

**Cheltenham Borough Council**  
**Audit Committee – 20 September 2017**  
**Internal Audit Monitoring Report**

<b>Accountable member</b>	Cabinet Member Corporate Services, Councillor Roger Whyborn
<b>Accountable officer</b>	Section 151 Officer, Paul Jones
<b>Ward(s) affected</b>	<b>All</b>
<b>Key/Significant Decision</b>	<b>No</b>
<b>Executive summary</b>	<p>The Council must ensure that it has sound systems of internal control that facilitate the effective management of all the Council's functions. The work delivered by the South West Audit Partnership (SWAP), the Council's internal audit service, is one of the control assurance sources available to the Audit Committee, the Senior Leadership Team and supports the work of the external auditor.</p> <p>The Annual Internal Audit Opinion presented to Audit Committee provides an overall assurance opinion at the end of the financial year. This Internal Audit Monitoring Report, however, is designed to give the Audit Committee the opportunity to comment on the work completed by the partnership and provide 'through the year' comment and assurances on the control environment.</p>
<b>Recommendations</b>	<p><b>The Audit Committee considers the monitoring report and makes comment on its content as necessary</b></p> <p><b>That the Internal Audit Charter be approved</b></p>
<b>Financial implications</b>	<p><b>There are no financial implications</b></p> <p><b>Contact officer: Sarah Didcote, GOSS Business Partner Manager</b>  <a href="mailto:sarah.didcote@cheltenham.gov.uk">sarah.didcote@cheltenham.gov.uk</a> 01242 264125</p>
<b>Legal implications</b>	<p><b>No response received</b></p> <p><b>Contact officer: Peter Lewis, Head of Legal Services, One Legal</b>  <a href="mailto:peter.lewis@tewkesbury.gov.uk">peter.lewis@tewkesbury.gov.uk</a>, 01684 272012</p>
<b>HR implications (including learning and organisational development)</b>	<p><b>No response received</b></p> <p><b>Contact officer: Julie McCarthy</b></p>
<b>Key risks</b>	That weaknesses in the control framework, identified by the audit activity, continue to threaten organisational objectives, if recommendations are not implemented.

<b>Corporate and community plan Implications</b>	<i>“Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.” (Chartered Institute of Internal Auditing UK and Ireland).</i> Therefore the internal audit activity impacts on corporate and community plans.
<b>Environmental and climate change implications</b>	Relevant to particular audit assignments and will be identified within individual reports.
<b>Property/Asset Implications</b>	<b>Contact officer: David Roberts@cheltenham.gov.uk</b>

## 1. Background

- 1.1 The Annual Audit Plan 2017/18 was aligned with the corporate and service risks facing the Council as identified in the consultation with the Senior Leadership Team and supported by such systems as the risk registers. The role and responsibilities of internal audit reflect that it is there to help the organisation to achieve its objectives, part of the plan has been aligned to elements of this strategy. However, to inform the audit plan we have also reviewed other key documents, such as the Medium Term Financial Strategy, change programme agendas and updates to the business plan, many of which contain risk assessments
- 1.2 There is also a benefit to supporting the work of the External Auditor (Grant Thornton). This is in the form of financial and governance audits to support such activities as value for money.
- 1.3 The audit plan also considered risks that may evolve during the year. The consultation process has sought to identify these areas considering where internal audit could support and add value to the risk control process. This report identifies work we have completed in relation to the planned audit work.

## 2. Reasons for recommendations

- 2.1 This report highlights the work completed by Internal Audit and provides comment on the assurances provided by this work.
- 2.2 The Internal Audit Charter 2017 defines the nature, role and responsibilities of Internal Audit within Cheltenham Borough Council and needs to be approved by this Committee.

## 3. Internal Audit Output

- 3.1 The Internal Audit Partnership (Audit Cotswolds) transferred to the South West Audit Partnership (SWAP) under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) on 1<sup>st</sup> April 2017
- 3.2 Since the Committee’s last Meeting, the Internal Audit Service has completed the 2016/17 Internal Audit Annual Plan, and work is progressing on the 2017/18 Annual Plan. Details of progress against the 2017/18 plan have been included at **Appendix 1**.
- 3.3 The Audit Team has received training on MKInsight, the audit management software use by SWAP. The Team is conducting audits and producing reports using MKInsight.

## 4. The Internal Audit Charter

- 4.1** Due to the change in the Internal Audit provider, a new Internal Audit Charter has been provided by SWAP. This is included at page 11 of **Appendix 1** to this report.
- 4.2** The Charter demonstrates how the service will operate, and forms part of the requirements of the Public Sector Internal Audit Standards.
- 4.3** The Charter provides guidance on authority, accountability, customer care (quality control), independence, reporting, responsibility and audit standards.

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<b>Appendices</b>	1. SWAP Report of Internal Audit Activity, including the Internal Audit Charter