

Audit Brief

Audit	Review of key issues arising from the Grant Thornton Art Gallery & Museum Report
Client	Cheltenham Borough Council (Andrew North - Chief Executive Officer)
Auditor(s)	Robert Milford
Start Date	29 th January 2015
Duration	10 audit days

Introduction
<p>We are conducting a review of the key issues identified in the Grant Thornton Art Gallery and Museum Report presented to Audit Committee on the 29th January 2015. This work has been requested by the Corporate Governance Group and is sponsored by the Chief Executive Officer.</p> <p>This brief is being presented to the Audit Committee to seek their endorsement of this work. This is an additional piece of reactive work outside of the Audit Plan as approved in March 2014 by the Audit Committee.</p>

Audit Objective & Scope
<p><u>Objectives</u></p> <p>Listed below are themes arising from the Grant Thornton report, from which questions to determine 'why' actions happened / did not happen can be asked – the outcome being to summarise the responses in a report that will allow an assessment of the extent to which expected or required processes and controls were followed and complied with.</p> <p>There are two elements identified in the GT report [<i>time line and financial position</i>] that demonstrates an overarching theme of:</p> <ol style="list-style-type: none"> 1) A consistent indication of reporting of inaccurate, untimely, misleading or incomplete information to various monitoring / stakeholder groups 2) A consistent indication of lack of reporting to Member level monitoring / stakeholder groups <p>Both of these points are significant factors in the indicated lack of awareness and challenge to the project timeline and financial positions, by groups to which the key project officers reported to. Without the awareness and therefore challenge to these two elements, as Grant Thornton indicate, CBC is unable to take appropriate action/decisions. As a result, some actions may have been without appropriate authority or possibly avoided.</p> <p>Sub themes arising from the report are in relation to:</p> <ol style="list-style-type: none"> i. Project structure (hierarchy, roles and accountability) ii. Authorisation and delegation iii. Third party external use and control iv. Competency and skills v. Pressures and priorities vi. Record documentation, maintenance and retention

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- vii. Use of formal and informal communications – (verbal updates)
- viii. Risk management – during the project
 - ix. Budget management – including the use of reporting by exception and POM
 - x. Gate reviews / milestones
 - xi. changes in roles and processes e.g. project sponsor, reporting from Davis Langdon,

All of the above themes and sub themes pose the question 'Why', as in, why did this happen or not happen.

The purpose of this internal audit review is to ask relevant questions of officers and Members to determine the Why.

Scope

These themes will be covered using questions delivered through the use of semi-structured face to face interviews, conducted by Internal Audit supported by Human Resources. The transcript of the interviews will be summarised, checked for accuracy with the individuals and compared / contrasted with the Grant Thornton report and CBC policy/procedures and provide more detail on why certain actions were or were not taken. The results of this will be reported back to the Corporate Governance Group, before being reported back to this committee. It is not anticipated that any recommendations will flow from this report, merely a summary of the why question results.

Note: not all involved may now be available for interview as some have left the employment of this organisation. However, Corporate Governance Group has considered this issue and is seeking appropriate cooperation from individuals and organisations involved.

Reporting

Main contacts for the audit review of the Art Gallery and Museum report are:

Andrew North (Chief Executive Officer)
Corporate Governance Group Officers

A draft report will be produced for the client to check for accuracy and provide a management response. Individuals interviewed will also have the opportunity to check accuracy of elements arising from their interviews.

As this is likely to discuss personal or confidential information due consideration will be given to how any final report will be made available to the Audit Committee. This may include the use of summarised findings or a private meeting. This will be discussed with One Legal and the Chair of the Audit Committee prior to finalisation of the report.

Requested circulation:
Audit Committee

Audit Brief

Auditor contact details: Robert Milford - Head of Audit Cotswolds.
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**Audit brief agreed
with
Chief Executive:**

Date:

**Audit brief agreed
with
Audit Committee:**

Date:

Confirmation of Audit Brief agreement – email from the relevant manager or his/her signature of agreement

**Approved by Audit
Management:**

Date:

DRAFT