

Cheltenham Borough Council

Audit, Compliance and Governance Committee

9th July 2025

Internal Audit Annual Opinion 2024-25

Accountable member:

Councillor Peter Jeffries, 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 Annual Internal Audit Opinion, Appendix 1, gives the opinion, of the Head of Internal Audit (SWAP Assistant Director) and, therefore, the officer responsible for the delivery of the internal audit function, which includes assessing the adequacy and effectiveness of internal control within Cheltenham Borough Council. The opinion is based on the adequacy of control, noted from a selection of risk-based audits carried out during the year and, other advice work on control systems including the proactive work of the service as it supports the control arrangements within change projects. The results of any external inspections also inform the opinion.

Throughout the year we have measured the degree of control assurance within the systems or elements of systems we have audited or supported by way of control advice. Overall, the opinion is that a 'Low Reasonable' assurance level can be given for the controls in place, within the areas where audit activity has taken place, to safeguard these systems which in turn support the delivery of the Council's overall business objectives.

Where operational control issues were raised, the risks associated with the control issues raised, in the audit reports, are being actively managed by the responsible Management.

Recommendations: That Audit, Compliance and Governance Committee:

- 1. considers the attached reports and makes comment on its content as necessary.**
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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

As detailed in the report, it is a requirement under the CIPFA Public Sector Internal Audit Standards for the Chief Audit Executive to deliver an Annual Internal Audit Opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management, and control. This is an important source of assurance that supports the Council's governance statement.

Signed off by: One Legal – legalservices@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 The report outlines how the Internal Audit function has supported the Council in meeting the requirements of the Accounts and Audit (England) Regulations 2015. These state that: “A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.”

2.2 Under the CIPFA Public Sector Internal Audit Standards the Chief Audit Executive must deliver an Annual Internal Audit Opinion and report that can be used by the organisation to inform its governance statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control. The annual report must incorporate:

- the opinion;
- a summary of the work that supports the opinion; and
- a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.

3 Reasons for recommendations

3.1 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, the Council’s internal audit service in

2023/24, is one of the control assurances available to the Audit, Compliance and Governance Committee, the Senior Leadership Team, and supports the work of the external auditor.

3.2 **‘Reasonable’** Assurance can be given that there is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited. Some weakness in the design and/or inconsistent application of controls have been identified, actions agreed with officers and improvement plans agreed.

3.3 Officers from SWAP will be in attendance at the Committee meeting and will be available to address Members’ questions.

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:

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Appendices:

Appendix A – Internal Audit Annual Opinion 2024/25

Appendix B – Finalised Audit Report