

Brighton & Hove City Council

Audit, Standards and General Purposes Committee

Agenda Item 23

Subject: Global Internal Audit Standards (GIAS) Self- Assessment and Quality Assurance and Improvement Plan (QAIP)

Date of meeting: 23rd September 2025

Report of: Interim Director of Finance and Property (S151)

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Ward(s) affected: All

For general release

1. Purpose of the report and policy context

- 1.1 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 3 for approval.

2. Recommendations

- 2.1 That the Committee note the self-assessment against the new GIAS and the resulting QAIP.
- 2.2 That the Committee approve the updated Internal Audit Charter.

3. Context and background information

- 3.1 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 GIAS, supported by the CIPFA 'Application Note – Global Internal Audit Standards in the UK Public Sector'.

4. Analysis and consideration of alternative options

- 4.1 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.
- 4.2 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 will be incorporated into the service's ongoing 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 1, and a full copy is available upon request.
- 4.3 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 2 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.
- 4.4 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 the year and reflected within the Annual Internal Audit Report and Opinion for 2025/26.
- 4.5 Finally, attached as Appendix 3 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.

5. Community engagement and consultation

5.1 Not required.

6. Financial implications

6.1 Ensuring that the Council has a robust Internal Audit service is an essential part of ensuring that effective controls and strong governance exist across the organisation. Particularly through the work on key financial systems, this work also underpins the Council's arrangements to ensure good financial management.

Name of finance officer consulted: John Hooton Date consulted 26/08/25

7. Legal implications

7.1 As described under the Risk Implications paragraph below, the Council is under a legal requirement to undertake an effective internal audit in order to evaluate the effectiveness of its risk management, control, and governance processes. From 2025, the Global Internal Audit Standards provide the basis for that process of evaluating the internal audit function.

Oversight of the Council's delivery of its internal audit function is a key part of the Audit, Standards and General Purposes Committee's delegated functions.

Name of lawyer consulted: Victoria Simpson Date consulted 26.08.2025

8. Risk implications

8.1 The statutory basis for Internal Audit in local government is provided in the Accounts and Audit Regulations 2015, which require a local authority to "*undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes*". Compliance with the Global Internal Audit Standards helps ensure the delivery of an effective internal audit service that remains independent and objective and provides a systematic disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.

9. Equalities implications

9.1 There are no direct equalities implications.

10. Sustainability implications

10.1 There are no sustainability implications.

11. Other Implications

11.1 There are no other implications

12. Conclusion

12.1 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.

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

Supporting Documentation

1. Appendices

1. Self-Assessment against the new GIAS and QAIP
2. Quality Assurance and Improvement Plan
3. Updated Internal Audit Charter