

**Cheltenham Borough Council**  
**Audit, Compliance and Governance Committee – 22 January 2020**  
**Internal Audit Monitoring Report**

<b>Accountable member</b>	Cabinet Member Corporate Services, Councillor Alex Hegenbarth
<b>Accountable officer</b>	Paul Jones, Executive Director – Finance and Assets
<b>Ward(s) affected</b>	All
<b>Key/Significant Decision</b>	No
<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 SWAP Internal Audit Services (SWAP), the Council’s internal audit service, is one of the control assurance sources available to the Audit, Compliance and Governance Committee, the Executive Leadership Team and Corporate Management Team and supports the work of the external auditor.</p> <p>The Annual Internal Audit Opinion presented to the Audit, Compliance and Governance 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, Compliance and Governance 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>	<b>The Audit, Compliance and Governance Committee considers the monitoring report and makes comment on its content as necessary</b>
<b>Financial implications</b>	<p>There are no financial implications arising from the report</p> <p>Contact officers: Paul Jones, Executive Director – Finance and Assets  <a href="mailto:Paul.Jones@cheltenham.gov.uk">Paul.Jones@cheltenham.gov.uk</a>, 01242 264365</p>
<b>Legal implications</b>	<p>None specific arising from the report recommendation</p> <p>Contact officer: Sarah Farooqi, Head of Law, One Legal  <a href="mailto:Sarah.farooqi@tewkesbury.gov.uk">Sarah.farooqi@tewkesbury.gov.uk</a>, 01684 272012</p>
<b>HR implications (including learning and organisational development)</b>	<p>There are no specific HR implications arising from the content of the report. The HR Team continue to work closely with colleagues from SWAP to ensure that any HR related recommendations from audits are actioned.</p> <p>Contact officer: Julie McCarthy, HR Manager – Operations  <a href="mailto:Julie.McCarthy@publicagroup.uk">Julie.McCarthy@publicagroup.uk</a>, 01242 264355</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>	<p><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></p> <p>Therefore, the internal audit activity impacts on corporate and community plans.</p>
<b>Environmental and climate change implications</b>	<p>Relevant to particular audit assignments and will be identified within <i>individual reports</i>.</p>
<b>Property/Asset Implications</b>	<p>There are no specific Property/Asset Implications arising from the content of the report</p> <p><b>Contact officers: Paul Jones, Executive Director – Finance and Assets</b>  <a href="mailto:Paul.Jones@cheltenham.gov.uk">Paul.Jones@cheltenham.gov.uk</a>, 01242 264365</p>

## 1. Background

- 1.1 The Annual Internal Audit Plan 2019/20 was aligned with the corporate and service risks facing the Council as identified in the consultation with the Corporate Management 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 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.

## 3. Internal Audit Output

- 3.1 The Internal Audit Service is provided to this Council through SWAP Internal Audit Services (SWAP). SWAP is a locally authority-controlled company.
- 3.2 The SWAP report attached at **Appendix ‘A’**, sets out the work undertaken by SWAP for the Council since the Committee’s last meeting. It follows the risk-based auditing principles, and, therefore, this is an opportunity for the Committee to be aware of emerging issues which have resulted in SWAP involvement.
- 3.3 Officers from SWAP will be in attendance at the Committee meeting and will be available to address Members’ questions.

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<b>Appendices</b>	1. SWAP Report of Internal Audit Activity