Council's financial statements and their assessments of the Council's arrangements to secure value for money in its use of resources.

The Chairman drew the Committees attention to the Accounts production and audit process (page 22 of the agenda) where KPMG stated 'The controls over the majority of the key financial system are generally sound and the Council has continued to evidence a strong financial reporting process'.

Chris Wilson, Partner, KPMG, led the Committee through the significant points of the report, of note were;

- Audit adjustments were made but these were technical adjustments, presentational points
- The Council had implemented all the recommendations from *ISA 260 Report 20010/11* in relation to financial statements
- The Council had made proper arrangements to secure economy, efficiency, and effectiveness in its use of resources.
- KPMG anticipated issuing an unqualified value for money audit opinion by 30 September 2012

Members were reassured and pleased by the quality of the accounts and supporting documentation and thanked the Finance team and the representatives from KPMG for their hard work in preparing the report.

Officers responded to a number of questions from Members including:

- Derecognising assets from the accounts relating to schools which became academies in the year.

- The future proofing of the Revenues and Benefits system provided by Northgate and the system's capacity to incorporate new legislation i.e. Universal Credit which is being rolled out by 2017
- Reasons for delays in asset disposals and the need to reclassify properties held for sale but not sold yet, with some requiring a revaluation.
- Issues with staff transferring to the South West Audit Partnership from the Council in November 2011 being resolved.

Resolved

- a) That the Committee receive the draft accounts for 2011/2012.**
- b) That the Chairman of the Audit Committee be authorised to sign the management representation letter.**

32 Annual Governance Statement

The Service Director of Law and Governance, Ian Gibbons, outlined the changes that had been made since the Audit Committee considered the draft Annual Governance Statement (AGS) on 20 June 2012. He informed the Committee that the AGS had been presented to both the Cabinet on 24 July and the new Standards Committee on 30 July 2012, and to KPMG the Council's external auditors. The AGS had been revised to reflect the comments made by these.

The Service Director confirmed that the AGS conformed to CIPFA guidance.

Councillor Doyle felt that the second bullet point on page 60 could be improved by adding the words 'The Council also recognises the existence of alternative models promoting community engagement'. Following discussion the Committee agreed that the words could be picked up in the AGS for 2012/13 rather than this current version.

Resolved

That the Annual Governance Statement 2010/11 for publication with the Statement of Accounts be approved.

33 Statement of Accounts

The Committee considered the report of the Service Director of Finance on the Council's Statement of Accounts 2011/12.

The report detailed the process and requirements for the production and publication of the annual Statement of Accounts and how the draft Statement was required to be certified by the Chief Finance Officer then subject to external independent scrutiny by the Council's appointed auditors – KPMG.

Michael Hudson, Service Director of Finance, explained that there were over a 100 pages relating the Statement of Accounts which also contained the accounts relating to the Pension Fund. The format of the accounts was in line with the requirements of the International Financial Report Standards (IFRS).

The Service Director acknowledged the efforts of his team and thanked them for their excellent work, in particular for preparing an easy to understand explanatory foreword. He also thanked KPMG for their comments on the quality of the accounts and supporting paperwork. He was pleased to announce that through the team and KPMG's endeavours, Wiltshire Council was now one of the first in the South West to sign off their accounts.

Members of the Audit Committee raised a number of issues over the presentation of the accounts which officers responded to in particular the following issues were raised:

- The savings on termination costs of £8,309,000 for 2010/11, detailed on page 93 of the report, had all been made within the 2011/12.
- The Governments recent announcement that they would hold a consultation about allowing homeowners and businesses, for a three-year period, to be able to build larger extensions without planning permission than they can at present would be looked at by the Council at the appropriate time. However the Development Control budget was currently in excess of income target.
- The reasons for an increase in long term borrowing and a reduction in net assets, page 82 of the report, were explained and included the Housing Revenue Account self financing loan, schools transferring to academy status, the revaluation of council dwellings and reclassification/reallocation of how they are shown in the accounts.
- Matthew Tiller, Chief Accountant spoke about the cost of holiday entitlements, page 98 of the report, and explained that these were technical accounting adjustments. The purpose of these was to make accounts comparable internationally.
- Reasons for a reduction in short term investments were explained.

The Leader of the Council, Councillor Jane Scott, thanked all officers involved in the preparation of the accounts for producing an easy to understand guide and congratulated them for achieving a balanced budget. The Leader suggested that an Executive Summary should be prepared for publication on the Council's website and distribution to libraries, Area Boards and Town and Parish Councils.

Resolved

- a) That the draft Statement of Accounts for 2011/12 be received**

- b) That the Audit Committee Chairman be authorised to sign the letter of the Statement of Responsibilities for the Statement of Accounts
- c) That all Council Officers and officers from KPMG be thanked for the excellent work in preparing the Statement of Accounts for 2011/12
- d) That the Service Director of Finance be asked to liaise with the Service Director of Communications on the production of an Executive Summary of the Statement of Accounts for 2011/12 for publication on the Council's website and distribution to Libraries, Area Boards and Town and Parish Councils

34 **Appointment of Representative on the Focus Group on the Constitution**

Resolved:

That Councillor Peter Doyle be nominated as the Committee's representative on the Focus Group on the Constitution for the remainder of the municipal year.

35 **Forward Work Programme**

Resolved:

That the Committee's Forward Work Programme for August 2012 to November 2012 be noted.

36 **Date of next meeting**

The next meeting will take place on 19 September 2012, in the Council Chamber, Monkton Park starting at 10.30am

37 **Urgent Items**

There were no urgent items.

(Duration of meeting: 10.30 - 11.20 am)

The Officer who has produced these minutes is Stuart Figini, of Democratic Services, direct line (01225) 718376, e-mail stuart.figini@wiltshire.gov.uk

Press enquiries to Communications, direct line (01225) 713114/713115

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AUDIT

DRAFT MINUTES OF THE AUDIT MEETING HELD ON 19 SEPTEMBER 2012 AT COUNCIL CHAMBER - COUNCIL OFFICES, MONKTON PARK, CHIPPENHAM, SN15 1ER.

Present:

Cllr John Brady, Cllr Richard Britton, Cllr Nigel Carter, Cllr Peter Doyle, Cllr David Jenkins, Cllr Julian Johnson, Cllr Francis Morland (Substitute), Cllr Helen Osborn, Cllr Mark Packard, Cllr Sheila Parker (Vice Chairman), Cllr Pip Ridout, Cllr Jane Scott OBE, Cllr Bridget Wayman (Substitute) and Cllr Roy While (Chairman)

Also Present:

Cllr John Noeken

1 Apologies and Membership Changes

Apologies were received from Councillors Alan MacRae and George Jeans

Councillors Alan MacRae and George Jeans were replaced by Councillors Bridget Wayman and Francis Morland respectively for this meeting only.

2 Chairman's Announcements

There were no Chairman's announcements.

3 Members' Interests

There were no declarations of interest.

4 Public Participation and Committee Members' Questions

There was no public participation.

5 South West Audit Partnership - Governance Arrangements

The Committee received a presentation from Gerry Cox, Head of Internal Audit Partnership, South West Audit Partnership – SWAP, about their future governance arrangements. In particular Gerry spoke about the following areas:

- The current arrangements – Run by a Board of partners representatives, SWAP were regulated by a Section 101 agreement, each partner had an equal vote, SWAP were hosted by South Somerset District Council – SSDC, and they were currently in the 2nd year of a 5 year agreement.
- Reasons for Change – Joint Board no longer suitable for a large partnership, major decision making becoming difficult, unable to change rules, 95% of budget was salary based, the SSDC governance rules not always applicable or appropriate
- What the Changes will be – company limited by guarantee, staff employed by SWAP not SSDC, company owned by the 12 partners, composition of Board to be determined, company remains not for profit
- The Change Timetable – Members workshop on 10 October 2012, decision by Partnership Board to proceed – 8 January 2013, formal TUPE consultation and individual partner approval – Jan-March 2013, current partnership being dissolved on 31 March 2013 and SWAP becomes a company on 1 April 2013
- Business as Usual – No disruption to service, no reduction in available resources, fees to partners remain as previously agreed, transition will be seamless

The Service Director reminded the Committee that the Council had a representative on the Partnership Board along with the Cabinet Member for Finance, Performance and Risk, John Brady. He did not envisage any problems with the proposed new arrangements as long as the terms and conditions and the quality of service remained in place.

Head of Internal Audit Partnership responded to a number of questions from Members which included:

- SWAP's ability to take on additional work outside of their Local Authority work would remain at the current levels of 10%
- Arrangements for the new Board and the role of Councillors on the Board
- There would be no cost implications to the Council involved with the proposed changes
- SWAP staff would remain at their current locations

The Chairman thanked SWAP for the presentation and reminded the Committee about the SWAP workshop on their governance arrangements to be held 10 October 2012.

Resolved:

That the presentation on the South West Audit Partnership governance arrangements be noted

6 **Internal Audit Progress Report 2011-2012**

The Committee considered a progress report by the Service Director of Finance and the South West Audit Partnership on the performance of the Internal Audit Section.

The report provided a summary of (i) the outcomes of audits completed during the period, (ii) the results and outcomes of follow-up reviews carried out during the period, and (iii) an update on the delivery of the 2012/13 IA Plan, including audits in progress.

The Service Director of Finance informed the Committee that the Service had started 65 audits, with only four reviews resulting in partial assurance. The four reviews, detailed below, related to audits carried out from 2011/12:

- Out of County Placements
- Safeguarding
- Traffic and Network Management
- IT Networks

Members were reassured that all reports in relation to the four areas above had been agreed as final and management responses and actions agreed to address the issues raised.

The Committee heard from Dave Hill, Group Audit Manager – SWAP who spoke about the Internal Audit first progress report 2012/13, the detailed audit plan and monitoring statement 2012/13, significant corporate risks and the summary of audits deemed 'partial/no assurance'. The Group Audit Manager explained that it was important to note that no significant new risks had been identified during the period April 2012 to 31 July 2012.

Officers responded to a number of questions and queries from Members, the main areas of discussion included (i) references to the misfiling of a low risk piece of information by a worker between two of their cases for out of county placements of looked after children, the message to staff about keeping accurate records had been reinforced and all issues were addressed; (ii) that no customer satisfaction questionnaires had been returned for audits in 2012/13, assurances were given that this was mainly due to the transition of working practices from Wiltshire to SWAP, however it was hoped that there would be more feedback at the next meeting, (iii) Members were reassured that procedures were being put in place so that the time taken between a draft and final audit response would be reduced significantly; (iv) some audits detailed in Appendix A did not include a start date, due in to delays, slippage and/or the terminology used, however Members were reassured that 95% of all Audits were on target; (v) the impact on Internal Audit due to the changes in public health and the Police and Crime Commissioner.

Resolved:

- a) That the findings from the SWAP audits to date be noted**
- b) That the changes to the audit plan set out at paragraph 6 of the report relating to the deferral of certain audits be agreed**

7 External Audit (KPMG)/SWAP Audit Protocol

The Committee considered a report by the Service Director of Finance about the protocol agreed between the Council's external (KPMG) and internal auditors (South West Audit Partnership) – SWAP.

The protocol set out in detail some of the key requirements for SWAP and KPMG to follow in order to provide a strong foundation with a view of helping ensure that testing by SWAP could be relied upon by KPMG.

Members were informed that to reinforce the independence of auditors, auditing standards and KPMG policy prohibited auditors from seeking direct assistance from Internal Audit. However, joint working agreements were in place, so that information on possible testing that Internal Audit chose to undertake would facilitate KPMG's ability to rely upon the testing.

Resolved:

- a) That the KPMG/SWAP Audit Protocol be noted**
- b) That That further updates on the protocol's application and success be received at future meetings of the Committee**

8 Audit Fee Letter 2012/13

The Committee considered a report by the Service Director of Finance about the likely external audit fee for 2012/13 audit.

Members were informed that the proposed indicative external audit fee for 2012/13 was £222,156 excluding external grant audit fees and VAT. This represented £148,104 reduction from the 2011/12 audit fees of £370,260. The reduction was closely linked to changes in the Audit Commission.

Resolved:

- a) That the KMPG proposed fee be noted**
- b) That the Committee receives further updates on the fee and any amendments or additional costs**

9 IT Control Systems

The Committee considered a report by Jacqui White, Service Director of Business Services on the latest position regarding the IT Control recommendations raised with KPMG's internal Audit Report 2011/12.

Officers reported that considerable work had been undertaken to progress the 15 recommendations raised by KPMG, with the majority of top priority risk 1 issues from the previous year being reduced to priority risk 2 or 3, details of which were highlighted in the appendix to the report. The only outstanding issue related to the 'Protection of the production environment from direct changes – SAP' and discussions were continuing between the Council, KPMG and Logica to resolve these issues.

Members thanked the officers and KPMG for the work carried out on resolving the issues and raised a number of points that were responded to by officers, these included working relationships between Council departments, the current and future role of the ICT Scrutiny Task Group, risks surrounding user access and consistency of approach between Council service areas in reviewing password revocation for staff leaving the Council employment.

Resolved:

- a) **That the findings from the SWAP audits to date be noted**
- b) **That the changes to the audit plan set out at paragraph 6 of the report relating to the deferral of certain audits be agreed**

10 Risk Management Update

The Committee considered a report by Eden Speller, Head of Risk and Assurance updating Members on the current position of the operational and strategic risks in relation to Health and Safety, Occupational Health and Business Continuity/Emergency Planning.

The report highlighted a number of key changes from the last report which included an increase in the risk of (i) 'violence and aggression to employees from members of the public', and reductions in the following three risks (ii) 'Failure to Implement the Safeguarding Improvement Plan'; (iii) 'Inability to adequately fulfil the requirements as a Category 1 responder in the event of an incident or training'; and (iv) Ability to corporately control the maintenance and monitoring of contracts'. A risk action plan was attached to the report for (i) above which detailed the issue and steps taken to mitigate the risk from rising further and ultimately reducing the risk.

Members felt that it would be helpful for future reports to include a short explanation in the appendix about how risks had either increased or decreased since the last report.

Resolved:

- a) That the latest position regarding the Council' Strategic Risks as detailed in Appendix A of the report be noted
- b) That the continued monitoring of the risks detailed in the report be supported

11 **Date of next meeting**

That the next regular meeting of the Committee would be held on 19 December 2012

12 **Urgent Items**

There were no urgent items

(Duration of meeting: 10.30 am - 12.35 pm)

The Officer who has produced these minutes is Stuart Figini, of Democratic Services, direct line (01225) 718376, e-mail stuart.figini@wiltshire.gov.uk

Press enquiries to Communications, direct line (01225) 713114/713115

WILTSHIRE COUNCIL

AGENDA ITEM NO.

AUDIT COMMITTEE

19th December 2012

KPMG (EXTERNAL AUDIT) ANNUAL AUDIT LETTER 2011/12

Executive Summary

1. Attached is the Annual Audit Letter issued by Wiltshire Council's external auditors (KPMG LLP). The Letter looks at the work done by KPMG on the records and work of the authority for 2011/12.
2. KPMG are, as are all external auditors, required to report their findings from each audit year. The attached report meets that requirement.

Background

3. KPMG have summarised the overall conclusion from the audit work they have carried out during the last 12 months and Appendix 1 of the KPMG letter summarises these and the timing of their reports issued. All of these have been previously reported to the Audit Committee and again reflect another year where significant improvement has been made in the Council's control environment. Officers are therefore in the process of actioning recommendations and will update the Committee on progress in the final quarter of 2011/12.

Proposal

4. Members of the Audit Committee note KPMG's Annual Audit Letter and receive an update on progress in March 2013.

Reason for the Proposal

5. To inform Audit Committee of the Council's external assessment of its financial and governance control environment.

Michael Hudson
Director of Finance

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



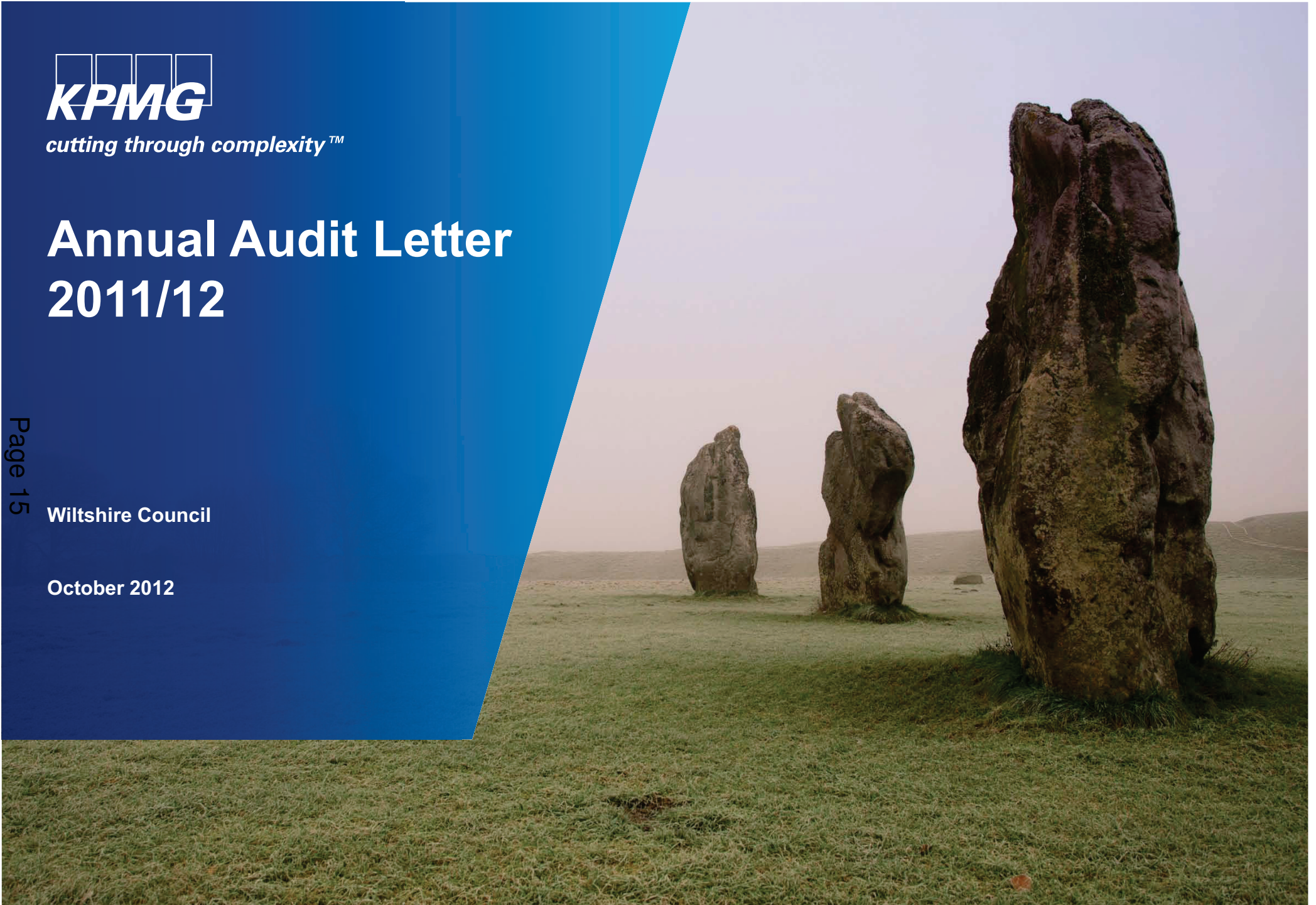
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Annual Audit Letter 2011/12

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Wiltshire Council

October 2012





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Report sections

- Headlines

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Appendices

1. Summary of reports issued
2. Audit fees

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This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. The Audit Commission has issued a document entitled *Statement of Responsibilities of Auditors and Audited Bodies*. This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. We draw your attention to this document which is available on the Audit Commission's website at www.auditcommission.gov.uk.

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Chris Wilson, the appointed engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact Trevor Rees on 0161 246 4000, or by email to trevor.rees@kpmg.co.uk, who is the national contact partner for all of KPMG's work with the Audit Commission. After this, if you are still dissatisfied with how your complaint has been handled you can access the Audit Commission's complaints procedure. Put your complaint in writing to the Complaints Unit Manager, Audit Commission, Westward House, Lime Kiln Close, Stoke Gifford, Bristol, BS34 8SR or by email to complaints@audit-commission.gov.uk. Their telephone number is 0844 798 3131, textphone (minicom) 020 7630 0421.

This report summarises the key findings from our 2011/12 audit of Wiltshire Council (the Council).

Although this letter is addressed to the Members of the Council, it is also intended to communicate these issues to key external stakeholders, including members of the public.

Our audit covers the audit of the Council's 2011/12 financial statements and the 2011/12 VFM conclusion.

VFM conclusion	<p>We issued an unqualified value for money ('VFM') conclusion for 2011/12 on 7 September 2012.</p> <p>This means we are satisfied that you have proper arrangements for securing financial resilience and challenging how you secure economy, efficiency and effectiveness.</p> <p>To arrive at our conclusion we looked at your financial governance, financial planning and financial control processes, as well as how you are prioritising resources and improving efficiency and productivity.</p>
VFM risk areas	<p>As well as considering your general arrangements to secure value for money, we identified a number of significant risks to our VFM conclusion and reviewed the arrangements you have put in place to mitigate these. This included the following areas:</p> <ul style="list-style-type: none"> ■ Savings Plan: We considered the process used by the Council to put together its savings plan and monitor progress against it. Management has monitored the savings plan closely. The savings have been reported at regular intervals to the Cabinet with explanations of progress of achieving the separately identified savings. This remains a challenging area for the Council, as it is with all local authorities, but we were satisfied with your overall arrangements to manage this risk during the year. ■ Ofsted Report: We considered the Council's response to the recent Ofsted inspection report which highlighted issues relating to safeguarding and looked after children. The Council reacted quickly to the Ofsted findings, creating an action plan which was agreed with the Inspectors. An Improvement Board was set up to oversee, challenge and support the delivery of the improvement plan. As a result of this response, we were satisfied that this issue had no impact on our ability to issue a positive VFM conclusion.
Audit opinion	<p>We issued an unqualified opinion on your financial statements on 7 September 2012. This means that we believe the financial statements give a true and fair view of the financial position of the Council and of its expenditure and income for the 2011/12 financial year.</p>
Financial statements audit	<p>The Council has sound financial reporting arrangements and our financial statements audit progressed smoothly. The financial statements were prepared to a good overall standard, although there were five audit differences highlighted by our audit which were significant enough to require reporting. All of these differences were adjusted in the Council's published financial statements. We also identified a number of presentational issues during our audit and these were amended too.</p> <p>The Council has implemented all of the recommendations in our <i>ISA 260 Report 2010/11</i> relating to the financial statements.</p>
Annual Governance Statement	<p>We reviewed your <i>Annual Governance Statement</i> and concluded that it was consistent with our understanding.</p>



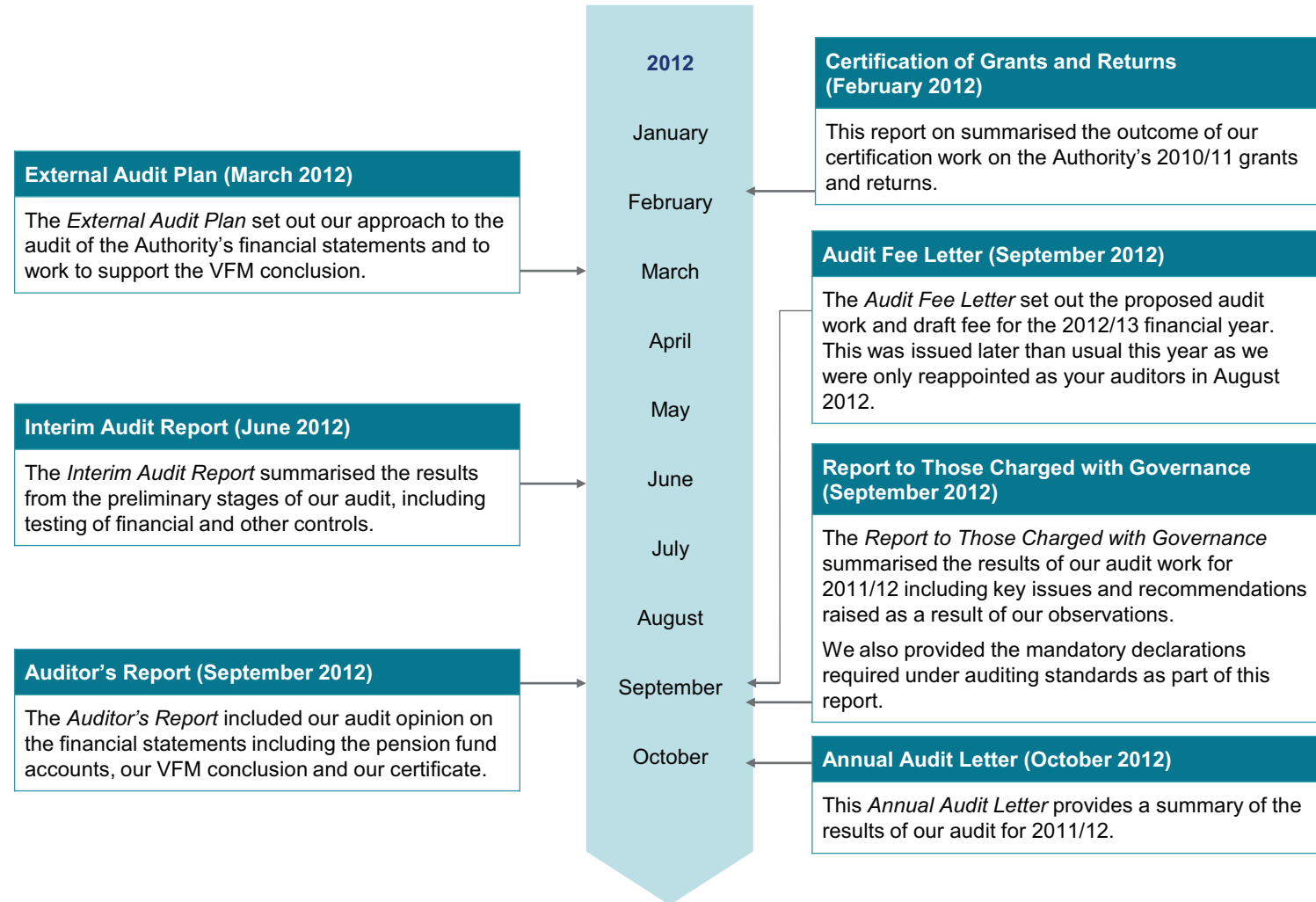
Section one Headlines (continued)

All the issues in this letter have been previously reported. The detailed findings are contained in the reports we have listed in Appendix 1.

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Pension fund audit	There were no significant issues arising from our audit of the pension fund. We therefore issued an unqualified opinion on the pension fund accounts, as part of our audit report on the Council's financial statements.
Whole of Government Accounts	We reviewed the consolidation pack which the Council prepared to support the production of Whole of Government Accounts by HM Treasury. We reported that the Council's pack was consistent with the audited financial statements.
High priority recommendations	<p>During our audit we again issued a small number of recommendations relating to the design of certain IT controls within the Council's SAP system. This continued the themes of recommendations from previous audit years, although we were pleased to report that good progress had been made overall in addressing the underlying issues. The Council has also continued to strengthen its IT controls since our report.</p> <p>We also issued a number recommendations relating to lower priority areas for improvement during our audit work. These are set out in the detailed audit reports we issued during the year (see Appendix 1), all of which have been presented to the Council's Audit Committee.</p>
Certificate	<p>We issued our certificate on 7 September 2012.</p> <p>The certificate confirms that we have concluded the audit for 2011/12 in accordance with the requirements of the <i>Audit Commission Act 1998</i> and the Audit Commission's <i>Code of Audit Practice</i>.</p>
Audit fee	Our fee for 2011/12 was £402,760, excluding VAT. Further detail is contained in Appendix 2.

This appendix summarises the reports we issued since our last *Annual Audit Letter*.



This appendix provides information on our final fees for 2011/12.

To make sure that there is openness between us and your Audit Committee about the extent of our fee relationship with you, we have summarised below the outturn against the 2011/12 planned external audit fee.

External audit

Our final fee for the 2011/12 audit Wiltshire Council was £402,760. This is an overall reduction of £15,600 (3.7%) on last year's total fee for 2010/11 of £418,300.

The final fee compares to a planned fee of £370,260. The movement of £32,500 was simply a timing difference, due to a one-off audit we undertook on the migration of data from the Council's previous revenues and benefits IT systems into the replacement Northgate system. This work had been agreed in principle with the Council at the time the planned fee for the main audit was set, but the fee for this work was not considered until a later date when the work was developed in more detail. Both the main audit and the one-off data migration audit were therefore delivered within the fees agreed originally with the Council.

Our final fee for the 2011/12 audit of the Pension Fund was in line with the planned fee of £47,216.

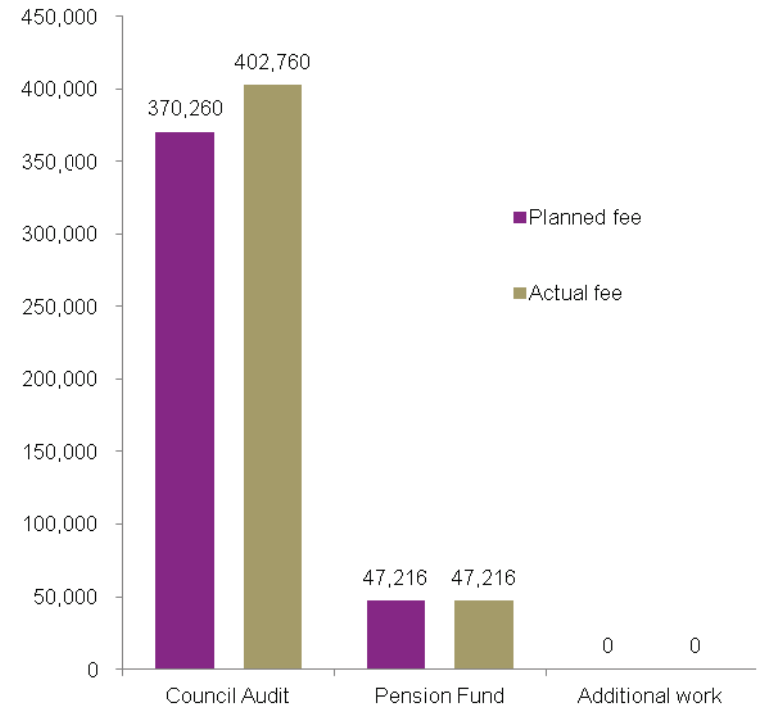
Certification of grants and returns

Our grants work is still ongoing and the fee will be confirmed through our report on the *Certification of Grants and Returns 2011/12* which we are due to issue by January 2013.

Other services

We did not undertake any non-audit work for the Council this year.

External audit fees 2011/12 (£'s)





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WILTSHIRE COUNCIL

AGENDA ITEM NO.

AUDIT COMMITTEE

19th December 2012

INTERNAL AUDIT 2012/13 SECOND UPDATE REPORT

Purpose of the Report

1. This progress report presents the Committee with an update on the performance of the Internal Audit (IA) Section. In particular, it provides a summary of:
 - the outcomes of audits completed during the period,
 - the results and outcomes of follow-up reviews carried out during the period, to assess the extent and adequacy of management action taken in response to audit reports from the previous year
 - an update on the delivery of the 2012/13 IA Plan, including audits in-progress which should be finalised and reported to the next Committee meeting and any deferred audits.

Executive Summary

2. The attached quarterly update (Appendix A) summarises the main findings by IA. In summary, the Service has started 96 audits – 63 completed, 8 in draft awaiting finalisation and 35 in progress. Of these 17 related to audits carried forward from 2011/12 of which 14 are now complete, 2 deferred and 1 at draft stage.
3. Overall IA concluded as per its assurance definitions at page 8 of SWAP report at Appendix A of this report, that the majority of its findings were that there is reasonable or substantial assurance:

Assurance (per definitions at Appendix A)	Percentage – Update 1	Percentage – Update 2
Substantial	6%	5%
Reasonable	57%	62%
Partial	14%	18%
None	0%	1%
Advice / Follow up audits	23%	14%

The detail by each audit for update 2 is set out at Appendix B of the IA report.

4. From this work one significant 'corporate' risk have been identified (Sickness Absence which was a partial assurance). Of the total 12 reviews resulting in a partial assurance in 2012/13 to date (definition at page 8 of SWAP summary report at Appendix A of this report), eight of the reviews relate to audits completed this quarter and are reported on in this report (the others were carried forward from 2011/12 and were reported to the Audit Committee on 19th September 2012). Further to this there was 1 audit area that received "No Assurance" – that relates to the audit at Clarendon College.
5. Two of the partial assurance findings related to schools. The remaining six partial assurance findings related to operational areas within the Council and are shown in more detail at Appendix D and relate to:
 - Contract Management
 - Financial Regulations & Contract Standing Orders
 - Sickness Absence
 - Business Continuity
 - Imprest & Petty Cash Year End Accounts
 - Partnerships
6. All of these reports have been agreed as final and management responses and actions agreed to address the issues raised. The majority of reports were issued in September and October so responses have progressed and comments on the Council's areas of operational activity, actions and progress since these were issued is set out below:

Issues raised by IA	Management responses and actions
Contract Management	
Information and guidance on procurement is not user friendly.	<p>The CPU have recently issued revised guidance and held training sessions for all buyers. The new guidance is on The Wire:http://thewire.wiltshire.council/index/dce-homepage/business-services-procurement.htm</p> <p>Further work is ongoing to develop this into a similar format and style to HRDirect.</p>

Issues raised by IA	Management responses and actions
Only 30% of purchases tested complied with quotation requirements.	A review has been undertaken of the cases referred to and in these cases the alternative procurement route did identify a lower cost than could have potentially been obtained via a contract. Going forward the CPU is working with managers to improve awareness, such as training and a SAP development for 2013/14 will introduce an automated control to prevent this.
The Corporate Procurement Unit (CPU) have not undertaken spot checks or verification work.	CPU will undertake spot checks within the new category management structure currently being recruited to as part of a restructure of the service. This will be in place from 1 st April 2013.
Only 1 of the 12 tested was found to have been recorded in the Contract Register.	This will be included in the guidance, and there will be clearer responsibility and monitoring under the new Procurement Structure from February 2013.
Financial Regulations & Contract Standing Orders	
The procurement manual on the Wire will be identified as the Procurement Pages. These are currently incomplete although some pages are being updated. Navigating the Wire and identifying all rules and regulations pertinent to procurement staff is not user friendly, and therefore staff are likely to be only partially informed on the process to follow. However there are plans to convert the procurement manual into Finance Direct and thereby increase self service capability.	The CPU have recently issued revised guidance and held training sessions for all buyers. The new guidance is on The Wire: http://thewire.wiltshire.council/index/dce-homepage/business-services-procurement.htm Further work is ongoing to develop this into a similar format and style to HRDirect.

Issues raised by IA	Management responses and actions
<p>The Scheme of Delegation and approval limits as defined in the Consolidated Authorised Signatory list, include over 600 managers with delegated powers of spend, with thresholds which are neither in line with procurement thresholds nor in accordance with any clear demarcation or seniority. There are also over 30 different thresholds assigned which is unwieldy and unnecessary</p>	<p>The Scheme of Delegation has been reviewed once, and will be reviewed again as part of the review of financial regulations alongside an ongoing review of SAP and financial controls. The findings will be reported to Council in June 2013</p>
<p>Sickness Absence</p>	
<p>Testing found notable delays in reporting and updating sickness histories on SAP MSS, and Management intervention is often untimely and inconsistent.</p> <p>As a result, seven priority 4 recommendations have been highlighted which require corporate resolution. These are shown in Appendix C but broadly relate to the same issue so are included as one in this section of the covering report.</p>	<p>Human Resources have reminded managers of the key points of the procedure and continue to do so with the manager briefings. This has included encouraging managers to hold joint case reviews at the earliest opportunity when and where appropriate to do so.</p> <p>Further improvements such as a training package as part of induction and on-line modules are being considered.</p> <p>Forms that exist already draw manager's attention to the necessary procedure with Occupational Health. Further review of their effectiveness will continue to be monitored.</p>
<p>Business Continuity</p>	
<p>The Corporate Business Continuity Plan (BCP) and associated documentation has not been updated since 2010.</p>	<p>The council was aware that its Business Continuity (BC) arrangements needed review, this was partly due to loss of experienced staff and a number of internal service restructures. This has now been updated and training roll out begun. During the previous period no major incidents occurred with any loss to the Council or County.</p>

Issues raised by IA	Management responses and actions
The templates used to create service BCPs and BIA's are over complicated and may not be of use to the Heads of service.	Wiltshire Council has worked with Swindon BC to adopt robust procedures. All existing templates have been reviewed, and training on these is being rolled out in January 2013.
Service Business Impact Assessments (BIA's) have not always been reviewed and updated since 2010. This means a few may not have taken into account recent critical changes to the structures of the services.	A reminder has gone out and a review process is to be introduced in order that spot audits by emergency planning team are carried out to ensure compliance going forward from February 2013.
Heads of service should ensure that training is provided to members of their team to develop and support Business Continuity Plans, both for service BCPs and corporate processes. No training has	Heads of service will begin delivery of training to their teams in 2013.
Imprest & Petty Cash Year End Accounts	
The records held by Technical Accountancy in regard to imprest/petty cash accounts are out of date and require reviewing and updating. There are some accounts which are not being used which could be closed and some accounts where the amount of money held could be reduced.	A separate review of petty cash/imprest accounts is currently being undertaken by Technical Accountancy. This matter will be addressed as part of this review
One imprest account had a cheque book where four blank cheques had been signed by one of the authorised signatories.	Further guidance has been provided and a review has identified ways to strengthen controls that will be implemented immediately.

Issues raised by IA	Management responses and actions
Partnerships	
<p>While definitions of Partnerships are identified in the Protocol the explanatory notes do not contain appropriate explanation which as a result may mislead officers when making informed decisions on the correct treatment for agreements. In addition the Partnership Register process needs improvement. Internal audit also identified a number of arrangements found outside of the Partnership Register and could not provide assurance that these are appropriately reviewed.</p>	<p>The Head of Legal Services in conjunction with Head of Procurement has commenced a review of the Partnership Protocol to ensure that it makes plain processes, responsibilities and definitions with a view that the revised protocol be submitted for approval by council for inclusion in the constitution in February 2013. In addition, the new protocol will identify responsibilities for promoting loading, maintenance and corporate monitoring with overall ownership and governance of the partnerships register being the responsibility of the Corporate Procurement and Commissioning Board</p>

7. Overall therefore the 309 recommendations have been made by IA to date (233 this quarter and 137 in the first quarter), broken down as follows:

Year	Priority 5	Priority 4	Priority 3	Priority 2	Priority 1	Total reported Update 2	Total reported Update 1
2011/12 carry forward audits – Accumulative Update 1	7	0	19	0	40	/	66
2011/12 carry forward audits – Accumulative Update 2	7	2	24	2	41	76	/
2012/13 audits – Accumulative Update 1	0	1	42	8	20	/	71
2012/13 audits – Accumulative Update 2	3	56	124	26	24	233	/
Total year to date	10	58	148	28	65	309	
Percentage	3%	19%	48%	9%	21%		

8. Appendix B identifies the 2012/13 audits, included in that are those that have been deferred to later in the financial year or until 2013/14. Along with the three reported at update one to this Committee (Streetscene and Temporary staff & consultant procedures audits; and Behaviours framework – the last one deferred to 2013/14). A number of other adjustments to the plan have been discussed and included in Appendix B to enable the audit plan to be delivered and maximise the added value to the Council. All these are supported and it is recommended that the 2012/13 IA plan is amended for future reporting to the Audit Committee to reflect this. There has been one additional audit – A review of Youth Centre Procurement that was agreed following a referral from the Head of Service and supported by myself.

9. Overall the performance of SWAP is on track with the partnership performance measures. Members will note that 100% of reports have been issued within the agreed timescales, however, as identified at Appendix B a review of the dates requested by Audit Committee and now included shows that in some cases there have continued to be delays between the dates reports (draft and final) were expected to be issued and when they were. Discussions with IA have identified this is due to delays in clearing reports by Wiltshire in certain cases due to;

- Absences within the IA team;
- Wide circulation for clearance; and
- Differing Opinions as to the Final Content

10. In relation to the second and third issues: a new protocol has been agreed with IA for improving the timeliness and resolution of reports. As such no issues are raised regarding performance to date.

Proposal

11. Members are asked to note the findings from IA audits to date and confirm the changes to the audit plan set out at Appendix B of this report relating to deferral of certain audits.

Reasons for Proposals

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

Michael Hudson
Director of Finance, S.151 Officer

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

Appendices: A – IA Second Progress Report 2012/13

B – IA detailed Audit Plan and monitoring statement 2012/13

C – Schedule of Potential Significant Risks Identified from Internal Audit Work during the period 1 August 2012 to 31st October 2012

D – Summary of audits deemed 'Partial / No' assurance



Wiltshire Council

Report of Internal Audit Activity 2012/13

December 2012

Contents

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The Group Audit Manager is required to provide an opinion to support the Annual Governance Statement.

Audit Opinion

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

Our audit activity is split between:

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

Role of Internal Audit and Audit Work

The Internal Audit service for Wiltshire Council is provided by South West Audit Partnership (SWAP). SWAP has adopted and works to the Standards of the Institute of Internal Auditors, but also follows the CIPFA Code of Practice for Internal Audit. The Partnership is also guided by the Internal Audit Charter approved by the Audit Committee at its meeting on 14th December 2012.

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

Internal Audit work is largely driven by an Annual Audit Plan. This is approved by the Chief Financial Officer (Section 151 Officer), following consultation with the Corporate Management Team and External Auditors. This year's Audit Plan was reported to this Committee at its meeting on 21st March 2012.

Key Control Audits are undertaken in quarter three of each year and these are planned in conjunction with the Council's External Auditor to assist in their assessment of the Council's financial control environment. This reduces the overall cost of audit to the Council.

Audit assignments are undertaken in accordance with this Plan to assess current levels of governance, risk and control. This audit assignment activity is broken down into various categories of work as outlined in the bullet points shown in the column on the left of this page.

Outturn to Date:

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

Internal Audit Work Programme

The schedule provided at Appendix B contains a list of all audits as agreed in the Annual Audit Plan 2012/13 and also records the status of any outstanding work carried forward from the 2011/12 plan. It is important that Members are aware of the status of all audits and that this information helps them place reliance on the work of Internal Audit and its ability to complete the plan as agreed.

Each completed assignment includes its respective “assurance opinion” rating together with the number and relative ranking of recommendations that have been raised with management. In such cases, the Committee can take assurance that improvement actions have been agreed with management to address these. The assurance opinion ratings have been determined in accordance with the Internal Audit “Audit Framework Definitions” as detailed on pages 8 and 9 of this document.

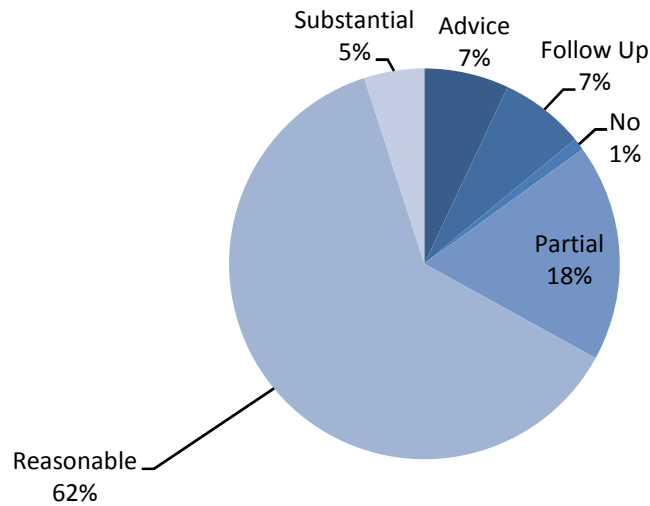
To assist the Committee in its important monitoring and scrutiny role, in those cases where weaknesses have been identified in service/function reviews that are considered to represent significant service risks, a summary of the key audit findings that have resulted in them receiving a ‘Partial Assurance Opinion’ have been summarised in Appendix D.

However, in circumstances where findings have been identified which are considered to represent significant corporate risks to the Council, due to their importance, these issues are separately summarised in Appendix C. These items will remain on this schedule for monitoring by the Committee until the necessary management action is taken and appropriate assurance has been provided that the risks have been mitigated / addressed.

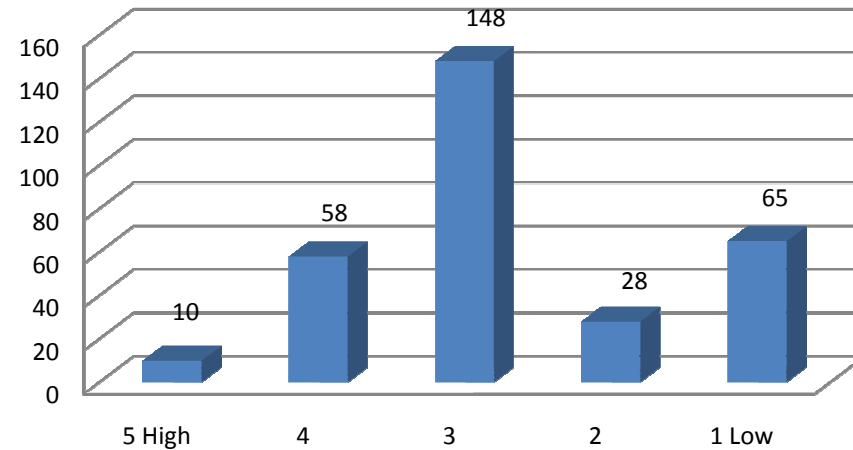
Summary of Control Assurance and Recommendations

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Control Assurance Outcomes



Audit Recommendations by Priority



Summary of Internal Audit Work in the Quarter

A total of 96 audit assignments were progressed during the period. Of these 63 reached completed or final report stage; 8 draft reports; and 25 are currently in progress. The diagrams above summarise the outcomes of final reports.

Audit Follow Up Work

Follow-up Audits are carried out to confirm that any recommendations from the original audit, where a “partial” or “none” opinion has been given. It is pleasing to note that all high priority actions (priority 4 and/or 5’s) have been reviewed and management action to address these confirmed.

Performance:

The Head of Internal Audit Partnership reports performance on a regular basis to the SWAP Management and Partnership Boards.

SWAP Performance

SWAP now provides the Internal Audit service for 12 Councils and also many subsidiary bodies. SWAP performance is subject to regular monitoring review by both the Management and Partnership Boards. The respective outturn performance results for Wiltshire Council for the 2012/13 (as at the end of October 2012) year are as follows;

Performance Target	Average Performance
<u>Audit Plan – Percentage Progress</u>	
2011/12 Work C/Fwd	100%
Final, Draft and Discussion	44%
Fieldwork Completed awaiting report	1%
In progress	18%
Yet to commence	37%
<u>Draft Report</u>	
Issued within 5 working days	76%
Average Days to Issue Draft	4 Days
<u>Final Reports</u>	
Issued within 10 working days of discussion of draft report.	24%
<u>Quality of Audit Work</u>	
Customer Satisfaction Questionnaire	82%
<u>Audit Fee</u>	
Increase/Decrease in approved Internal Audit Budget	£nil

Performance:

The Head of Internal Audit Partnership reports performance on a regular basis to the SWAP Management and Partnership Boards.

SWAP Performance

At the close of each audit review a Customer Satisfaction Questionnaire is sent out to the service manager or nominated officer. The aim of the questionnaire is to gauge satisfaction against timeliness; quality; and professionalism. As part of the Balanced Scorecard presented to the SWAP Management Board, a target of 85% is set where 75% would represent a score of good. Whilst the number of questionnaires returned remains low the average satisfaction rate is 82%.

The draft to final report percentage is too low and this is something that we are currently discussing with the Corporate Leadership Team. However, it is worth noting that the figure is skewed in a downward manner due to the schools reports and summer term which made the 10 days target unachievable.

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

Approved Amendments to Annual Audit Plan 2012-13

Planned audit work is as detailed in Appendix B. Audit work remains under constant review to ensure that, if necessary, internal audit resources can also be targeted at emerging issues in a timely manner. Any changes that are required are agreed with the Chief Financial Officer and are reported to the Committee.

During quarter 2 specific requests for Internal Audit support has resulted in a requirement to complete additional audit work. At present these additions are covered from the agreed contingency allowance.

The additional work covers review activity in the following areas:

- Youth Service – Review of Procurement Procedures

Assurance Definitions:

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

- Substantial
- Reasonable
- Partial
- None

Audit Framework Definitions

Control Assurance Definitions

Substantial	▲☆☆☆☆	I am able to offer substantial assurance as the areas reviewed were found to be adequately controlled. Internal controls are in place and operating effectively and risks against the achievement of objectives are well managed.
Reasonable	▲☆☆☆☆	I am able to offer reasonable assurance as most of the areas reviewed were found to be adequately controlled. Generally risks are well managed but some systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
Partial	▲☆☆☆☆	I am able to offer Partial assurance in relation to the areas reviewed and the controls found to be in place. Some key risks are not well managed and systems require the introduction or improvement of internal controls to ensure the achievement of objectives.
None	▲☆☆☆☆	I am not able to offer any assurance. The areas reviewed were found to be inadequately

Categorisation of Recommendations

When making recommendations to Management it is important that they know how important the recommendation is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. No timeframes have been applied to each Priority as implementation will depend on several factors; however, the definitions imply the importance.

Quarter 1 Outturn:

Recommendations that are made as a result of audit assignments are ranked on a scale of 1 to 5 to indicate their relative priority/potential impact.

Audit Framework Definitions

Priority 5: Findings that are fundamental to the integrity of the unit’s business processes and require the immediate attention of management.

Priority 4: Important findings that need to be resolved by management.

Priority 3: The accuracy of records is at risk and requires attention.

Priority 2: Minor control issues have been identified which nevertheless need to be addressed.

Priority 1: Administrative errors identified that should be corrected. Simple, no-cost measures would serve to enhance an existing control.

Definitions of Risk

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

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CARRY FORWARD WORK 2011-12 AUDIT PLAN

Audit No.	Directorate/Service	Audit Area	Audit Type	Quarter	Status	Opinion	No. of recs	Recommendations					Proposed Start Date	Actual Start Date	Draft Issued	Final Issued
								5	4	3	2	1				
1	Children & Education	Child Placements Out of County	Operational	2011-12	Final	Partial	7	1	0	3	0	3	30/01/12	30/01/12	08/05/12	10/08/2012
2	Children & Education	Safeguarding (Child Protection)	Operational	2011-12	Final	Partial	18	1	0	7	0	10	01/04/12	01/04/12	11/07/12	02/08/12
3	ICT	Core Financial Systems - Benefit Systems	ICT	2011-12	Completed	Non Opinion - additional External Audit Testing	0	0	0	0	0	0	01/01/12	01/01/12	N/A	N/A
4	ICT	Core Financial Systems - Cash Receipting (Civica)	ICT	2011-12	Final	Reasonable	13	0	0	0	0	13	01/01/12	01/01/12	06/07/12	29/08/12
5	ICT	Core Financial Systems - Housing Rents (Simdell)	ICT	2011-12	Final	Reasonable	2	0	0	0	0	2	01/01/12	01/01/12	15/05/12	21/06/12
6	ICT	IT Infrastructure	ICT	2011-12	Final	Partial	7	2	0	1	0	4	01/01/12	01/01/12	05/04/12	02/07/12
7	ICT	New Revenues & Benefits System (Northgate)	ICT	2011-12	Final	Reasonable	7	0	0	6	0	1	01/01/12	01/01/12	08/06/12	24/08/12
8	Neighbourhood & Planning	Leisure Services Management	Operational	2011-12	Final	Reasonable	6	0	0	0	0	6	21/03/12	02/05/2012	30/04/12	14/06/12
9	Children & Education	Child Placements Foster Carers	Operational	2011-12	Final	Reasonable	0	0	0	0	0	0	17/07/2012	17/07/12	13/08/12	13/08/12
10	Community Services	DCS Systems Thinking Review Programme	Operational	2011-12	Completed	Advice	0	0	0	0	0	0	18/05/2012	18/05/2012	14/06/12	14/06/12
11	Corporate	Income	Operational	2011-12	Completed	Advice	0	0	0	0	0	0	N/A	N/A	N/A	N/A
12	Finance	Procurement & Contract Management	Operational	2011-12	Completed	Advice	0	0	0	0	0	0	N/A	N/A	N/A	N/A
13	Neighbourhood	Car Parking Services	Operational	2011-12	Draft	Reasonable	10	0	2	5	2	1	20/06/2012	20/06/2012	12/09/12	N/A
14	Neighbourhood	StreetScene	Operational	2011-12	Deferred	Deferred Q1 2012-13 Plan	0	0	0	0	0	0	N/A	N/A	N/A	N/A
15	Neighbourhood	Traffic and Network Management	Operational	2011-12	Final	Partial	6	3	0	2	0	1	26/04/12	26/04/12	02/07/12	02/08/12
16	Neighbourhood & Planning	Section 106 Agreements	Operational	2011-12	Final	Advice	0	0	0	0	0	0	15/06/2012	15/06/2012	26/06/12	26/06/12
17	Transformation & Resources	Temporary Staff / Consultants	Operational	2011-12	Deferred	Deferred to Q4 2012-13 Plan	0	0	0	0	0	0	N/A	N/A	N/A	N/A
Total Number of Recommendations							76	7	2	24	2	41				

2012-13 AUDIT PLAN

Directorate/Service	Audit Area	Audit Type	Quarter	Status	Opinion	No. of recs	Recommendations					Proposed Start Date	Actual Start Date	Draft Issued	Final Issued
							5	4	3	2	1				

FINAL REPORTS ISSUED

18	Business Services	Capital Projects	Operational	April - June 2012	Final	Reasonable	3	0	2	1	0	0	01/05/2012	01/05/2012	25/09/2012	29/11/12
19	Communities	Housing Repairs	Operational	April - June 2012	Final	Reasonable	17	0	5	8	2	2	02/05/2012	02/05/2012	23/07/2012	06/09/2012

20	Communities	Libraries	Operational	April - June 2012	Final	Reasonable	1	0	0	1	0	0	26/04/2012	26/04/2012	10/08/2012	10/10/2012
21	Core Cross-Cutting	Creditor Fraud	Governance, Fraud & Corruption	April - June 2012	Final	Reasonable	14	0	0	13	1	0	11/05/2012	16/05/2012	28/08/2012	30/09/2012
22	Core Cross-Cutting	Financial Procedure Rules & Contract Standing Orders	Operational	July - September 2012	Final	Partial	7	0	2	4	1	0	01/08/2012	02/08/2012	12/10/2012	06/12/12
23	Finance	Housing & Council Tax Benefits	Operational	April - June 2012	Final	Reasonable	4	0	1	3	0	0	09/07/2012	09/07/2012	18/09/2012	12/11/2012
24	Finance	Imprests	Operational	July - September 2012	Final	Partial	11	0	8	3	0	0	20/08/2012	20/08/2012	23/10/2012	01/11/2012
25	HR & Organisational Development	Restructuring & Redundancies	Operational	April - June 2012	Final	Substantial	4	0	0	2	1	1	21/05/2012	18/06/2012	17/08/2012	29/08/2012
26	HR & Organisational Development	Sickness Absence	Operational	July - September 2012	Final	Partial	14	0	7	7	0	0	17/05/2012	17/05/2012	11/09/2012	19/10/2012
27	Legal & Democratic	Coroners	Operational	April - June 2012	Final	Reasonable	3	0	1	1	1	0	13/06/2012	13/06/2012	17/08/2012	01/11/2012
28	Neighbourhood	StreetScene	Operational	April - June 2012	Final	Reasonable	3	0	0	2	1	0	18/05/2012	18/05/2012	31/07/2012	28/08/2012
29	Procurement	Contract Management	Operational	April - June 2012	Final	Partial	5	0	2	3	0	0	01/06/2012	08/06/2012	28/09/2012	14/11/2012
30	Public Health & Public Protection	Business Continuity	Governance, Fraud & Corruption	April - June 2012	Final	Partial	4	0	1	3	0	0	30/04/2012	30/04/2012	10/08/2012	02/10/2012
31	Schools - Primary (incl First, Infant & Junior)	Amesbury Archer Primary School	School	July - September 2012	Final	Reasonable	2	0	0	0	2	0	12/07/2012	12/07/2012	06/09/2012	24/10/2012
32	Schools - Primary (incl First, Infant & Junior)	Baydon St Nicholas CE School	School	July - September 2012	Final	Reasonable	4	0	1	3	0	0	13/09/2012	13/09/2012	16/10/2012	15/11/2012
33	Schools - Primary (incl First, Infant & Junior)	Bellefield Primary & Nursery School	School	April - June 2012	Final	Reasonable	2	0	0	1	0	1	18/04/2012	18/04/2012	11/05/2012	25/06/2012
34	Schools - Primary (incl First, Infant & Junior)	Bratton Primary School	School	April - June 2012	Final	Reasonable	3	0	0	3	0	0	30/05/2012	30/05/2012	17/07/2012	11/10/2012
35	Schools - Primary (incl First, Infant & Junior)	Broad Hinton CE Primary School	School	July - September 2012	Final	Reasonable	3	0	0	3	0	0	19/09/2012	19/09/2012	24/10/2012	12/11/2012
36	Schools - Primary (incl First, Infant & Junior)	Burbage Primary School	School	April - June 2012	Final	Reasonable	5	0	0	3	0	2	09/05/2012	09/05/2012	21/06/2012	25/09/2012
37	Schools - Primary (incl First, Infant & Junior)	Chapmanslade CE VC Aided Primary School	School	April - June 2012	Final	Partial	10	0	0	7	0	3	16/05/2012	16/05/2012	07/06/2012	07/06/12
38	Schools - Primary (incl First, Infant & Junior)	Cherhill CE Primary School	School	April - June 2012	Final	Reasonable	4	0	0	2	0	2	25/04/2012	25/04/2012	21/05/2012	18/06/2012
39	Schools - Primary (incl First, Infant & Junior)	Chilton Foliat CE VA Primary School	School	July - September 2012	Final	Reasonable	2	0	0	1	0	1	04/07/2012	04/07/2012	13/09/2012	24/10/2012
40	Schools - Primary (incl First, Infant & Junior)	Crockerton CE VA Primary School	School	April - June 2012	Final	Reasonable	6	0	0	3	0	3	18/05/2012	18/05/2012	14/06/2012	15/08/2012
41	Schools - Primary (incl First, Infant & Junior)	Dilton Marsh CE Primary School	School	July - September 2012	Final	Reasonable	5	0	1	3	1	0	06/07/2012	06/07/2012	06/09/2012	01/10/2012
42	Schools - Primary (incl First, Infant & Junior)	Figheledean St Michael's CE Primary School	School	April - June 2012	Final	Reasonable	5	0	0	4	0	1	22/05/2012	22/05/2012	26/06/2012	19/07/2012
43	Schools - Primary (incl First, Infant & Junior)	Five Lanes Primary	School	April - June 2012	Final	Reasonable	4	0	0	4	0	0	11/05/2012	11/05/2012	14/06/2012	19/09/2012
44	Schools - Primary (incl First, Infant & Junior)	Great Bedwyn CE Primary School	School	April - June 2012	Final	Reasonable	3	0	1	2	0	0	27/06/2012	27/06/2012	06/09/2012	26/09/2012
45	Schools - Primary (incl First, Infant & Junior)	Great Wishford CE Aided Primary School	School	July - September 2012	Final	Partial	14	0	6	3	5	0	02/07/2012	02/07/2012	06/09/2012	20/09/2012
46	Schools - Primary (incl First, Infant & Junior)	Greentrees Primary School	School	July - September 2012	Final	Reasonable	7	0	0	7	0	0	24/09/2012	24/09/2012	16/10/2012	06/11/2012
47	Schools - Primary (incl First, Infant & Junior)	Holbrook Primary School	School	April - June 2012	Final	Reasonable	2	0	0	1	0	1	01/05/2012	01/05/2012	07/06/2012	24/07/2012

48	Schools - Primary (incl First, Infant & Junior)	Kington St Michael CE Primary School	School	April - June 2012	Final	Reasonable	2	0	0	2	0	0	03/05/2012	03/05/2012	21/05/2012	10/07/2012
49	Schools - Primary (incl First, Infant & Junior)	Larkrise School	School	April - June 2012	Final	Substantial	0	0	0	0	0	0	16/05/2012	16/05/2012	21/06/2012	21/06/2012
50	Schools - Primary (incl First, Infant & Junior)	Lyneham Primary	School	July - September 2012	Final	Reasonable	3	0	1	1	1	0	19/09/2012	19/09/2012	10/10/2012	05/11/2012
51	Schools - Primary (incl First, Infant & Junior)	Ogbourne St George & St Andrew VC CE Primary School	School	April - June 2012	Final	Reasonable	3	0	1	2	0	0	20/06/2012	20/06/2012	06/09/2012	19/09/2012
52	Schools - Primary (incl First, Infant & Junior)	Pembroke Park Primary School	School	April - June 2012	Final	Reasonable	3	0	0	2	0	1	20/04/2012	20/04/2012	04/05/2012	24/09/2012
53	Schools - Primary (incl First, Infant & Junior)	Princecroft Primary School	School	April - June 2012	Final	Reasonable	5	0	0	2	0	3	23/05/2012	23/05/2012	14/06/2012	11/07/2012
54	Schools - Primary (incl First, Infant & Junior)	St George's CE Primary School	School	April - June 2012	Final	Reasonable	2	0	0	0	2	0	20/06/2012	20/06/2012	06/09/2012	03/10/2012
55	Schools - Primary (incl First, Infant & Junior)	St Michael's CE (Aided) Primary School, Aldbourne	School	July - September 2012	Final	Reasonable	4	0	1	1	2	0	10/07/2012	10/07/2012	06/09/2012	20/09/2012
56	Schools - Primary (incl First, Infant & Junior)	Stratford-sub-Castle CE VC Primary School	School	April - June 2012	Final	Reasonable	12	0	3	0	6	3	15/06/2012	15/06/2012	12/07/2012	28/09/2012
57	Schools - Primary (incl First, Infant & Junior)	West Ashton CE VA Primary School	School	April - June 2012	Final	Reasonable	0	0	0	0	0	0	18/05/2012	18/05/2012	09/07/2012	23/07/2012
58	Schools - Primary (incl First, Infant & Junior)	Wilton & Barford CE Primary School	School	April - June 2012	Final	Reasonable	0	0	0	0	0	0	24/05/2012	24/05/2012	10/07/2012	16/10/2012
59	Schools - Secondary (incl Upper)	The Clarendon College	School	April - June 2012	Final	No	19	3	8	8	0	0	11/06/2012	11/06/2012	13/09/2012	26/09/2012
60	Transformation	Closure of Offices	Operational	July - September 2012	Final	Substantial	2	0	0	2	0	0	29/06/2012	09/08/2012	11/10/2012	23/10/2012
61	Core Cross-Cutting	Partnerships	Operational	April - June 2012	Final	Partial	7	0	4	3	0	0	18/06/2012	18/06/2012	31/07/2012	26/11/2012
62	Communities	Traveller Services	Follow Up	October - December 2012	Final	Non Opinion	0	0	0	0	0	0	All high priority actions have been reviewed and management action to address these confirmed.			
63	Development	Planning Applications	Follow Up	July - September 2012	Final	Non Opinion	0	0	0	0	0	0	All high priority actions have been reviewed and management action to address these confirmed.			
64	Finance	Procurement Cards	Follow Up	April - June 2012	Final	Non Opinon	0	0	0	0	0	0	All high priority actions have been reviewed and management action to address these confirmed.			
Total Number of Recommendations							233	3	56	124	26	24				
Total Number of Recommendations in 2012-13							309	10	58	148	28	65				
2012-13 AUDIT PLAN																
Directorate/Service	Audit Area	Audit Type	Quarter	Status	Opinion	No. of recs	Recommendations					Proposed Start Date	Actual Start Date	Draft Issued	Final Issued	
							5	4	3	2	1					
DRAFT REPORTS																
65	Adult Care & Housing Strategy	Care Homes	Operational	July - September 2012	Draft	TBC	0	0	0	0	0	0	01/09/2012	03/09/2012	22/11/2012	
66	Core Cross-Cutting	SAP Administration	Operational	April - June 2012	Draft	TBC	0	0	0	0	0	0	03/07/2012	09/07/2012	14/11/2012	
67	Finance	Fees & Charges	Operational	October - December 2012	Draft	TBC	0	0	0	0	0	0	15/10/2012	28/09/12	23/11/12	
68	Legal & Democratic	Electoral Services	Operational	April - June 2012	Draft	TBC	0	0	0	0	0	0	17/07/2012	23/07/2012	29/08/2012	
69	Schools - Primary (incl First, Infant & Junior)	King's Lodge Primary School	School	October - December 2012	Draft	TBC	0	0	0	0	0	0	04/10/2012	04/10/2012	20/11/2012	

70	Schools - Primary (incl First, Infant & Junior)	Old Sarum Primary School	School	July - September 2012	Draft	TBC	0	0	0	0	0	0	26/09/2012	15/10/2012	12/11/2012	
71	Schools - Primary (incl First, Infant & Junior)	Walwayne Primary School	School	October - December 2012	Draft	TBC	0	0	0	0	0	0	10/10/2012	10/10/2012	09/11/2012	

2012-13 AUDIT PLAN

Directorate/Service	Audit Area	Audit Type	Quarter	Status	Opinion	No. of recs	Recommendations					Proposed Start Date	Actual Start Date	Draft Issued	Final Issued
							5	4	3	2	1				

ADDITIONAL UNPLANNED WORK

72	Children & Families	Youth Service	Special Investigation	July - September 2012	Final	Non Opinion	0	0	0	0	0	0	23/07/2012	23/07/2012	16/08/2012	16/08/2012
73	External Work	Police	Special Investigation	June 2012	In progress	Non Opinion	0	0	0	0	0	0	28/06/2012	28/06/2012		
74	Children & Families	Youth Service	Special Investigation	September 2012	Final	Non Opinion	0	0	0	0	0	0	10/09/2012	10/09/2012	20/09/2012	25/09/2012

2012-13 AUDIT PLAN

Directorate/Service	Audit Area	Audit Type	Quarter	Status	Opinion	No. of recs	Recommendations					Proposed Start Date	Actual Start Date	Draft Issued	Final Issued
							5	4	3	2	1				

CURRENT WORK IN PROGRESS

75	Adult Care & Housing Operations	Vulnerable Adults	Operational	July - September 2012	In progress		0	0	0	0	0	0	19/09/2012	21/09/2012		
76	Adult Care & Housing Strategy	Community Budgets	Governance, Fraud & Corruption	January 2013 - March 2013	In Progress		0	0	0	0	0	0				
77	Core Cross-Cutting	Committee Reporting - Member Decisions	Governance, Fraud & Corruption	July - September 2012	In Progress		0	0	0	0	0	0	08/10/2012	04/10/2012		
78	Core Cross-Cutting	Contract Fraud	Governance, Fraud & Corruption	July - September 2012	In Progress		0	0	0	0	0	0	15/08/2012			
79	Core Cross-Cutting	Managing With Reduced Resources	Governance, Fraud & Corruption	July - September 2012	In Progress		0	0	0	0	0	0	20/08/2012	20/08/2012		
80	Finance	Accounts Payable	Key Control	October - December 2012	In Progress		0	0	0	0	0	0				
81	Finance	Accounts Receivable	Key Control	October - December 2012	In Progress		0	0	0	0	0	0				
82	Finance	Cash Investments & Borrowing	Key Control	October - December 2012	In Progress		0	0	0	0	0	0				
83	Finance	Council Tax	Key Control	October - December 2012	In Progress		0	0	0	0	0	0				
84	Finance	General Ledger & Financial Accounting	Key Control	October - December 2012	In progress		0	0	0	0	0	0				
85	Finance	Housing & Council Tax Benefits	Key Control	October - December 2012	In Progress		0	0	0	0	0	0	10/12/2012			
86	Finance	NNDR	Key Control	October - December 2012	In Progress		0	0	0	0	0	0				
87	Finance	Payroll	Key Control	October - December 2012	In Progress		0	0	0	0	0	0				
88	Finance	Pensions	Key Control	October - December 2012	In Progress		0	0	0	0	0	0				
89	Information Services	Altair Pensions	Follow Up	July - September 2012	In progress		0	0	0	0	0	0				

90	Information Services	Cloud Computing	ICT	July - September 2012	In Progress	Advice	0	0	0	0	0	0				
91	Information Services	SAP Access Controls	ICT	October - December 2012	In progress		0	0	0	0	0	0	12/10/2012			
92	Legal & Democratic	Complaints	Operational	July - September 2012	In Progress		0	0	0	0	0	0	11/10/2012	11/10/2012		
93	Risk Management	Risk Management	Operational	January 2013 - March 2013	In Progress		0	0	0	0	0	0	22/10/2012	22/10/2012		
94	Schools - Primary (incl First, Infant & Junior)	Ashton Keynes Primary School	School	October - December 2012	In Progress		0	0	0	0	0	0	14/11/2012			
95	Schools - Primary (incl First, Infant & Junior)	Larkhill Primary School	School	October - December 2012	In Progress		0	0	0	0	0	0	17/10/2012	17/10/2012		
96	Strategic, Highways & Transport	Traffic & Network Management	Operational	October - December 2012	In Progress		0	0	0	0	0	0	10/09/2012	26/09/2012		
97	Information Services	CareFirst - Adults	ICT	July - September 2012	In progress		0	0	0	0	0	0	01/11/2012	01/11/2012		
98	Information Services	CareFirst - Children	ICT	August 2012	In progress		0	0	0	0	0	0	01/10/2012	01/11/2012		

2012-13 AUDIT PLAN

Directorate/Service	Audit Area	Audit Type	Quarter	Status	Opinion	No. of recs	Recommendations					Proposed Start Date	Actual Start Date	Draft Issued	Final Issued
							5	4	3	2	1				

FUTURE PLANNED WORK

99	Adult Care & Housing Operations	Assessments & Reviews (Care & Financial)	Operational	January 2013 - March 2013	Created		0	0	0	0	0	0				
100	Adult Care & Housing Operations	Help to Live at Home	Operational	January 2013 - March 2013	Created		0	0	0	0	0	0				
101	Adult Care & Housing Strategy	Care Transfers	Operational	January 2013 - March 2013	Created		0	0	0	0	0	0				
102	Adult Care & Housing Strategy	Child/Adult Transition	Operational	July - September 2012	Created		0	0	0	0	0	0				
103	Adult Care & Housing Strategy	Continuing Health Care	Operational	October - December 2012	Created		0	0	0	0	0	0				
104	Adult Care & Housing Strategy	Housing Benchmarking	Operational	January 2013 - March 2013	Created		0	0	0	0	0	0				
105	Adult Care & Housing Strategy	Housing Strategy	Operational	January 2013 - March 2013	Created		0	0	0	0	0	0				
106	Adult Care & Housing Strategy	Orders of St John (OSJ) Care Homes Contract	Operational	October - December 2012	Created		0	0	0	0	0	0				
107	Children & Families	Adoption & Fostering	Operational	January 2013 - March 2013	Created		0	0	0	0	0	0				
108	Children & Families	Care Placements	Operational	January 2013 - March 2013	Created		0	0	0	0	0	0				
109	Children & Families	Troubled Families	Operational	July - September 2012	Created		0	0	0	0	0	0				
110	Commissioning & Performance	Child Protection	Operational	January 2013 - March 2013	Created		0	0	0	0	0	0				
111	Communications	Communications	Operational	January 2013 - March 2013	Created		0	0	0	0	0	0				
112	Communities	Area Boards, Communities	Operational	January 2013 - March 2013	Created		0	0	0	0	0	0				
113	Communities	Housing Rents	Operational	October - December 2012	Created		0	0	0	0	0	0				

114	Core Cross-Cutting	Change Management	Operational	January 2013 - March 2013	Created		0	0	0	0	0	0			
115	Core Cross-Cutting	Corporate Governance	Operational	January 2013 - March 2013	Created		0	0	0	0	0	0			
116	Core Cross-Cutting	Direct Payments Fraud	Governance, Fraud & Corruption	October - December 2012	Created		0	0	0	0	0	0			
117	Core Cross-Cutting	Expenses Fraud	Governance, Fraud & Corruption	January 2013 - March 2013	Created		0	0	0	0	0	0			
118	Core Cross-Cutting	Project Management	Operational	January 2013 - March 2013	Created		0	0	0	0	0	0			
119	Economy & Regeneration	Economic Development	Operational	July - September 2012	Created		0	0	0	0	0	0			
120	Finance	Grants	Grant Certification	July - September 2012	Created		0	0	0	0	0	0			
121	Finance	Imprests	Key Control	October - December 2012	Created		0	0	0	0	0	0			
122	HR & Organisational Development	Staff leavers	Operational	October - December 2012	Created		0	0	0	0	0	0			
123	Information Services	Civica Cash Receipting	ICT	October - December 2012	Created		0	0	0	0	0	0			
124	Information Services	Disaster Recovery	ICT	January 2013 - March 2013	Created		0	0	0	0	0	0			
125	Information Services	Express Payroll (Election Services)	ICT	January 2013 - March 2013	Created		0	0	0	0	0	0			
126	Information Services	IT Infrastructure	ICT	October - December 2012	Created		0	0	0	0	0	0	19/11/2012	19/11/2012	
127	Information Services	Northgate Benefit System	ICT	October - December 2012	Created		0	0	0	0	0	0			
128	Information Services	QL Housing Management System	ICT	January 2013 - March 2013	Created		0	0	0	0	0	0			
129	Information Services	SAP IT Key Control	ICT	October - December 2012	Created		0	0	0	0	0	0	19/11/2012	19/11/2012	
130	Information Services	Simdell Housing Rents	ICT	December 2012	Created		0	0	0	0	0	0			
131	Information Services	Simdell Housing Rents	ICT	October - December 2012	Created		0	0	0	0	0	0			
132	Legal & Democratic	Assets & Property	Operational	October - December 2012	Created		0	0	0	0	0	0			
133	Legal & Democratic	Data Quality	Operational	January 2013 - March 2013	Created		0	0	0	0	0	0			
134	Legal & Democratic	Litigation Management	Operational	January 2013 - March 2013	Created		0	0	0	0	0	0			
135	Neighbourhood	Car Parking Services	Operational	January 2013 - March 2013	Created		0	0	0	0	0	0			
136	Procurement	Procurement & Contract Management	Key Control	July - September 2012	Created		0	0	0	0	0	0			
137	Public Health & Public Protection	Business Continuity	Operational	January 2013 - March 2013	Created		0	0	0	0	0	0			
138	Public Health & Public Protection	Emergency Planning	Operational	January 2013 - March 2013	Created		0	0	0	0	0	0			
139	Risk Management	Performance Management	Operational	January 2013 - March 2013	Created		0	0	0	0	0	0			
140	Schools - Primary (incl First, Infant & Junior)	Broad Town Primary School	School	October - December 2012	Created		0	0	0	0	0	0	21/11/2012		
141	Schools - Primary (incl First, Infant & Junior)	Oaksey Primary School	School	October - December 2012	Created		0	0	0	0	0	0	27/11/2012		

142	Schools & Learning	Bank Reconciliations	School	October - December 2012	Created		0	0	0	0	0	0				
143	Schools & Learning	Purchase Orders	School	February 2013	Created		0	0	0	0	0	0				
144	Schools & Learning	Register of Business Interests	School	January 2013 - March 2013	Created		0	0	0	0	0	0				
145	Strategic, Highways & Transport	Street Lighting	Operational	January 2013 - March 2013	Created		0	0	0	0	0	0				
146	Transformation	Campus Programmes	Operational	October - December 2012	Created		0	0	0	0	0	0				

2012-13 AUDIT PLAN

Directorate/Service	Audit Area	Audit Type	Quarter	Status	Opinion	No. of recs	Recommendations					Proposed Start Date	Actual Start Date	Draft Issued	Final Issued	
							5	4	3	2	1					
DEFERRED OR REMOVED WORK (REMOVED IS TAKEN OUT OF 2012-13 PLAN, DEFERRED MEANS THAT THE QUARTER THE WORK IS TO BE UNDERTAKEN HAS CHANGED)																
Adult Care & Housing Strategy	Housing Benchmarking	Deferred/Removed - January 2013 - March 2013	July - September 2012	Deferred		0	0	0	0	0	0					
Legal & Democratic	Complaints	Deferred/Removed - September 2012	April - June 2012	Deferred		0	0	0	0	0	0					
Public Health & Public Protection	Licensing	Deferred/Removed - October - December 2012	April - June 2012	Deferred		0	0	0	0	0	0	01/06/2012				
Public Health & Public Protection	Licensing	Deferred/Removed - April 2013	October - December 2012	Deferred		0	0	0	0	0	0					
Schools - Primary (incl First, Infant & Junior)	Amesbury Archer Primary School	Deferred/Removed	April - June 2012	Deferred		0	0	0	0	0	0					
Schools - Primary (incl First, Infant & Junior)	Baydon St Nicholas CE School	Deferred/Removed	April - June 2012	Deferred		0	0	0	0	0	0	01/06/2012				
Schools - Primary (incl First, Infant & Junior)	Chilton Foliat CE VA Primary School	Deferred/Removed	April - June 2012	Deferred		0	0	0	0	0	0					
Schools - Primary (incl First, Infant & Junior)	Dilton Marsh CE Primary School	Deferred/Removed	April - June 2012	Deferred		0	0	0	0	0	0					
Schools - Primary (incl First, Infant & Junior)	Great Wishford CE Aided Primary School	Deferred/Removed	April - June 2012	Deferred		0	0	0	0	0	0					
Schools - Primary (incl First, Infant & Junior)	Lyneham Primary	Deferred/Removed	April - June 2012	Deferred		0	0	0	0	0	0					
Schools - Primary (incl First, Infant & Junior)	Old Sarum Primary School	Deferred/Removed	April - June 2012	Deferred		0	0	0	0	0	0					
Schools - Primary (incl First, Infant & Junior)	St Michael's CE (Aided) Primary School, Aldbourne	Deferred/Removed	April - June 2012	Deferred		0	0	0	0	0	0					
Communities	Area Boards, Communities	Deferred/Removed - January 2013 - March 2013	April - June 2012	Deferred		0	0	0	0	0	0					
Adult Care & Housing Strategy	Affordable Housing	Deferred/Removed	July - September 2012	Removed		0	0	0	0	0	0					
HR & Organisational Development	Behaviours Framework	Deferred/Removed	July - September 2012	Removed		0	0	0	0	0	0					

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Schedule of Potential Significant Risks Identified from Internal Audit Work during the period 1 August 2012 to 31st October 2012

NEW RISKS IDENTIFIED DURING THE PERIOD 1 AUGUST 2012 TO 31 OCTOBER 2012								
Ref	No	Name of Audit	Weaknesses Found	Risk Identified	Recommended Action	Managers Agreed Action	Agreed Date of Action	Managers Update
	SWAP Ref: 18857	Sickness Absence	Testing found notable delays in reporting and updating sickness histories on SAP MSS, and Management intervention is often untimely and inconsistent.	Loss of revenue through sickness absences resulting from ineffective reporting, monitoring and management of cases.	<p>I recommend that, as required by the Sickness Absence Management Policy and Procedures, and to ensure complete and accurate sickness reporting:</p> <ul style="list-style-type: none"> Employee sickness absence is reported by managers on SAP MSS on the first day of absence. One entry is made for each concurrent sickness absence. An end date of 31.12.9999 is reported until an employee returns to work. Records are updated on the day an employee returns to work or ends their absence. 	OH & HR raise at strategic level to CLT & various committees eg Staffing Policy on quarterly basis. Operational teams to drill down on the detail and pick up areas where needed. This will include the need to remind managers of the key points of the procedure and continue with the manager briefings.	30/10/2012	
					I recommend managers should be required to undertake periodic checks against attendance records (for example, timesheets) to SAP MSS to ensure sickness absence reporting is complete and accurate.	Review SAP drop down lists available to improve accuracy of reasons.	31/12/2012	
					I recommend increased scrutiny of sickness absence exception reports, and spot checking of teams which provide minimal or no sickness absence data, with explanations sought from operational managers to verify the accuracy of such	Acceptance and continue with vigour.	30/10/2012	

Schedule of Potential Significant Risks Identified from Internal Audit Work during the period 1 August 2012 to 31st October 2012

NEW RISKS IDENTIFIED DURING THE PERIOD 1 AUGUST 2012 TO 31 OCTOBER 2012								
					records.			
					I recommend reasons for sickness absence are accurately reported to allow identification of related sickness patterns and chronic conditions requiring specific management support.	This is already a requirement under the sickness absence management policy – remind managers of this requirement and maybe develop SAP training manuals for recording on SAP records. Look to review available options in the pull down menu in SAP in line with ‘NICE’ criteria.		
					I would recommend, for cases of long-term and on-going sickness, that timely initial advisory meetings are held with employees with trigger reported sickness absence to: <ul style="list-style-type: none"> • discuss absences; • agree improvement targets; and • where applicable, discuss reasons for referrals to HR, so as to improve attendance and reduce absences.	Remind managers of this option within the procedure and encourage managers to hold joint case reviews at the earliest opportunity when and where appropriate to do so.	30/10/2102	

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Schedule of Potential Significant Risks Identified from Internal Audit Work during the period 1 August 2012 to 31st October 2012

NEW RISKS IDENTIFIED DURING THE PERIOD 1 AUGUST 2012 TO 31 OCTOBER 2012							
					<p>I recommend, in line with OH advice, that line managers should be formally supported to undertake timely action in cases of long term staff absence or legal sensitivity, through prompt case review with joint representation from management, OH, HR and, where necessary and appropriate, Legal Services.</p>	<p>Agree with this approach.</p>	
					<p>I recommend that managers maintain regular contact with employees during periods of sickness absence and, as also recommended by OH, further training should be provided to managers to enhance the management of staff during absences, especially in cases of long term sickness.</p> <p>Managers should also ensure a confidential log is maintained of dates when contact is made with employees during their absence. This should be made available for joint review on request from HR or OH.</p>	<p>This is already part of the sickness absence management policy – remind managers of this requirement. Regular will depend on the particular circumstances of the case.</p> <p>Manager briefing sessions have been taking place throughout 2012.</p> <p>Although already in Wiltshire Council’s People Strategy we could develop a training package as part of induction that is required to be undertaken, perhaps on-line.</p> <p>It is likely that long term cases are generally picked up</p>	<p>30/10/2012</p>

Schedule of Potential Significant Risks Identified from Internal Audit Work during the period 1 August 2012 to 31st October 2012

NEW RISKS IDENTIFIED DURING THE PERIOD 1 AUGUST 2012 TO 31 OCTOBER 2012								
						and dealt with but significant impact could be made on the cost of sickness by dealing with and managing short term and recurrent absences.		
					<p>I recommend that formal evidence is retained on central personnel files of all contacts with employees with long term and recurring sickness absence above trigger reporting thresholds. Evidence should include:</p> <ul style="list-style-type: none"> • Outcomes of advisory meetings including targets for improvements with agreed timelines • Details of any support agreed to help improve attendance • Agreed consequences to be enforced by management where absence targets have still not been met. 	Remind managers of each bullet point – part of sickness absence management policy or management guidance notes	30/10/2012	
					<p>I recommend that all Doctor's Fit Note submission forms and supporting Fit Notes are submitted within one day of receipt to Business Support - HR and Payroll Administration. Copies can be initially sent electronically via secure email, however original records</p>	This is already part of the sickness absence management policy – remind managers of this requirement.	30/10/2012	

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Schedule of Potential Significant Risks Identified from Internal Audit Work during the period 1 August 2012 to 31st October 2012

NEW RISKS IDENTIFIED DURING THE PERIOD 1 AUGUST 2012 TO 31 OCTOBER 2012								
					should always then be submitted securely via the internal post.			
					I recommend that certification dates reported on Doctors Fit Notes are updated on SAP by HR Payroll as confirmation of receipt.	The recommendation is the current practice within payroll. The issue with teachers causes problems with the pension reports we provide to support payments made to TP, when the fit note has a retrospective date. There is a work around for this but it is a little bit cumbersome, the problem currently sits with the SAP support centre.	Already Actioned	
					I recommend, in accordance with the Sickness Absence Management Policy, managers refer employees to OH for assessment at the earliest appropriate opportunity.	Specific trigger points are contained within the sickness absence management policy – remind managers to consider whether to undertake a referral to OH	30/10/2012	
					I recommend that managers ensure that employees are always informed in advance of their referral to Occupational Health with the reasons for doing so appropriately discussed.	This is part of the sickness absence management policy – remind managers of this requirement It is a requirement	30/10/2012	

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Schedule of Potential Significant Risks Identified from Internal Audit Work during the period 1 August 2012 to 31st October 2012

NEW RISKS IDENTIFIED DURING THE PERIOD 1 AUGUST 2012 TO 31 OCTOBER 2012								
						that managers confirm on the referral form that they have discussed this with the employee before referral.		
					I recommend that managers discuss the findings and recommendations in OH reports with employees promptly, and evidence these with copies of correspondence retained on central personnel files.	This is part of the sickness absence management policy – remind managers of this requirement and to send copies of correspondence for employee’s record	30/10/2012	
	SWAP Ref: 19081		It was identified that there are an excessive number of responsible officer levels and an unnecessary and overly complicated number of thresholds assigned.	Failure to ensure appropriate authorising levels are set for procurement and contracting which are proportionate to the undertakings risks hindrance to the achievement of value for money.	I recommend that the Scheme of Delegation’s list of approved signatories is reviewed and suitably amended to: <ul style="list-style-type: none"> • Reduce the number of approval limits to a meaningful and appropriate number, considerably less than the current number of limits of 30. • Ensure that all officers included in the Scheme are given an approval limit for purchasing approval. • Ensure greater clarity as to the demarcations and seniorities to which approval levels are designated. 	The Scheme of Delegation will be reviewed as part of the review of financial regulations.	June 2013	
					<i>SWAP Ref: 19081</i>			

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Summary of Key Points Relating to "Partial Assurance" Reviews

AUDIT TITLE	ISSUES RAISED BY INTERNAL AUDIT	
1. Contract Management	Information and guidance on procurement is not user friendly.	<p>The CPU have recently issued revised guidance and held training sessions for all buyers. The new guidance is on The Wire:http://thewire.wiltshire.council/index/dce-homepage/business-services-procurement.htm</p> <p>Further work is ongoing to develop this into a similar format and style to HRDirect.</p>
	Only 30% of purchases tested complied with quotation requirements.	A review has been undertaken of the cases referred to and in these cases the alternative procurement route did identify a lower cost than could have potentially been obtained via a contract. Going forward the CPU is working with managers to improve awareness, such as training and a SAP development for 2013/14 will introduce an automated control to prevent this.
	The Corporate Procurement Unit (CPU) have not undertaken spot checks or verification work.	CPU will undertake spot checks within the new category management structure currently being recruited to as part of a restructure of the service. This will be in place from 1 st April 2013.
	Only 1 of the 12 tested was found to have been recorded in the Contract Register.	This will be included in the guidance, and there will be clearer responsibility and monitoring under the new Procurement Structure from February 2013.
2. Sickness Absence	Testing found notable delays in reporting and updating sickness histories on SAP MSS, and Management intervention is often untimely and inconsistent.	Human Resources have reminded managers of the key points of the procedure and continue to do so with the manager briefings. This has included encouraging managers to hold joint case reviews at the earliest opportunity when and where appropriate to do so.

Summary of Key Points Relating to “Partial Assurance” Reviews

		<p>Further improvements such as a training package as part of induction and on-line modules are being considered.</p> <p>Forms that exist already draw manager’s attention to the necessary procedure with Occupational Health. Further review of their effectiveness will continue to be monitored.</p>
3. Business Continuity	The Corporate Business Continuity Plan (BCP) and associated documentation has not been updated since 2010.	The council was aware that its Business Continuity (BC) arrangements needed review, this was partly due to loss of experienced staff and a number of internal service restructures. This has now been updated and training roll out begun. During the previous period no major incidents occurred with any loss to the Council or County.
	The templates used to create service BCPs and BIA’s are over complicated and may not be of use to the Heads of service.	Wiltshire Council has worked with Swindon BC to adopt robust procedures. All existing templates have been reviewed, and training on these is being rolled out in January 2013.
	<p>Service Business Impact Assessments (BIA’s) have not always been reviewed and updated since 2010. This means a few may not have taken into account recent critical changes to the structures of the services.</p> <p>Heads of service should ensure that training is provided to members of their team to develop and support Business Continuity Plans, both for service BCPs and corporate processes</p>	<p>A reminder has gone out and a review process is to be introduced in order that spot audits by emergency planning team are carried out to ensure compliance going forward from February 2013.</p> <p>Heads of service will begin delivery of training to their teams in 2013.</p>

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Summary of Key Points Relating to “Partial Assurance” Reviews

4. Imprest and Petty Cash Year End Accounts	The records held by Technical Accountancy in regard to imprest/petty cash accounts are out of date and require reviewing and updating. There are some accounts which are not being used which could be closed and some accounts where the amount of money held could be reduced.	A separate review of petty cash/imprest accounts is currently being undertaken by Technical Accountancy. This matter will be addressed as part of this review
	One imprest account had a cheque book where four blank cheques had been signed by one of the authorised signatories.	Further guidance has been provided and a review has identified ways to strengthen controls that will be implemented immediately.
5. Partnerships	While definitions of Partnerships are identified in the Protocol the explanatory notes do not contain appropriate explanation which as a result may mislead officers when making informed decisions on the correct treatment for agreements. In addition the Partnership Register process needs improvement. Internal audit also identified a number of arrangements found outside of the Partnership Register and could not provide assurance that these are appropriately reviewed.	The Head of Legal Services in conjunction with Head of Procurement has commenced a review of the Partnership Protocol to ensure that it makes plain processes, responsibilities and definitions with a view that the revised protocol be submitted for approval by council for inclusion in the constitution in February 2013. In addition, the new protocol will identify responsibilities for promoting loading, maintenance and corporate monitoring with overall ownership and governance of the partnerships register being the responsibility of the Corporate Procurement and Commissioning Board

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AUDIT FORWARD PLAN

DECEMBER 2012 - MARCH 2013

Meeting date	Item	Officer
<u>19 December 2012</u>		
	<u>Internal Audit Quarterly update</u>	<u>Michael Hudson</u>
	<u>External Audit Annual Audit Report</u>	<u>Michael Hudson</u>
<u>20 March 2013</u>		
	<u>Internal Audit Quarterly update</u>	<u>Michael Hudson</u>
	<u>Internal Audit Plan 2013/14</u>	<u>Michael Hudson</u>
	<u>External Audit Audit Plan</u>	<u>Michael Hudson</u>

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