Wiltshire Council

Report of Internal Audit Activity

Progress Report 2023/24 – January 2024

Internal Audit ▪ Risk ▪ Special Investigations ▪ Consultancy

Executive Summary

Audit Opinion, Significant Risks and Audit Follow Up Work

Audit Opinion

This is our third update report for 2023/24 financial year. Our last report was in November 2023 and as such we are reporting on a relatively short period of time which is reflected in the report content.

Based on the outcomes of recent reviews completed, we recognise that generally risks are well managed. We have identified some gaps, weaknesses and areas of non-compliance within our work however, with implementation of the agreed audit actions, we are able to offer an ongoing **reasonable opinion**.

Since our last report in November, we have not issued any **Limited** assurance opinions on areas and activities we have been auditing.

Significant Corporate Risks

There are three, previously reported, significant corporate risks. The first being the **Pension Fund Key Controls**. We have concluded our follow up work in this area and found that whilst significant progress has been made against many of the actions, there is still more work to do to fully mitigate all the risks originally identified. Additionally, whilst we had a client self-assessment against all the actions, we were unable to validate those actions in 2 of the 12 key areas where supporting evidence was not made available. Additionally, we incorporated a follow up of remaining action from the **Pension Payroll Reconciliation Project** within this work. The self-assessment has indicated that all cases are now resolved, however supporting evidence to confirm this progress was not made available.

On page 7 of our report, we have provided a copy of our one-page summary for members information. We will undertake further follow up work as appropriate and continue to report these significant risks to the committee until we feel the risks are fully mitigated.

Finally, regarding the **ICT Network Boundary Defences** significant risk, full mitigation of the risks identified as part of our work are a longer-term ambition. We have not yet undertaken any follow up work, but we aim to programme a series of follow up pieces that will span a number of months; in order to keep the Committee updated on progress.

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

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Internal Audit Plan Update

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

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

SWAP Internal Audit Plan Coverage

The table below, captures our audit coverage, mapped against the Authority's strategic risks since January 2023. Furthermore, we have then overlaid the audit assurance outcomes of those risk areas that we have reviewed. We are aware that the Risk Management team are currently undertaking a reworking of the Council's strategic risk register which is likely to result in some key changes. We will aim to map our work across to the new strategic risks in our report to the April meeting. We continue to work with the Corporate Directors and Directors to ensure that we provide comprehensive coverage of the Council's risks, and that our work aligns to the Councils Business Plan objectives. As always Members and Senior Officers of the Council are able to view our live rolling plan dashboard through SWAP's audit management software, AuditBoard, at any time.

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

Coverage	Description
Good	Good audit coverage completed
Adequate	Adequate audit coverage completed
Some	Some aspects of audit coverage completed
In Progress	Some aspects of audit coverage in progress
None	No audit coverage to date

Assurance	Description
Substantial	Sound system of governance, risk management and controls exist
Reasonable	Generally sound system of governance, risk management and control in place
Limited	Significant gaps, weaknesses or non-compliance were identified
No Assurance	Fundamental gaps, weaknesses or non-compliance identified

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If you choose to view our rolling plan dashboard in AuditBoard, you will be able to view our coverage split in ways other than just the strategic risks of the Council. There is also the facility to drill through (right click within the coverage boxes) to view the audits that have contributed to that coverage and average opinion.

For the Committee's information we have also captured our coverage since January 2023 by:

Corporate Priorities of the Council

Corporate Priority	Coverage (Completed Audits)	Average Opinion of Completed Audits
WC P01 - Empowered People	Good	Reasonable
WC P02 - Resilient Society	Adequate	Reasonable
WC P03 - Thriving Economy	Adequate	Reasonable
WC P04 - Sustainable Environment	Some	Reasonable
WC P05 - Your Council	Good	Reasonable

SWAP Top 10 Risk Themes

SWAP compiles these themes from horizon scanning, intelligence gathering across the partnership and from our own professional body the Insititute of Internal Auditors.

Top 10 Risks	Coverage (Completed Audits)	Average Opinion of Completed Audits
Planning, Housing, Environment and the Local Economy	In Progress	
Governance	Adequate	Limited
Sustaining Care	Some	Substantial
Finance	Good	Reasonable
Health & Safety	Some	Reasonable
Education	Some	Non Opinion Audits
Contracts, Procurement and Commissioning	Good	Reasonable
Workforce	None	
Technology, Digital and Security	Some	Limited
Strategic Asset Management	Some	Reasonable

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Core Areas of Recommended Coverage

These are some key areas considered to be a barometer of the health of an organisation

Healthy Organisation Theme	Coverage (Completed Audits)	Average Opinion of Completed Audits
Corporate Governance (incorporating performance management, culture & ethics, fraud, & climate change)	Adequate	Limited
Financial Management	Good	Reasonable
Risk Management	Adequate	Limited
Contract Management, Commissioning, and Third Party Resilience	Adequate	Reasonable
Information Management (incorporating data protection & cyber security)	Adequate	Reasonable
Programme & Project Management	Some	Reasonable
Workforce (incorporating recruitment/ retention, staff health & safety, and staff wellbeing)	None	
Asset Management	Some	Limited

The Committee will note the coverage mapped against these other measures indicate more comprehensive coverage, although we are aware of a gap in workforce assurance work. We will aim to programme some work in this area once the new Evolve system has been fully implemented and the HR functions are comfortable with the new system.
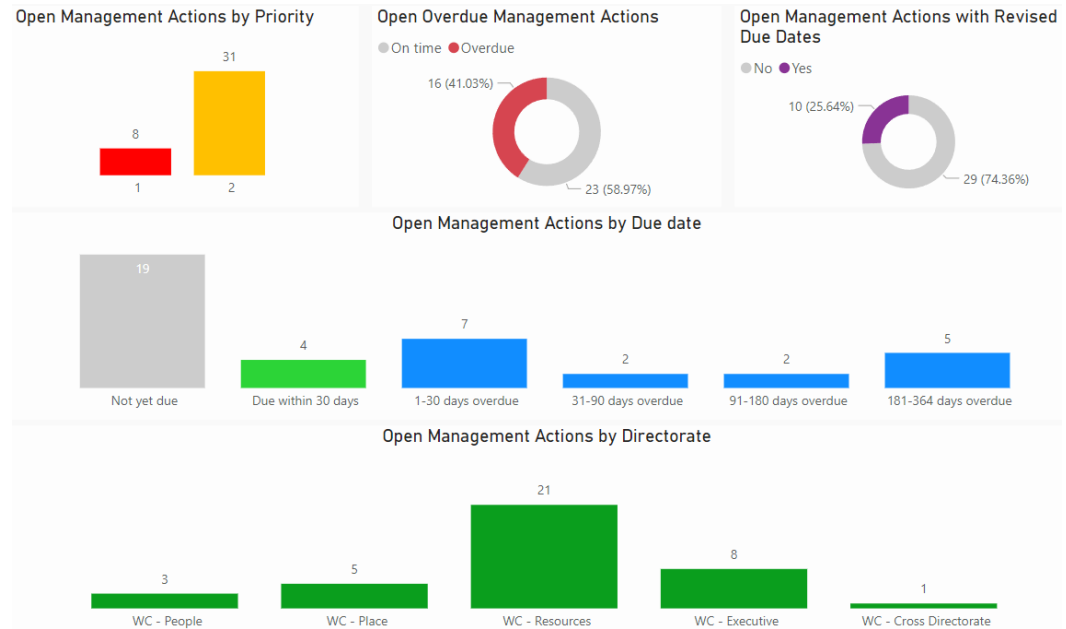
We review our performance to ensure that our work meets our clients' expectations and that we are delivering value to the organisation.

SWAP Performance Measures

Performance Measure	Performance
Overall Client Satisfaction *(Did our work meet or exceed expectations, when looking at our Communication, Auditor Professionalism and Competence, and Value to the Organisation)*	**96%**
Value to the Organisation *(Client view of whether our audit work met or exceeded expectations, in terms of value to their area)*	**100%**

Implementation of Audit Actions

The graph below indicates the number of long overdue priority 1 and 2 actions as at 18th January 2024.

Open Management Actions by Priority
- 1: 8
- 2: 31

Open Overdue Management Actions
- On time ● Overdue
- 16 (41.03%)
- 23 (58.97%)

Open Management Actions with Revised Due Dates
- No ● Yes
- 10 (25.64%)
- 29 (74.36%)

Open Management Actions by Due date
- Not yet due: 19
- Due within 30 days: 4
- 1-30 days overdue: 7
- 31-90 days overdue: 2
- 91-180 days overdue: 2
- 181-364 days overdue: 5

Open Management Actions by Directorate
- WC - People: 3
- WC - Place: 5
- WC - Resources: 21
- WC - Executive: 8
- WC - Cross Directorate: 1

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Added Value

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

Added Value

Cifas

We continue to work with the Council to identify and support services where use of the Cifas data matching service could bring benefits. We are currently working with Housing exploring the possibility of checking tenants under the 'Right to Buy' scheme.

Added Value Activities

Since our last to report to the committee we have delivered the following added value activities as part of our audit work:

- The Data Analytics team have consulted with the Climate Change team in relation to improvements that could be made in their reporting tools.

- A survey was undertaken across senior managers to ascertain the levels of understanding, engagement and training etc, in relation to the Council's pledge to become carbon neutral by 2030.

- The Data Analytics team scrutinised and challenged the Pension Fund's KPI spreadsheet with the aim to identify errors in formulae, which could have resulted in inaccurate reporting. Feedback was provided on required improvements.

- A cross partner comparison report on the performance data relating to Blue Badges was shared with the Council.

Newsletters and updates

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

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Wiltshire Pension Fund Outstanding Actions Follow Up – January 2024

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Follow Up Audit Objective

To provide assurance that agreed actions to mitigate against risk exposure identified within the 2022/23 Limited opinion audit of Pensions Key Financials Control report and Pensions Payroll Reconciliation Project have been implemented.

Follow Up Progress Summary

Priority	Complete	In Progress	Not Started	Summary
Priority 1	0	2	0	2
Priority 2	1	8	0	9
Priority 3	2	0	0	2
Total	**3**	**10**	**0**	**13**

Follow Up Assessment

Wiltshire Pension Fund officers provided us with updates, a progress percentage, and supporting documentation for 13 actions across the Key Financial Controls and Payroll Reconciliation Project audits.

Significant progress has been made against the majority of actions. For three actions we were unable to confirm the percentage of progress reported as supporting evidence was not available. The original Pension Fund Risk and Controls Register action has been closed, but suggestions have been made to further enhance this area.

Action	Priority Rating	Reported progress	Audit Comment
New Enrolments	2	50%	We were provided with satisfactory evidence and confirm 50% progress has been made on this action.
Overpayments	2	80%	We were provided with satisfactory evidence and confirm 80% progress has been made on this action.
Lumpsum payments	2	70%	We were provided with satisfactory evidence and confirm 80% progress has been made on this action.
Transfers into the fund	2	95%	At the time of this audit we were unable to obtain evidence confirming that all cases had been resolved and therefore the overall progress against the action has not been confirmed.
Amendments	3	100%	We were provided with satisfactory evidence and the action is now closed.
Aggregation Processing and Backing	1	70%	We were provided with satisfactory evidence and confirm 70% progress has been made on this action.
Status 2 Members	2	70%	We were provided with satisfactory evidence and confirm 70% progress has been made on this action.
Retired Members (Over 75s)	3	100%	Satisfactory evidence has been provided and the action is now closed.
Workflow Management	2	85%	We were provided with satisfactory evidence and confirm 85% progress has been made on this action.
KPIs, Reports and Monitoring of Staff Productivity	2	70%	We were provided with satisfactory evidence and confirm 70% progress has been made on this action.
Quality Assurance	2	90%	At the time of this audit we were unable to obtain evidence of the new quality assurance processes that have been implemented and therefore the overall progress against the action has not been confirmed.
Pension Fund Risk and Controls Register	2	100%	Satisfactory evidence has been provided to close the initial action, however suggestions have been made to further enhance this area.
Pensions Payroll Reconciliation Project	1	100%	It is understood that all cases have been resolved but, at the time of this audit, we were unable to obtain supporting evidence for this.

Additional Information

We will undertake a full Key Control Review, as agreed, in Q1 2024/25 which will provide an assessment of the overall control framework.

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