

1.4 Implications on corporate and community plan priorities

1.4.1 Good governance arrangements underpin the delivery of the council's corporate strategy.

1.5 Statement on Risk

1.5.1 A risk assessment is set out at appendix 1.

2. Introduction

2.1 KPMG are the council's external auditors and at the recent audit committee set out their interim findings from their audit. The audit committee are charged with governance and oversight of the audit and monitoring the management response to the recommendations. As a cabinet we should be considering the recommendations and proposed action plan and ensure that it is delivered.

3. Background

3.1 The main headlines from the audit so far is that the controls over our key financial systems are generally sound, apart from the issue with regards to payroll which is already identified on our risk register and annual governance statement. The auditors were able to rely on the work of the internal audit partnership.

3.2 The auditors identified that the organisational and IT controls environment were considered effective overall but have recommendation a number of actions which will improve the control environment. One of the recommendations related to the way in which divisional risk registers were being completed and managers have already undertaken further work in this area in respect of the production of their service plans. The most significant recommendations related to the IT control areas, specifically the testing of backup data, and the auditors are of the view that without this testing it is not possible to ensure the integrity of backup media. They also identified a number of weaknesses regarding access to programmes and data, although they recognised that there are mitigating actions and controls which reduce the risk.

3.3 Attached at appendix 2 is an action plan which has been drawn up by management in response to the audit recommendations.

4. Consultation

4.1 The audit committee were specifically concerned about the potential control issues with payroll coupled with the IT access controls. I have spoken to both the relevant ADs and I am satisfied that the suggested actions will address the risks highlighted within the audit report.

4.2 I would request that cabinet colleagues in discussions with their respective ADs

discuss the service risk registers on a regular basis.

4.3

Appendices

1	Risk register
2	Action plan

Background Papers

Contact Officer	Jane Griffiths, Assistant Chief Executive, 01242 264126, jane.griffiths@cheltenham.gov.uk
Accountability	Councillor Colin Hay
Scrutiny Function	Economy and business improvement