

Agenda Item

Subject	Annual Review of Effectiveness of Corporate Assurance (Internal Audit)	Status	For Publication
Report to	Audit and Governance Committee	Date	17/07/2025
Report of	Head of Corporate Assurance (Internal Audit)		
Equality Impact Assessment	Not Required		
Contact Officer	Sharon Bradley	Phone	07795 305846
E Mail	SharonBradley@barnsley.gov.uk		

1. Purpose of the Report

- 1.1 The purpose of this paper is to inform the Committee of the current position in terms of the self-assessment to measure compliance against the new Global Internal Audit Standards UK (GIAS) that became effective on 1st April 2025. The requirement to undertake an annual self-assessment, to have an external quality assessment (EQA) every 5 years and to maintain a Quality Assurance and Improvement Programme (QAIP) for the Corporate Assurance (Internal Audit) function is required by the GIAS (this was also a requirement of the previous standards).

2. Recommendation

- 2.1 **Members consider and assess the proposed QAIP Framework which sets out how it will meet the requirements set out in the GIAS.**
- 2.2 **That the Committee receives a mid-year update report to confirm progress made in the implementation of the QAIP.**

3. Background Information

- 3.1 The GIAS replaced the Public Sector Internal Audit Standards (PSIAS) that had been in place since April 2017. Within the standards is the requirement for the Head of Corporate Assurance (Internal Audit) to develop and maintain a Quality Assurance and Improvement Programme (QAIP).
- 3.2 The particular standards in the GIAS are:
- 8.3 and 8.4 – Quality and External Quality Assessment, which are included under Domain Three, Governing the Internal Audit Function and
 - 12.1 – Enhancing Quality, which is included under Domain Four, Managing the Internal Audit Function.

- 3.3 The GIAS, akin to the previous professional standards, incorporate the duty to undertake an annual self-assessment and an independent external assessment against the GIAS once every five years. An independent external assessment was undertaken during 2021 and reported to the Audit & Governance Committee in September 2021. This assessment confirmed that the Internal Audit function was in full conformance with the PSIAS. The next EQA is due in Autumn 2026 and the Committee will be consulted on this prior to a provider being procured.
- 3.4 It is important for the Corporate Assurance Team and client organisations that the requirements of professional standards are met and are seen to be met. A framework has been developed to ensure all aspects of the GIAS are considered and factored into how the Corporate Assurance function is resourced, managed, assurance work is identified and delivered, and personal professional standards are met.
- 3.5 The full GIAS covering Quality is attached as Appendix 1. Note that the GIAS refers to the *chief audit executive* as a generic term for the officer responsible for the Corporate Assurance (Internal Audit) function. Also, the term '*board*' is used which in the public sector context is the audit committee. CIPFA have produced a Code of Practice to provide guidance to ensure consistency in how the GIAS are interpreted specifically in a UK local government context.
- 3.6 A self-assessment has been undertaken by the Head of Corporate Assurance against the Global Internal Audit Standards (GIAS), the CIPFA Code of Practice and also CIPFA Application Note. The outcomes of the self-assessment are included at Appendix 2 in terms of actions required to ensure full compliance with the Standards and/ or to continuously improve and enhance the Function.
- 3.7 In order to ensure continuous improvement and focus on quality and conformance, a Corporate Assurance Manager has been designated the responsibility to maintain and manage the QAIP and general quality process. The Action Plan will, as previously, be updated and discussed with the management team on a quarterly basis.
- 3.8 The following actions are undertaken on an annual basis (and then as and when required during the financial year):-
- a) Each member of the team completes an annual declaration of interests form, to identify any potential areas of conflict for which they will not be assigned Corporate Assurance work. This is a Code of Conduct and GIAS requirement, to demonstrate Corporate Assurance's continued independence and objectivity.
 - b) Each member of the team has regular formal one to ones with their direct line manager, with learning and development opportunities identified being recorded on the Function's Training Plan and monitored.

- 3.9 Clearly, ensuring a Corporate Assurance function meets all its professional standards is vitally important to provide client organisations with the best possible service. However, faced with increasing pressure on assurance days it is equally essential to balance the input of resources to manage quality and professional standards compliance against actually delivering the assurance function. A key role of the Head of Corporate Assurance and the Corporate Assurance Managers is to constantly review this balance.

4. List of Appendices

- Appendix 1 - Global Internal Audit Standards - Extract
- Appendix 2 - QAIP Action Plan

Sharon Bradley CMIIA
Head of Corporate Assurance (Internal Audit)

Contact Officer: **Sharon Bradley CMIIA**
Head of Corporate Assurance (Internal Audit)
sharonbradley@barnsley.gov.uk
Tel: 07795305846

GLOBAL INTERNAL AUDIT STANDARDS - EXTRACT

Standard 8.3 Quality

Requirements

The chief audit executive must develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program includes two types of assessments:

External assessments. (See also Standard 8.4 External Quality Assessment.)

Internal assessments. (See also Standard 12.1 Internal Quality Assessment.)

At least annually, the chief audit executive must communicate the results of the internal quality assessment to the board and senior management. The results of the external quality assessments must be reported when completed. In both cases, such communications include:

The internal audit function's conformance with the Standards and achievement of performance objectives.

If applicable, compliance with laws and/or regulations relevant to internal auditing.

If applicable, plans to address the internal audit function's deficiencies and opportunities for improvement.

Essential Conditions

Board

Discuss with the chief audit executive the quality assurance and improvement program, as outlined in Domain IV: Managing the Internal Audit Function.

Approve the internal audit function's performance objectives at least annually. (See also Standard 12.2 Performance Management.)

Assess the effectiveness and efficiency of the internal audit function. Such an assessment includes:

- Reviewing the internal audit function's performance objectives, including its conformance with the Standards, laws and regulations; ability to meet the internal audit mandate; and progress towards completion of the internal audit plan.
- Considering the results of the internal audit function's quality assurance and improvement program.
- Determining the extent to which the internal audit function's performance objectives are being met.

Senior Management

- Provide input on the internal audit function's performance objectives.
- Participate with the board in an annual assessment of the chief audit executive and internal audit function.

Standard 8.4 External Quality Assessment

Requirements

The chief audit executive must develop a plan for an external quality assessment and discuss the plan with the board. The external assessment must be performed at least once every five years by a qualified, independent assessor or assessment team. The requirement for an external quality assessment may also be met through a self-assessment with independent validation.

When selecting the independent assessor or assessment team, the chief audit executive must ensure at least one person holds an active Certified Internal Auditor® designation.

Essential Conditions

Board

Discuss with the chief audit executive the plans to have an external quality assessment of the internal audit function conducted by an independent, qualified assessor or assessment team.

Collaborate with senior management and the chief audit executive to determine the scope and frequency of the external quality assessment.

Consider the responsibilities and regulatory requirements of the internal audit function and the chief audit executive, as described in the internal audit charter, when defining the scope of the external quality assessment.

Review and approve the chief audit executive's plan for the performance of an external quality assessment.

Such approval should cover, at a minimum: The scope and frequency of assessments.

The competencies and independence of the external assessor or assessment team.

The rationale for choosing to conduct a self-assessment with independent validation instead of an external quality assessment.

Require receipt of the complete results of the external quality assessment or self-assessment with independent validation directly from the assessor.

Review and approve the chief audit executive's action plans to address identified deficiencies and opportunities for improvement, if applicable.

Approve a timeline for completion of the completion of the action plans and monitor the chief audit executive's progress.

Senior Management

Collaborate with the board and the chief audit executive to determine the scope and frequency of the external quality assessment.

Review the results of the external quality assessment, collaborate with the chief audit executive and board to agree on action plans that address identified deficiencies and opportunities for improvement, if applicable, and agree on a timeline for completion of the action plans.

Standard 12.1 Internal Quality Assessment

Requirements

The chief audit executive must develop and conduct internal assessments of the internal audit function's conformance with the Global Internal Audit Standards and progress toward performance objectives.

The chief audit executive must establish a methodology for internal assessments, as described in Standard 8.3 Quality, that includes:

Ongoing monitoring of the internal audit function's conformance with the Standards and progress toward performance objectives.

Periodic self-assessments or assessments by other persons within the organisation with sufficient knowledge of internal audit practices to evaluate conformance with the Standards.

Communication with the board and senior management about the results of internal assessments.

Based on the results of periodic self-assessments, the chief audit executive must develop action plans to address instances of nonconformance with the Standards and opportunities for improvement, including a proposed timeline for actions. The chief audit executive must communicate the results of periodic self-assessments and action plans to the board and senior management. (See also Standards 8.1 Board Interaction, 8.3 Quality, and 9.3 Methodologies.)

Internal assessments must be documented and included in the evaluation conducted by an independent third party as part of the organisation's external quality assessment. (See also Standard 8.4 External Quality Assessment.)

If nonconformance with the Standards affects the overall scope or operation of the internal audit function, the chief audit executive must disclose to the board and senior management the nonconformance and its impact.

Quality Assurance Improvement Plan (QAIP)

No.	Continuous Improvement Area	Rationale / Action	Priority	Lead Officer	Timescale	Current Status
1	Briefings for SMT and Audit Committees	Need to schedule further briefing session in for Audit & Governance Committees (all clients) and also SMTs. To include outcome of GIAS self-assessment and QAIP (incl. mid-year update).	H	HoCA	31/07/2025	In progress in terms of scheduling in the briefings.
2	Charter and Mandate	Need to revisit and update the Charter (and include Mandate) to take into account new GIAS requirements.	H	HoCA	30/06/2025	Completed.
3	Charter and Mandate	Consider separately publishing the Mandate and Charter on the website - speak to comms & marketing.	H	HoCA	31/07/2025	Not yet due.
4	EQA Procurement report to A&G Committee	Schedule an EQA procurement options report on A&G Committee forward plan.	M	HoCA	30/04/2026	Not yet due.
5	Data Analytics	Project to continue in terms of exploring the methodology and opportunities to utilise data analytics / AI in Corporate Assurance related work.	M	CAM (DW)	31/12/2025	Ongoing.
6	Stakeholder Engagement Strategy	Consider developing a strategy to clearly set out the purpose, frequency and medium to be used for liaison meetings.	M	HoCA	30/09/2025	To revisit and update (if required) the existing Strategy.
7	Dashboard development	Development of dashboards to communicate key messages incl. good news / best practice, themes of findings and implications etc.	M	HoCA	31/03/2026	Not yet due.
8	Audit recommendation escalation	Consider formally documenting escalation discussions where CA / management disagree on implications, including resolutions reached.	L	HoCA	31/03/2026	Not yet due.
9	Operational procedures	Revisit the operational procedures and also checklist on MKI, to update where required in terms of GIAS requirements.	H	CAM (CH)	31/08/2025	Not yet due.
10	Other assurance	Consideration of enhancing the existing arrangements for sharing of internal / external assurance reports - assurance map / corporate hub?	M	HoCA	31/03/2026	Not yet due.