

This report is public	
Head of Internal Audit annual report 2025/26	
Committee	Audit and Governance Committee
Date of Committee	17 June 2026
Portfolio Holder presenting the report	Portfolio holder for Finance, Councillor David Hingley
Date Portfolio Holder agreed report	2 June 2026
Report of	Assistant Director of Finance, (S151 Officer)

Purpose of report

This report includes the Head of Internal Audit annual report (appendix 1), which summarises internal audit work undertaken in 2025/26 and provides an opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control.

1. Recommendations

The Audit and Governance Committee resolves to:

- 1.1 Note the results of internal audit work undertaken, and the opinion of the Head of Internal Audit that Reasonable Assurance can be provided on the adequacy and effectiveness of the council's framework of governance, risk management and internal control.
- 1.2 Note the update on Veritau's quality assurance and development arrangements, including the confirmation that the internal audit service conforms to public sector internal auditing standards.
- 1.3 Note that one significant control weaknesses has been identified by internal audit during the year which is considered relevant to the preparation of the Annual Governance Statement, this being: the council's utilities management arrangements (page 5-6, appendix 1).

2. Executive Summary

- 2.1 The council's internal audit service must comply with professional standards and the 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 work carried out by internal audit during 2025/26.

2.3 The committee is expected to note the opinion for 2025/26, the outcomes from work which contributed to it, and any significant control weaknesses considered relevant to the preparation of the council's Annual Governance Statement. It is also expected to note Veritau's quality assurance and development arrangements, satisfying itself that reliance can be placed on the annual opinion.

Implications & Impact Assessments

Implications	Commentary			
Finance	There are no financial implications arising directly from this report. Michael Furness, Assistant Director of Finance, 1 June 2026			
Legal	This forms part of the annual work programme and reporting. There are no legal implications. Shiraz Sheikh, Assistant Director of Law, Governance and Monitoring Officer, 4 June 2026			
Risk Management	The council will not comply with proper practice for internal audit if it does not have an approved internal audit charter. This could result in difficulties in delivering services to the council and could result in external scrutiny and challenge. Celia Prado-Teeling, Performance & Insight Team Leader, 5 June 2026			
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 cuts across a number of the council's priorities as expressed in its new internal perspectives strategy. The contribution that the council's internal audit service makes 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	Internal audit has provided input to the council's Annual Governance Statement based on internal audit work completed during 2025/26. However, no consultation was required in the preparation of this report. Appendix 1 details the outcomes of work delivered independently by Veritau during 2025/26 in support of the council's framework of governance, risk management, and control.			

Supporting Information

3. Background

- 3.1 Cherwell District Council's internal audit service is delivered by Veritau Public Sector Limited.
- 3.2 The work of internal audit in local government is governed by the Global Internal Audit Standards (GIAS) in the UK Public Sector. This regime, which came into effect on 1 April 2025, is made up of the Institute of Internal Auditors' Global Internal Audit Standards (including Topical Requirements), and the Application Note: Global Internal Audit Standards in the UK Public Sector.
- 3.3 The purpose of the Application Note is to set out interpretations and requirements which need to be applied to the GIAS so that they form a suitable basis for internal audit practice in the UK public sector. The 'relevant internal audit standard setter' for UK local government is the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 3.4 These standards require the Head of Internal Audit to bring an annual report to the Audit and Governance committee. The report must include an opinion on the adequacy and effectiveness of the council's framework of governance, risk management, and control. Internal audit work undertaken during 2025/26 is the main subject of this report, and the GIAS apply to this work.
- 3.5 CIPFA has also produced a 'Code of Practice for the Governance of Internal Audit in UK Local Government' ('the Code'). The purpose of the Code is to ensure that

the essential conditions for the governance of internal audit can be met in a local government context. The Code is intended for local authorities, being designed to support them in establishing effective internal audit arrangements and in providing oversight and support for internal audit.

- 3.6 The internal audit charter is a key document governing the council's internal audit service. The audit charter was approved by the committee in May 2025. It is reviewed annually. No changes are presented this year for the committee.

4. Details

Head of Internal Audit annual report 2025/26

- 4.1 To conform to professional standards and the council's internal audit charter, the Head of Internal Audit must provide an opinion on the strength of the council's framework of governance, risk management, and control. The annual opinion is a key source of independent assurance for the preparation of the council's Annual Governance Statement.
- 4.2 The basis for the annual opinion is the body of internal audit work performed during 2025/26. A summary of internal audit work undertaken during the year, and relevant to the opinion, is contained in appendix 1.
- 4.3 In addition to providing an opinion, the Head of Internal Audit is also required to report on the outcomes of the internal audit service's quality assurance and development arrangements. This is to provide the committee with reassurance that work continues to conform to professional standards. Appendix 1 provides details on Veritau's arrangements, confirming its conformance to the Global Internal Audit Standards in the UK Public Sector during 2025/26.

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 Audit and Governance Committee, it is required to note the Head of Internal Audit annual report.

6 Conclusion and Reasons for Recommendations

- 6.1 The Audit and Governance Committee is recommended to note the opinion of the Head of Internal Audit, the outcomes from Veritau's quality assurance and development arrangements, and the significant control weakness which should be considered for inclusion in the Annual Governance Statement.
- 6.2 This recommendation is made so that the committee can fulfil its responsibility for overseeing the work of internal audit. This responsibility is defined in the committee's terms of reference.

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	Head of Internal Audit annual report 2025/26
Background Papers	None
Reference Papers	None
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Executive Director Approval (unless Executive Director or Statutory Officer report)	Assistant Director of Finance (Section 151 Officer), 5 June 2026