

Cheltenham & Cotswold Audit Partnership

Partnership Board

Terms of Reference

Effective from 1st October 2009

1. Introduction

- 1.1 Cabinet approval was given at Cotswold DC on the 18th June 2009 and Cheltenham BC on the 23rd June 2009 for the Internal Audit Service at each to be delivered on a partnership basis.
- 1.2 These 'Terms of Reference' set out to formally define the purpose, authority and responsibilities of the Partnership Board, by which the Audit Partnership is governed.
- 1.3 The purpose, authority and responsibilities of the Audit Partnership are defined in its own right by the Internal Audit Charter supported by the Internal Audit Strategy.
- 1.4 These Terms of Reference will be revised annually, approved by the Audit Committee and will be made available to all staff by being published on the Council's intranet.

2. Purpose

- 2.1 The Partnership Board, formed by designated representatives from each partner authority, has the key purpose to "ensure the Audit Partnership meets with statutory requirements". These statutory requirements are listed below:
 - Internal Audit is a statutory function in the context of the Accounts and Audit (Amendment) (England) Regulations 2006 which state "*a relevant body shall maintain an adequate and effective system of internal audit of its accounting records and its system of internal control in accordance with the proper practices in relation to internal control*".
 - Section 151 of the Local Government Act 1972 requires every local authority to designate an officer to be responsible for the proper administration of its financial affairs. One of the ways in which this duty is discharged is by maintaining an adequate and effective internal audit function.

3. Authority

- 3.1 The Partnership Board receives its authority through the audit partnership memorandum of understanding and through the representatives' own statutory or seniority status. It is in part through the Partnership Board that the Internal Audit service gains independence from the individual organisations.
- 3.2 Each partnership representative has the authority to report matters arising from the Audit Partnership to either; Senior Management or Audit Committee to ensure the statutory requirements are delivered.

4. Responsibility

4.1 The Partnership Board will convene every quarter to formally discuss, and approve where necessary, the reports of the Audit Partnership Manager. The following list identifies some of the standard reports:

- Annual Audit Plan
- Charter and Strategy
- performance
- resources
- budget
- new partners or clients
- internal investments or joint procurements over £5k

4.2 The Partnership Board will undertake an annual assessment of the effectiveness of the Audit Partnership, in support of the annual effectiveness review, as required by each authority under the Accounts and Audit (Amendment) (England) Regulations 2006 Regulation 6:

- *“review the effectiveness of their system of internal audit once a year and for the findings of the review to be considered by a committee of the body, or by the body as a whole, as part of the consideration of the system of internal control”*

This assessment will be presented to the partner Audit Committees in time to support the annual effectiveness review.

4.3 The Partnership Board will support the Audit Partnership Manager in ensuring the compliance with the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006, and the Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors UK and Ireland.

4.4 The Partnership Board will not receive the annual audit opinions for each authority, or any other report specific to a single partner or client, unless approval is given by the relevant partner or client. This is in the interest of maintaining client confidentiality.

4.5 The Partnership Board will be responsible for providing top level decision making for the partnership, resolution of partnership problems and/or conflicting demands on resources and also providing specialist/strategic advice to the Audit Partnership Manager to aid in the successful delivery of the audit partnership.

4.6 The Partnership Board will monitor the performance of the audit partnership in accordance with the requirements set out in the memorandum of understanding, and review the memorandum of understanding when and where necessary inline with the development of the partnership.

4.7 The Partnership Board will manage the strategic aspects of the Service and the joint/shared Internal Audit Service generally and will prepare reports and recommendations for consideration by the Audit Committee of each authority.

4.8 Cheltenham and Cotswold Partnership Board shall consist of:

- The Assistant Chief Executive Officer of Cheltenham and
 - The Head of Finance and Audit of Cotswold
 - Supported by the Audit Partnership Manager
 - Other officers of Cotswold and Cheltenham as appropriate who will be invited to attend Partnership Board Meetings as appropriate
- 4.9 The Partnership Board is not a legal entity. Consequently, it cannot employ staff or enter into contract(s) in its own right. In those respects it will act through the agency of either Cotswold and/or Cheltenham as agreed on a case by case basis.
- 4.10 The Partnership Board has no delegated or Executive Powers. With the exception of deciding expenditure from any pooled budgets referred to in Paragraph 4.1 above, no decision shall be reached in matters affecting Cotswold or Cheltenham individually without the decision being referred to the Council affected.
- 4.11 The Partnership Board will monitor the effectiveness of the Audit Partnership Strategy 2009/10 to 2011/12 and collectively review the options for the future delivery of the Service to meet the aims and objectives of the Strategy.
- 4.12 The Partnership Board will work in a spirit of mutual trust, support and respect.
- 4.13 Subject to prior approval by the Audit Committees and/or Cabinets of both Cotswold and Cheltenham, the Partnership Board may [appoint a Project Officer and / or] employ consultants, to advance the aims and objectives of the Partnership. The [Project Officer and/or] consultants will be employed by one authority on behalf of the Partnership and paid for from funding provided jointly by the Partners. The work programme for the [Project Officer and / or] use of consultants will be determined and monitored by the Partnership Board.