

# **Cherwell District Council**

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

**28 July 2021**

### **Internal Audit Charter**

### **Report of Director of Finance**

This report is public

#### **Purpose of report**

This report presents the Internal Audit Charter and Internal Audit Quality Assurance Programme for 2021/22.

#### **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 2021/22. 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 2020. Minor changes have been made under the “fraud” section to reflect the dedicated counter fraud team that has now been established within Internal Audit.

### **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 2021 and it can be confirmed that Internal Audit continues to comply in full, with the standards.

## **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:

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### Legal Implications

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

Comments checked by:

Richard Hawtin, Team Leader – Non-contentious, 01295 221695  
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### Risk Management Implications

7.3 There are no risk management issues arising directly from this report.

Comments checked by:

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[louise.tustian@cherwell-dc.gov.uk](mailto:louise.tustian@cherwell-dc.gov.uk)

## 8. Decision Information

### Key Decision

Financial Threshold Met: N/A

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

**Wards Affected**

All wards are affected

**Links to Corporate Plan and Policy Framework**

All corporate plan themes.

**Lead Councillor**

Councillor Tony Ilott – Lead Member for Financial Management and Governance

**Document Information**

**Appendix number and title**

- Appendix 1 - Internal Audit Charter 2020/21
- Appendix 2 - Internal Audit Quality Assurance and Improvement Programme 2020/21

**Background papers**

None

**Report Author and contact details**

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