

This report is public.	
Internal Audit Work Programme 2024/25	
Committee	Accounts, Audit and Risk Committee
Date of Committee	29 May 2024
Portfolio Holder presenting the report	TBC
Date Portfolio Holder agreed report	N/A
Report of	Assistant Director of Finance, Michael Furness

Purpose of report

This report presents the programme of internal audit work to be undertaken in 2024/25, and seeks the Accounts, Audit and Risk Committee's approval of this programme. Also contained within this report is the council's proposed internal audit charter. The report seeks the committee's approval of the internal audit charter. The charter sets out the internal audit service's purpose, mandate, and position within the organisation.

1. Recommendations

The Accounts, Audit and Risk Committee resolves to:

- 1.1 Approve the 2024/25 internal audit work programme.
- 1.2 Approve the proposed internal audit charter.

2. Executive Summary

- 2.1 The council's internal audit service must comply with the Public Sector Internal Audit Standards ('the standards'), and the council's own internal audit charter.
- 2.2 The standards and charter require that the Head of Internal Audit gives an annual opinion on the adequacy and effectiveness of the council's framework of governance, risk management, and control. The basis for the opinion is the programme of work that internal audit carries out.
- 2.3 A risk-based audit work programme is drawn up at the start of each year, setting out proposed priorities for audit work over the coming twelve months.
- 2.4 The work programme is required to be approved by this committee as part of its responsibility for overseeing the work of internal audit. This report seeks approval for the programme of internal audit work for 2024/25 (contained in appendix 1).

- 2.5 The report also seeks approval of the proposed internal audit charter to serve as the agreed upon basis for the management and delivery of the council’s internal audit service (appendix 2).

Implications & Impact Assessments

Implications	Commentary			
Finance	The are no financial implications arising directly from this report. The Internal Audits are expected to be completed with the budget available to the Council. Michael Furness, Assistant Director of Finance, 13 May 2024			
Legal	The are no legal implications arising directly from this report. Shahin Ismail, Interim Head of Legal, 13 May 2024			
Risk Management	The council’s internal audit service will not meet the requirements of the Public Sector Internal Audit Standards if the internal audit charter and work programme are not approved by the committee. This could result in external scrutiny and challenge. Celia Prado-Teeling, Performance & Insight Team Leader, 13 May 2024			
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact				N/A
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		N/A
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		N/A
Climate & Environmental Impact		X		N/A
ICT & Digital Impact		X		N/A
Data Impact		X		N/A
Procurement & subsidy		X		N/A

Council Priorities	This report relates to the council's 'continuous improvement' delivery theme which supports the priorities set out in the 2024/25 business plan. Internal audit's contribution to this delivery theme is to provide independent, risk-based, assurance, advice, and insight relating to the council's systems of governance, risk management, and internal control.
Human Resources	N/A
Property	N/A
Consultation & Engagement	<p>In preparing the internal audit work programme, consultation takes place with key officers and, through presentation of this report, with members of the Accounts, Audit and Risk Committee.</p> <p>The council's Assistant Director of Finance and Section 151 Officer has been consulted in the development of the proposed internal audit charter. Through presentation of this report, members of the Accounts, Audit and Risk Committee are also being consulted.</p>

Supporting Information

3. Background

- 3.1 With effect from 1 May 2024, Cherwell District Council's internal audit service has been provided by Veritau. Veritau has been engaged on an initial six-month contract to develop the council's risk-based internal audit plan (referred to in this report as a 'work programme'), and to begin delivery of audit work until longer term service provision is secured.

4. Details

- 4.1 The internal audit programme in appendix 1 outlines priorities for work in 2024/5. It includes planned areas of audit coverage and is based on a risk assessment undertaken by Veritau. The work programme has also been informed by discussions with senior officers, and through review of risk management arrangements and plans for development and change within the council.
- 4.2 The internal audit work programme is a flexible working document and so is continuously revisited throughout the year. It may be updated to ensure it remains aligned with current risks and priorities.
- 4.3 Total planned internal audit days for 2024/25 are 200. Eight internal audit engagements are included in the work programme. This is considered sufficient for the Head of Internal Audit to deliver their annual opinion.

- 4.4 Before commencing internal audit work, there is a need to update arrangements around the provision of the service. To comply with the requirements of the standards, an updated internal audit charter needs to be approved.
- 4.5 The internal audit charter (appendix 2) establishes the internal audit service's position within the organisation, including the nature of the Head of Internal Audit's functional reporting relationship with the Accounts, Audit and Risk Committee; authorises access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities. The internal audit charter also sets out the arrangements for the delivery of counter fraud, consultancy and non-audit services.

5. Alternative Options and Reasons for Rejection

- 5.1 The nature of this report is such that alternative options are not appropriate. To discharge functions under the terms of reference for the Accounts, Audit and Risk Committee, it is required to approve the internal audit plan (work programme) and the internal audit charter.

6 Conclusion and Reasons for Recommendations

- 6.1 The Accounts, Audit and Risk Committee is recommended to approve the internal audit work programme for 2024/25. This is so that it can fulfil its responsibility for overseeing the work of internal audit. This responsibility is defined in the committee's terms of reference. Approval of the work programme at this meeting will allow for the timely deployment of internal audit resource to deliver the work programme.
- 6.2 The Accounts, Audit and Risk Committee is also recommended to approve the proposed internal audit charter. This is to enable the committee to fulfil its responsibility to approve the purpose, authority, and responsibility of the council's internal audit service.

Decision Information

Key Decision	N/A
Subject to Call in	N/A
If not, why not subject to call in	N/A
Ward(s) Affected	All

Document Information

Appendices	
Appendix 1	Internal Audit Work Programme 2024/25
Appendix 2	Proposed Internal Audit Charter
Background Papers	None
Reference Papers	None
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