Report to:	**Audit Committee**
Date:	**19 September 2025**
By:	**Chief Operating Officer**
Title of report:	**Global Internal Audit Standards Self-Assessment and Quality Assurance and Improvement Plan**
Purpose of report:	**To set out the results of the Internal Audit Service's self-assessment against the new Global Internal Audit Standards along with details of any actions arising, as set out with the Service's ongoing Quality Assurance and Improvement Plan. The Internal Audit Charter has been updated in response to the new Standards and is attached to this report as Appendix C for approval.**

RECOMMENDATIONS: Audit Committee is recommended to note the:

1) **results of the self-assessment against the new Global Internal Audit Standards and the resulting Quality Assurance and Improvement Plan;**
2) **updated Internal Audit Charter.**

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1. Background

1.1 All local authorities must make proper provision for internal audit in line with the 1972 Local Government Act (S151) and the Accounts and Audit Regulations 2015. The latter states that authorities '*must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance*.' From 1 April 2025, the previous Public Sector Internal Audit Standards (PSIAS) were replaced with new Global Internal Audit Standards (GIAS), supported by the Chartered Institute of Public Finance and Accountancy (CIPFA) 'Application Note – Global Internal Audit Standards in the UK Public Sector'.

2. Supporting Information

2.1 Whilst there are some changes required for Internal Audit as a result of the new Standards, it is generally recognised that an internal audit service that conforms with the previous PSIAS will have most of the required practices already in place, especially in terms of undertaking audit assignments. The primary changes therefore relate to minor amendments and updates to key documentation, in particular, the Internal Audit Charter.

2.2 In order to provide senior management and the Audit Committee with assurance in respect of conformance with GIAS, a comprehensive self-assessment has been conducted, which has included the identification of any actions arising, all of which are incorporated into the service's Quality Assurance and Improvement Plan. Given the size and detailed nature of the GIAS (120 pages) and the associated self-assessment (144 pages), these have not been shared in full as part of this report. A full list of the GIAS content, showing all of the areas covered is, however, attached as Appendix A, and a full copy is available upon request.

2.3 Overall, the self-assessment found extremely high levels of conformance, with none of the identified actions being considered significant. Furthermore, immediate progress has been made in the implementation of these, with many already addressed at the time of writing this report. Attached as Appendix B (Internal Audit Quality Assurance and Improvement Plan) is a summary of all the actions included within the service's improvement plan, which incorporates those arising from the self-assessment as well as general service development activities.

2.4 In total, of the 26 actions identified, 24 have either been fully implemented or are in progress at the time of writing. The remaining actions are either ongoing or will be addressed over the remainder of the year on a priority basis, recognising that some of these relate to general service development rather than professional compliance. Further updates on this activity will be provided over the course of year and reflected within the Annual Internal Audit Report and Opinion for 2025/26.

2.5 Finally, attached as Appendix C is an updated Internal Audit Charter, which has been reviewed to ensure that it correctly reflects and references the new GIAS. None of the amendments are material, with the main changes relating to:

- Referencing the GIAS and Local Government Application Note, to replace PSIAS throughout;
- Section 2 'Internal Audit Purpose' has been updated to include specific references to the GIAS;
- Section 4 heading has been updated to 'Internal Audit Mandate' in order to make it consistent with the language in GIAS;
- Section 7 'Reporting' has slightly more detail included on administrative reporting and functional reporting; and
- Section 11 'Due Professional Care' updated to reference the GIAS' Ethics and Professionalism domain.

3. Conclusion and Recommendations

3.1 The results of the Internal Audit Service's self-assessment against the new GIAS demonstrate a high level of conformance with only a small number of relatively minor actions arising. One such action relates to the updating of the Internal Audit Charter to reflect the new Standards which has now been completed.

3.2 Audit Committee is recommended to note the results of the self-assessment against the new GIAS and note the updated Internal Audit Charter.

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