

Cheltenham Borough Council

Audit, Compliance and Governance Committee

28 May 2025

Internal Audit Plan 2025/26 and Internal Audit Charter and Mandate

Accountable member:

Councillor Peter Jefferies, Cabinet Member for Finance & Assets

Accountable officer:

Paul Jones, Deputy Chief Executive, Section 151 Officer

Ward(s) affected:

N/A

Key Decision: No

Executive summary:

The Council must ensure that it has sound systems of internal control which facilitate effective management of all the Council's functions. The work planned by SWAP Internal Audit Services, the Council's Internal Audit service, is one of the control assurance sources to the Audit, Compliance and Governance Committee and Leadership Team and which supports the work of the external auditor. The work is also a key component of the Council's governance framework and an assurance source supporting the Annual Governance Statement, which forms part of the statutory accounting standards.

The Internal Audit Charter is a requirement of the arrangement between Cheltenham Borough Council and SWAP Internal Audit Services (SWAP). The charter ensures compliance with good practice as set out in the new Global Internal Audit Standards and the UK Application Note.

Recommendation: That Audit, Compliance and Governance Committee:

- 1. approves the Proposed 2025/26 Internal Audit Plan and the Internal Audit Charter & Mandate.**

1. Implications

1.1 Financial, Property and Asset implications

There are no financial, property and asset implications arising from this report.

Signed off by: Gemma Bell, Director Finance & Assets (Deputy Section 151 Officer), Gemma.Bell@cheltenham.gov.uk

1.2 Legal implications

There are no specific legal implications arising from the report and its recommendation.

Monitoring the implementation of Internal Audit recommendations assists the Council to minimise risk areas and thereby reduce the prospects of legal challenge.

Signed off by: Roslyn Howden, Senior Lawyer Roslyn.howden@onelegal.org.uk

1.3 Environmental and climate change implications

None arising from the report agreed actions

Signed off by: Maizy McCann, Climate Officer, Maizy.McCann@cheltenham.gov.uk

1.4 Corporate Plan Priorities

This report contributes to the following Corporate Plan Priorities:

- Making Cheltenham the Cyber Capital of the UK
- Working with residents, communities and businesses to help make Cheltenham #netzero by 2030
- Increasing the number of affordable homes through our £180m housing investment plan
- Ensuring residents, communities and businesses benefit from Cheltenham's future growth and prosperity
- Being a more modern, efficient and financially sustainable council

1.5 Equality, Diversity and Inclusion Implications

No implications arising from the report agreed actions.

1.6 Performance management – monitoring and review

The performance of SWAP Internal Audit Services is monitored by both the Audit, Compliance and Governance Committee and the Audit Partnership Board as detailed in the Internal Audit Charter.

Regular monitoring reports are provided to this Committee and, in the interim period regular meetings are held between Internal Audit and the Deputy Chief Executive. New and emerging risks are discussed, and the impact of the recommendations made by Internal Audit are discussed.

2 Background

2.1 Internal Audit

The primary role of Internal Audit is to provide assurance that the Council's systems provide for a proper administration of its affairs. To this end, Internal Audit carries out a programme of audits that is agreed annually with the Council's Leadership Team and the Audit, Compliance and Governance Committee. The Internal Audit service is provided to the Council by SWAP Internal Audit Services (SWAP).

2.2 To satisfy the requirements of the Global internal Audit Standards and the UK Application Note, and to reflect changes within the Council, SWAP needs to focus upon areas where the organisation now requires assurance. This reinforces the requirement for Internal Audit to follow a more flexible and risk-based plan.

2.3 Internal Audit Charter and Mandate

The Internal Audit Charter and Mandate grants the internal audit function the authority to provide the audit committee and senior management with objective assurance, advice, insight, and foresight.

3 Reasons for recommendations

3.1 Internal Audit Plan

3.2 A summary of the Proposed Internal Audit Plan for 2025/26 is included in Appendix 'A'. This lists the risk-based assurance and consultancy work planned for the year. Counter fraud related audit work has not been included in this audit plan.

3.3 The Plan outlines a programme of work for 2025/26 as developed throughout January and February 2025 but 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.

3.4 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 the Deputy Executive Officer, and review of the Authority's risk register will be considered in this process.

3.5 The audit plan contains 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.

3.6 Internal Audit Charter and Mandate

3.7 The Internal Audit Charter & Mandate (Appendix B) defines the nature, role, responsibility, status and authority of internal auditing within Cheltenham Borough Council and outlines the scope of internal audit work, thereby providing context for consideration of the proposed Internal Audit plan. This document has been reviewed in accordance with the new Global Internal Audit Standards (GIAS) and the UK Application Note effective from April 2025.

4 Alternative options considered

4.1 None

5 Consultation and feedback

5.1 The plan has been developed following consultation with and feedback from Service Managers Team, Leadership Team, the Internal Audit Team and the Audit, Compliance and Governance Committee.

6 Key risks

6.1 That potential weaknesses within the control framework are not identified and threaten the Council's objectives to meet its corporate priorities.

Report author:

Lucy Cater, Head of Internal Audit

Assistant Director, SWAP Internal Audit Services, Lucy.Cater@swapaudit.co.uk

Appendices:

Appendix A – Proposed Internal Audit Plan 2025/26

Appendix B – Internal Audit Charter and Mandate