

Cherwell District Council

Accounts, Audit & Risk Committee

26 July 2023

Internal Audit Charter

Report of Assistant Director of Finance

This report is public

Purpose of report

This report presents the Internal Audit Charter and Internal Audit Quality Assurance Programme for 2023/24.

1.0 Recommendations

The meeting is recommended to:

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

2.0 Introduction

- 2.1 This report presents both the Internal Audit Charter and the Quality Assurance and Improvement Programme for 2023/24. These are subject to annual review.

3.0 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 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 2022.

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.
- 3.6 A change to the QAIP has been made since the once last presented to the July 2022 Accounts, Audit & Risk Committee. For 2023/24 it includes opportunities for improvement within the internal audit activity. Implementation of these improvements will be reported back to the Accounts, Audit & Risk Committee.

PSIAS – Self Assessment / External Assessment Update

- 3.7 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.
- 3.8 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 last completed during June 2022, and it was reported to the Accounts, Audit & Risk Committee in July 2022, that Internal Audit continues to comply in full, with the standards.
- 3.9 Internal Audit have now scheduled an PSIAS external assessment of our service. This will be undertaken by CIPFA in October 2023. The results will be reported to the January 2024 Accounts, Audit & Risk Committee. In preparation for the external assessment we are completing our annual self-assessment against PSIAS during July and August this year.

4.0 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.

5.0 Consultation

None

6.0 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.

7.0 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

Legal Implications

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

Comments checked by:

Shiraz Sheikh, Monitoring Officer & Assistant Director Law & Governance,

shiraz.sheikh@cherwell-dc.gov.uk

Risk Implications

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, Performance & Insight Team Leader, 01295 221556

Celia.prado-teeling@cherwell-dc.gov.uk

Equalities and Inclusion Implications

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

Comments checked by:

Celia Prado-Teeling, Performance & Insight Team Leader, 01295 221556

Celia.prado-teeling@cherwell-dc.gov.uk

Sustainability Implications

There are no sustainability implications arising directly from this report.

Comments checked by:

Jo Miskin, Climate Action Manager, 01295 221748,
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8.0 Decision Information

Key Decision N/A

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 Adam Nell – Portfolio Holder &- Finance

Document Information

Appendix number and title

- Appendix 1 - Internal Audit Charter 2023/24
- Appendix 2 - Internal Audit Quality Assurance and Improvement Programme 2023/24

Background papers

None

Report Author and contact details

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