SWAP
INTERNAL AUDIT SERVICES
Helping Organisations to Succeed

Cheltenham Borough Council
Proposed Internal Audit Plan 2024/25

Internal Audit ▪ Risk ▪ Special Investigations ▪ Consultancy

The internal audit plan represents a summary of the proposed audit coverage that the internal audit team will deliver throughout the 2024/25 financial year.

Introduction and Objective of the Audit Plan

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

Prior to the start of each financial year, SWAP, in conjunction with senior management, put together a proposed plan of audit work. The objective of our planning process and subsequent plan is to put us in a position to provide a well-informed and comprehensive annual audit opinion, based on sufficient and appropriate coverage of key business objectives, associated risks, and risk management processes.

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

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

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

- Does the internal audit plan cover the organisation's key risks as they are recognised by the Senior Management Team and Audit, Compliance and Governance Committee?

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

The proposed 2024/25 plan presented in Appendix 1 provides coverage of the Authority's key corporate objectives and risks as well as core areas of recommended coverage.

Internal audit is only one source of assurance and should be considered as such.

Update to Approach

Due to the pace of change within Local Authorities, it is becoming increasingly difficult to accurately predict longer-term key organisational risks. Our approach to internal audit planning recognises this through a strategic 12 month rolling plan, whereby we have prepared an agile, risk assessed work plan containing key areas of coverage. This approach will ensure we are auditing the right areas, with the correct scope, at the right time.

We will revisit and adjust our programme of work on at least a quarterly basis to ensure alignment with the changing risk profile of the organisation's operations, systems and controls and with regard to sector risks. The regular input of Senior Management and review of the Authority's risk register will be considered in this process. Our 2023/24 audit plan will contain an element of contingency in order that the plan can remain flexible and respond to new and emerging risks as and when they are identified and may include unannounced activity.

The proposed audit plan at Appendix 1 provides coverage of the Authority's key corporate objectives and risks, as well as our core areas of recommended audit activity.

Internal audit coverage can never be absolute and responsibility for risk management, governance and internal control arrangements will always remain fully with management. Internal audit cannot provide complete assurance over any area, and equally cannot provide any guarantee against material errors, loss or fraud.

Our documented risk assessment helps to ensure that sufficient and appropriate areas are identified for consideration in our internal audit programme of work.

As above, it is the responsibility of the Authority's Senior Leadership Team, and the Audit, Compliance and Governance Committee to ensure that, with consideration of our risk assessment, the overall programme of work throughout the year contains sufficient and appropriate coverage.

Internal Audit Risk Assessment (updated)

Our 2023/24 internal audit programme of work is based on a documented risk assessment, which SWAP will re-visit regularly, but at least annually. The input of senior management as well as review of the Authority's risk register has been considered in this process.

Below we have set out a summary of the outcomes of the risk assessment for Cheltenham Borough Council

Local Issues

Delivery of services, and efficiencies, by Publica Group (Support) Ltd
Climate Change
Income Targets
Corporate Health, Safety and Wellbeing
Funding Gaps
Cyber Park
Transition of CBH into CBC

Regional Issues

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

Risk Assessment

Core Areas of Recommended Coverage

Risk Management
Financial Management
Corporate Governance
Performance Management
Cyber Security
Information Management
Procurement and / or Contract Management

National Issues

Climate Change
Alternative Delivery Models to Deliver Services
Supply Chain Management & Supplier Resilience
Ongoing GDPR Compliance
Continuing response World Events

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors.

SWAP INTERNAL AUDIT SERVICES
Assuring – Improving – Protecting

It should be noted that the audit titles and high-level scopes included below are only indicative at this stage for planning our resources. At the start of each audit, an initial discussion will be held to agree the specific Terms of Engagement for the piece of work, which includes the objective and scope for the review.

Core Audit Areas – Areas of Coverage and Brief Scope	Directorate

Core Financials – Publica Controls (where applicable) and Transactional Testing
A review of the controls operating on behalf of the Council, by Publica,, in respect of the Core Financial systems:
 	
• *Accounts Payable (Creditors)*
• *Accounts Receivable (Debtors)*
• *Bank Reconciliation*
• *Procurement - suggested area to be agreed based on highest risk to organisations*
  - *Review to ensure procurement of new contracts is in accordance with the updated, and approved, strategy*
  - *Assessment of Compliance with Commercial Continuous Improvement Assessment Framework*
A review of the controls operating within the Council
• *Treasury Management*
• *Main Accounting – Assessment of Compliance with CIPFA Financial Management Code*	

Human Resources • *Payroll – suggested area to be agreed based on highest risk to organisation.* *Human Resources – suggested area to be agreed based on highest risk to organisation.*	
Revenues and Benefits *A review of the controls operating in respect of:* • *Council Tax* • *National Non-Domestic Rates* • *Housing Benefit and Council Tax Support* *Scope to be confirmed*	
ICT Audits *Audits to be discussed and confirmed with the Chief Technology Officer and ICT Audit and Compliance Manager*	
Regulatory Services *A review of either Licensing / Building Control / Environmental Health – suggested area to be agreed* *A review of an element of Planning e.g. application processing, appeals, income allocation.* *Area and scope to be confirmed*	

Proposed Audit Areas – Areas of Coverage and Brief Scope	Responsible Officer
Business Grant Post Payment *Head of IA working with CFEU Manager re. recovery of overpayment of grants, Bad Debt information to BEIS*	
Counter Fraud and Enforcement Unit *Review to include processes operated by CFEU, access to data, reporting and governance*	
Emergency Planning *Review to ensure processes are effective*	
Data Protection *Security of Data, training provision, reporting arrangements*	
Data Retention *Review the Council's data retention policies for accuracy and compliance.*	
Risk Management *Escalating Operational / Strategic Risks* *Review to assess how high scoring operational / strategic risks are included on the Council's Corporate Risk Register, to ensure Statutory Officers are aware of any potential risks to the Council and can suggest measures for mitigation*	
Planning Performance Agreements *Review control and transparency of Planning Performance Agreements*	
Climate Change - Operational *Review to assess what business areas are doing to support the Council's commitment to the Climate Emergency*	
Climate Change *Assessment of the Council's commitment to Carbon Reduction targets / Climate Emergency*	
Carbon Reduction *Review to assess how carbon data is measured ensuring the Council continues to meet its commitment to carbon reduction.*	
Biodiversity – Compliance for Councils *Review to ensure the Council is meeting its obligations in respect of Biodiversity Legislation . Biodiversity Net Gain*	
Environment Legislation *Review to ensure procedure / systems have been updated to ensure compliance with Environment Act*	
Members Allowances *Treatment of VAT and appropriateness of Claims*	
Public Meetings *Policy / Procedure / Training / Safeguarding / Constitution updated re webcasting*	

Performance Management *Health check of Performance Data, review of data quality, validity etc to include Planning Service Data Reporting of Programmes and Projects*	
Household Support Grants *Ensure payments made from Government Funding have been allocated / spent in accordance with guidance (Foodbank / Baby Account)*	
Leisure and Culture Facilities *Review to determine how the Council ensures the leisure service provider(s) are adhering to statutory Health and Safety regulations. Review to include the examination of tests such as fixed wire testing, fire alarm systems and emergency lighting tests.*	
Staff Welfare *Assessment of the support in place for staff welfare, during world, national and local issues which may impact staff wellbeing. To Include training for members and officers, data collated from leaver exit interviews and how actioned, issues raised in one to ones (collated and actioned)*	
Community Partnerships *Richard Gibson Request for review at borough / district level*	
Homelessness Loan Deposit Scheme *Martin Stacy Request to be undertaken when Housing Options transferred over to CBC* *Also wants to include process of maximising HB promotion / uptake so that cost to CBC is minimised*	
Preparedness for the switch from Analogue to Digital in 2025 *Ensure preparedness of the Council for services the switch from analogue to digital will affect e.g. lifeline / careline service, lift telephones, fax machines etc*	
Digital Discrimination *Ensure all channels of communication are made available (for all services / consultations) to customers and stakeholders*	
CBH (HR) Transition Project *Time allocated to support the Transition of the CBH HR Service into CBC. Including review of policies and procedures. Work to be undertaken prior to TUPE*	
CBH Transition Programme *Time allocated to support the CBH Transition into CBC*	
Publica Transition Programme *Time allocated to support the Publica Transition Programme and Workstreams*	

Programmes and Projects *Time allocated to support Programmes and Projects – service areas may include Leisure and Waste*	
Car Parking *Scope to be agreed*	
Proposed audits will be considered, during the year, and discussed with Heads of Service, Service Directors, CFO and / or CEO to confirm scope, timing and if it remains appropriate to undertake the audit. Liaison meetings will also identify any further areas (not included above) that would benefit from an Internal Audit Review. The Audit Plan will be updated, and agreed with the CFO as necessary	
Further requested assurance / advisory / support work	

Other Audit Involvement	
Management *Preparation of IA Monitoring Reports and preparation and attendance at Audit, Compliance and Governance Committee. Annual Audit Planning. Attendance at Governance and Risk Groups. High level programme monitoring. Liaison meetings with CFO and Leadership Team. IA Team Liaison Meetings with Head of Service.* **Follow-Up Audits** *Follow-Up of Previous Year's Agreed Actions* *Follow-Up audit of all High Priority Agreed Actions* **Programmes and Projects** *IA support to programmes and projects as appropriate* **Grant Certification** *Review (income and expenditure) and certification of Grants received by the Council ensuring funding requirements have been met (to include Disabled Facilities Grants)* **Working with the Counter Fraud and Enforcement Unit** *Provision to ensure collaborative working with the CFEU and to ensure control weaknesses, identified during CFEU activity, are being actioned. Regular liaison meetings* **Contingency** *Provision for new work based on emerging risks and Investigations.*	