



# BRISTOL INTERNAL AUDIT

## Terms of Reference

### Assignment Details:

Assignment: Peer Review: Swindon Borough Council  
Prepared by: Suella Coman  
Reviewed by: Nick Hobbs: Swindon Borough Council  
Date Agreed: 5th February 2016  
Timescale for Audit: May 2016

#### Audit Team Details:

Auditor: Phil Eames    Audit Manager: Suella Coman  
Chief Internal Auditor: Melanie Henchy-McCarthy

#### Client Contact Details:

Nick Hobbs: Head of Internal Audit  
John Gilbert: Chief Executive

### Objectives and Scope of the Audit Review:

The Accounts and Audit Regulations 2015 require that internal control is reviewed in line with 'proper practices'. The Public Sector Internal Audit Standards (PSIAS) together with a Local Government Application Note produced by CIPFA (Chartered Institute of Public Finance and Accountancy) defines 'proper internal audit practice'. PSIAS standards 1311 and 1312 introduce the requirement for an external assessment of internal audit to be conducted at least once every five years by a qualified, independent reviewer from outside of the organisation. The Local Government Application Note includes the authoritative checklist for measuring the performance of internal audit against the PSIAS.

The purpose of the external assessment is to determine the extent to which Swindon's Internal Audit Service complies with the PSIAS. The assessment aims to be a supportive process that identifies opportunities for development which helps to enhance the value of the audit function to Swindon Borough Council.

Two possible approaches to external assessments are outlined in the standards; a full external assessment or an internal self-assessment which is validated by an external reviewer. Bristol City Council Internal Audit will undertake an independent review of Swindon Borough Council Internal Audit's self-assessment to:

- a) Provide an independent assessment of whether Swindon borough Council Internal Audit work is undertaken in accordance with PSIAS
- b) Identify any areas for improvement and make recommendations in that regard.

Our work will be limited to:

- a) Independent validation of Internal Audit's self-assessment of compliance with PSIAS. This will include a review of supporting documentation and information such as the Internal Audit Charter/ Strategy or Terms of Reference, details of responsibilities, resources, structure, activity (including any external client organisations), quality and performance measures and reports.
- b) Examination of a sample of audit engagements
- c) Interviews with key staff to confirm audit procedures and process
- d) A survey of a sample of main stakeholders regarding Internal Audit's work which will be compared to the audit service's own view of the corporate opinion of their service provision.

Internal Audit is a key component of the Council's assurance framework and therefore it is essential that it complies with relevant legislation and best practice. An independent review of the service will provide assurance to its stakeholders, including Audit Committee, Corporate Board and other senior managers within the Council that the internal audit service is operating effectively.

## Reporting Arrangements and Quality Assurance:

Our conclusions findings and recommendations will be set out in an Audit Report. Before it is issued the content will be discussed with relevant officers at Swindon Borough Council, who will be required to provide responses to our report and any recommendations we make. This is to ensure that the report is accurate and that any action plan for improvement is practical.

As such, our initial draft report will be provided to the Head of Internal Audit, for early discussions and to determine who else the matter should be reported. The final report will be provided to the Chief Executive of Swindon Borough Council and copied to the Head of Internal Audit. It is recommended that the results of this review are also shared with the Audit Committee.

The report will be sent electronically. If you prefer not to receive a report in this way, (for example, because it may be sensitive, and you have granted proxy rights to your e-mail), please let us know.

Bristol City Council Internal Audit issue quality assurance questionnaires with final audit reports to help ensure that the standard of our own services continually improves. We would appreciate it if you could provide feedback on your experience of the audit by completion and return of the questionnaires.

## The Audit Team - Competence and Independence:

The PSIAS require that external reviewers should possess a recognised professional qualification, have appropriate experience of internal audit within the public sector / local government, have detailed knowledge of leading practices in internal audit and have current and in-depth knowledge of the Definition, the Code of Ethics and the International Standards for Internal Audit.

The following provides a brief summary of Bristol's Audit Team Members who will undertake this review to enable Swindon Borough Council to demonstrate they are competent professionals:

### **Melanie Henchy-McCarthy. FCCA, MAAT – Chief Internal Auditor, Bristol City Council:**

Melanie is a fully qualified accountant being a Fellow of the Association of Chartered Certified Accountants and has over nineteen years' Internal Audit experience in public sector organisations. She is currently Bristol City Council's Chief Internal Auditor (Job/Share), a role she has held for over three years and prior to that was an Audit Manager for Bristol's Internal Audit Service for four years. As well as managing the service to Bristol City Council, Melanie also manages the internal audit service delivery to our external customers including the local Fire and Rescue Service and academies.

### **Suella Coman BSc (hons), FCCA – Audit Manager, Bristol City Council:**

Suella has over eleven years' Internal Audit experience covering a range of public sector organisations including Fire Authorities, County Council and Unitary Authorities. She is a fully qualified accountant being a fellow of the Association of Chartered Certified Accountants. She is currently employed at Bristol City Council as an Audit Manager and prior to that was an Audit Manager with the South West Audit Partnership.

### **Phil Eames CIPFA – Group Auditor, Bristol City Council**

Phil is a fully qualified accountant with over fourteen years' audit experience in both internal and external audit. He has worked with both the Audit Commission and within private practice to deliver the external audit of local authorities. In subsequent assurance roles with Government funded bodies he undertook quality assurance reviews of internal audit provisions assessing compliance with Government Internal Audit Standards. He has four years' experience as a Chief Internal Auditor with the Learning and Skills Council and has also worked more broadly in the audit field providing guidance to support public sector audit committees and the external auditors of funding bodies.

There is no conflict of interest in performing this assessment in respect of Swindon Borough Council's Internal Audit Service, Bristol Audit Service is not part of, or under the control of Swindon Borough Council.

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#### **Melanie Henchy-McCarthy**

Chief Internal Auditor (J/S)

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