

# Cheltenham Borough Council

## Proposed Internal Audit Plan 2023/24

## Internal Audit Planning 2023/24

The internal audit plan represents a summary of the proposed audit coverage that the internal audit team will deliver throughout the 2023/24 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?

## Internal Audit Planning 2023/24

The proposed 2023/24 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.

# Internal Audit Planning 2023/24

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 revisit 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



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	Responsible Officer
<p><b>Core Financials – Publica Controls (where applicable) and Transactional Testing</b>            A review of the controls operating within the Council, and Publica, in respect of the Core Financial systems:</p> <ul style="list-style-type: none"> <li>• Accounts Payable (Creditors) – to include regular check of potential duplicate payments and reporting to AP service for investigation. Approvals on BW</li> <li>• Accounts Receivable (Debtors) – Aged Debt</li> <li>• Treasury Management</li> <li>• Bank Reconciliation</li> <li>• Main Accounting</li> <li>• Procurement – suggested areas but to be agreed on highest risk to organisation               <ul style="list-style-type: none"> <li>- Process for appointing consultants</li> <li>- Waivers - Audit to assess if contract waivers are being requested and approved in accordance with strategy / policy</li> </ul> </li> </ul>	<p><b>Director of Finance, Assets and Regeneration</b></p>
<p><b>Human Resources Transactional review</b></p> <ul style="list-style-type: none"> <li>• Payroll – suggested area to be agreed with BM based on highest risk to organisations.               <ul style="list-style-type: none"> <li>- Accuracy and timeliness of data for mileage / overtime, approvals, self-serve.</li> </ul> </li> </ul>	<p><b>Publica Assistant Director, Organisational Effectiveness</b></p>
<p><b>Revenues and Benefits</b>            A review of the controls operating in respect of:</p> <ul style="list-style-type: none"> <li>• Council Tax</li> <li>• National Non-Domestic Rates</li> <li>• Housing Benefit and Council Tax Support</li> </ul> <p>Scope to be confirmed</p>	<p><b>Head of Revenues &amp; Benefits</b></p>
<p><b>ICT Audits</b>            Audits to be discussed and confirmed with the Chief Technology Officer and ICT Audit and Compliance Manager</p>	<p><b>Publica ICT Business Manager</b></p>
<p><b>Regulatory Services</b>            A review of either Licensing / Building Control / Environmental Health – suggested area to be reviewed is Pest Control            A review of an element of Planning e.g. application processing, appeals, income allocation.            Area and scope to be confirmed</p>	<p><b>Head of Public Protection &amp; DEPLO</b></p>

## Internal Audit Planning 2023/24

<b>Business Continuity Planning</b> <i>Review of the corporate arrangements and plans.</i>	Director of Climate Change & Place
<b>Proposed Audit Areas – Areas of Coverage and Brief Scope</b>	<b>Responsible Officer</b>
<b>Business Grant Post Payment</b> <i>Head of IA working with CFEU Manager re. recovery of overpayment of grants, Bad Debt information to BEIS</i>	Director of Finance, Assets and Regeneration
<b>Counter Fraud and Enforcement Unit</b> <i>Review to include processes operated by CFEU, access to data, reporting and governance</i>	Director of Finance, Assets and Regeneration
<b>Freedom of Information Requests (Fol)</b> <i>Audit to include Framework, Processes, Training and Quality Control</i>	Head of Customer Services & Business Support
<b>Data Protection</b> <i>Security of Data, training provision, reporting arrangements</i>	Head of Public Protection & DEPLO
<b>Transparency Data</b> <i>Review to ensure all data is published in accordance with the Transparency Agenda</i>	Director of Finance, Assets and Regeneration
<b>Climate Change - Operational</b> <i>Review to assess what business areas are doing to support the Council's commitment to the Climate Emergency</i>	Director of Climate Change & Place
<b>Carbon Reduction</b> <i>Review to assess how carbon data is measured ensuring the Council continues to meet its commitment to carbon reduction.</i>	Director of Climate Change & Place
<b>Environment Legislation</b> <i>Review to ensure procedure / systems have been updated to ensure compliance with Environment Act</i>	Head of Public Protection & DEPLO
<b>Funding Provided by Government</b> <i>Review to ensure processes are in place to support outcomes of funding provided by Central Government e.g. Levelling Up, Shared Prosperity</i>	Head of Place Marketing & Inward Investment
<b>Section 106s</b> <i>This review is to determine whether funds are being spent appropriately and within set timescales.</i>	Director of Communities & Economic Development
<b>Grant Income</b> <i>Audit to assess the effectiveness of the management of grant income by Service Managers. To include communications with the Finance Service and the allocation of income.</i>	Director of Finance, Assets and Regeneration / Head of Communities, Wellbeing & Partnerships
<b>Homelessness Rent Deposit Guarantee (RDG) Scheme</b> <i>Review to include procedure / process, agreements, recovery of funds, write offs</i>	Housing Strategy & Partnerships Manager



## Internal Audit Planning 2023/24

<p><b>Housing Ukrainian Families</b>  <i>Review to assess the end to end process for housing Ukrainian Families ensuring CBC are meeting their agreed obligations</i></p>	<p><b>Housing Strategy &amp; Partnerships Manager</b></p>
<p><b>Performance Management &amp; Escalating Operational / Strategic Risks</b>  <i>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. To include how KPIs are being used to mitigate risks.</i></p>	<p><b>Head of Performance, Projects and Risk</b></p>
<p><b>HR - Staff Support and Development</b>  <i>Assessment of the support in place for staff welfare, during world, national and local issues which may impact staff wellbeing. To Include how managers are being supported to manage their teams/resources, training and development offering, issues raised in one to ones (collated and actioned)</i></p>	<p><b>Head of Performance, Projects and Risk</b></p>
<p><b>Procurement Strategy</b>  <i>Review to ensure procurement of new contracts is in accordance with the updated, and approved, strategy</i></p>	<p><b>Publica Assistant Director, Business Services</b></p>
<p><b>Project Development and Control</b>  <i>Review to assess project development and decision making to include capacity concerns.</i></p>	<p><b>Head of Performance, Projects and Risk</b></p>
<p><b>Property related H&amp;S Compliance</b>  <i>Review to determine how statutory Health and Safety regulations are being adhered to both at the Municipal Offices and properties managed by the Cheltenham Trust. The rolling programme of reviews to include fire, water and electrical considerations.</i></p>	<p><b>Director of Finance, Assets and Regeneration</b></p>
<p><b>Community Grants (Mandatory and Discretionary)</b>  <i>How is the Council performing and is VFM considered, review to include benchmarking</i></p>	<p><b>Director of Finance, Assets and Regeneration / Head of Communities, Wellbeing &amp; Partnerships</b></p>
<p><b>Community Infrastructure Levy (CIL) Governance</b>  <i>Review of the governance of CIL, as adopted by the Council, review to include benchmarking to similar councils and recommendations for improvements</i></p>	<p><b>Director of Communities &amp; Economic Development</b></p>
<p><b>Car Parking (2024/25)</b>  <i>Scope to be agreed</i></p>	<p><b>Head of Revenues &amp; Benefits</b></p>
<p><b>Proposed audits will be considered, during the year, and discussed with Service Managers and Directors 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 Executive Director, Finance, Assets &amp; Regeneration as necessary</b></p>	

# Internal Audit Planning 2023/24

Further requested assurance / advisory / support work	
<b>Other Audit Involvement</b>	
<p><b>Management</b>  <i>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.</i></p> <p><b>Follow-Up Audits</b>  <i>Follow-Up of Previous Year's Agreed Actions            Follow-Up audit of all High Priority Agreed Actions</i></p> <p><b>Programmes and Projects</b>  <i>IA support to programmes and projects as appropriate</i></p> <p><b>Grant Certification</b>  <i>Review (income and expenditure) and certification of Grants received by the Council ensuring funding requirements have been met (to include Disabled Facilities Grants)</i></p> <p><b>Working with the Counter Fraud and Enforcement Unit</b>  <i>Provision to ensure collaborative working with the CFEU and to ensure control weaknesses, identified during CFEU activity, are being actioned. Regular liaison meetings</i></p> <p><b>Contingency</b>  <i>Provision for new work based on emerging risks and Investigations.</i></p>	