

# **Cherwell District Council**

## **Accounts, Audit & Risk Committee**

**27 July 2022**

### **Internal Audit Charter**

#### **Report of Assistant Director of Finance & S151 Officer**

This report is public

### **Purpose of report**

This report presents the Internal Audit Charter and Internal Audit Quality Assurance Programme for 2022/23.

## **1. Recommendations**

The committee is Recommended to:

- 1.1 Approve the Internal Audit Charter.
- 1.2 Note the Quality Assurance and Improvement Programme.

## **2. Introduction**

- 2.1 This report presents both the Internal Audit Charter and the Quality Assurance and Improvement Programme for 2022/23. These are subject to annual review.

## **3. Report Details**

### **Internal Audit Charter**

- 3.1 The Public Sector Internal Audit Standards (PSIAS) came into force on 1 April 2013. (Updated 1 April 2017). These are the first Internal Audit standards to apply across the whole public sector. The PSIAS requires that an Internal Audit Charter is in place for each local authority. The Cherwell District Council Internal Audit Charter is included within Appendix 1.
- 3.2 The Charter sets out the purpose, authority and responsibility of the Internal Audit function, in accordance with the PSIAS. The Charter establishes the position of Internal Audit within the organisation, access and reporting requirements. It also outlines the key responsibilities of the Accounts, Audit & Risk Committee.

- 3.3 This Internal Audit Charter is subject to approval by the Accounts, Audit & Risk Committee of Cherwell District Council on an annual basis, in line with PSIAS requirements. There have been no material changes made since the Charter was last approved by the Committee in July 2021.

### **Quality Assurance Improvement Programme (QAIP)**

- 3.4 The PSIAS require that the internal audit activity maintain a Quality Assurance and Improvement Programme (QAIP). This is included within Appendix 2.
- 3.5 The Chief Internal Auditor is required to communicate to senior management and the Accounts, Audit & Risk Committee on the internal audit activity's quality assurance and improvement programme, including results of ongoing monitoring at least annually, internal assessments upon completion and external assessments conducted at least every five years. The QAIP details what will be reported to the Accounts, Audit & Risk Committee and the frequency.

### **PSIAS – Self Assessment / External Assessment Update**

- 3.6 Internal Audit received a CIPFA external assessment against the Public Sector Internal Audit Standards (PSIAS) during November 2017. The assessment outcome was very positive with only a small number of minor improvements to documentation required and an overall conclusion that the service is highly regarded.
- 3.7 There is a requirement for an annual self-assessment against PSIAS to be completed (with external assessment scheduled every 5 years). The self-assessment was completed during June 2022 and it can be confirmed that Internal Audit continues to comply in full, with the standards.
- 3.8 Internal Audit will look to schedule an external assessment towards the end of the financial year. We are currently prioritising the recruitment of two new apprentices – one in Internal Audit and the other in Counter Fraud.

## **4. Conclusion and Reasons for Recommendations**

- 4.1 This report presents the Internal Audit Charter to the Accounts, Audit & Risk Committee which is requirement of PSIAS.

## **5. Consultation**

None

## **6. Alternative Options and Reasons for Rejection**

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: No alternative options have been identified as this report is for information only.

## **7. Implications**

### **Financial and Resource Implications**

- 7.1 There are no financial implications arising directly from this report.

Comments checked by:

Michael Furness, Assistant Director of Finance, 01295 221845

[michael.furness@cherwell-dc.gov.uk](mailto:michael.furness@cherwell-dc.gov.uk)

### **Legal Implications**

- 7.2 There are no legal implications arising directly from this report.

Comments checked by:

Shahin Ismail, Monitoring Officer & Assistant Director – Law, Governance & Democratic Services (interim)

[shahin.ismail@cherwell-dc.gov.uk](mailto:shahin.ismail@cherwell-dc.gov.uk)

### **Risk Implications**

- 7.3 There are no risk management issues arising directly from this report. Any arising risks will be managed through the service Operational Risk and escalated to the Leadership Risk Register as and when necessary.

Comments checked by:

Celia Prado-Teeling, Interim Assistant Director – Customer Focus, 01295 221556

[Celia.prado-teeling@cherwell-dc.gov.uk](mailto:Celia.prado-teeling@cherwell-dc.gov.uk)

### **Equalities and Inclusion Implications**

- 7.4 There are no equalities and inclusion implications arising directly from this report.

Comments checked by:

Celia Prado-Teeling, Interim Assistant Director – Customer Focus, 01295 221556

[Celia.prado-teeling@cherwell-dc.gov.uk](mailto:Celia.prado-teeling@cherwell-dc.gov.uk)

## **8. Decision Information**

### **Key Decision**

**Financial Threshold Met:** N/A

**Community Impact Threshold Met:** N/A

**Wards Affected**

All

**Links to Corporate Plan and Policy Framework**

N/A

**Wards Affected**

All wards are affected

**Links to Corporate Plan and Policy Framework**

All corporate plan themes.

**Lead Councillor**

Councillor Adam Nell – Portfolio Holder for Finance

**Document Information**

**Appendix number and title**

- Appendix 1 - Internal Audit Charter 2022/23
- Appendix 2 - Internal Audit Quality Assurance and Improvement Programme 2022/23

**Background papers**

None

**Report Author and contact details**

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