

Committee Report Checklist

Please submit the completed checklists with your report. If final draft report does not include all the information/sign offs required, your item will be delayed until the next meeting cycle.

Stage 1

Report checklist – responsibility of report owner

ITEM	Yes / No	Date
Councillor engagement / input from Chair prior to briefing	N/A	
Commissioner engagement (if report focused on issues of concern to Commissioners such as Finance, Assets etc)	N/A	
Relevant Group Head review	N/A	
MAT+ review (to have been circulated at least 5 working days before Stage 2)	N/A	
This item is on the Forward Plan for the relevant committee	Y	
Finance comments	N/A	
Risk comments	LO	03/03/26
Legal comments	LH	27/02/26
HR comments (if applicable)	N/A	

For reports with material financial or legal implications the author should engage with the respective teams at the outset and receive input to their reports prior to asking for MO or s151 comments.

Do not forward to stage 2 unless all the above have been completed.

Stage 2

Report checklist – responsibility of report owner

ITEM	Completed by	Date
Monitoring Officer commentary – at least 5 working days before MAT	L Heron	27/02/26
S151 Officer commentary – at least 5 working days before MAT	T Collier	20/02/26
Confirm final report cleared by MAT		

Audit Committee

26 March 2026

Title	<i>External Quality Assessment – Final Report</i>
Purpose of the report	To inform
Report Author	<i>Iona Bond, Deputy Head of Southern Internal Audit Partnership</i>
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	N/A
Corporate Priority	Community Addressing Housing Need Resilience Environment Services
Recommendations	<p>The Committee is asked to note:</p> <ol style="list-style-type: none"> 1. the report of the External Assessor following the External Quality Assessment of the Southern Internal Audit Partnership against the Global Internal Audit Standards in the UK Public Sector (Appendix A); and 2. the action plan developed against suggested opportunities for future development (Appendix B).
Reason for Recommendation	In accordance with the Global Internal Audit Standards in the UK Public Sector an external quality assessment must be undertaken every five years.

1. Executive summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> • In accordance with the Global Internal Audit Standards in UK Public Sector an external quality assessment must be undertaken every five years. 	<ul style="list-style-type: none"> • As a requirement of the Global Internal Audit Standards in UK Public Sector.

This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> Note the report of the outcome of the external assessment of the Southern Internal Audit Partnership against the Global Internal Audit Standards in the UK Public Sector. 	<ul style="list-style-type: none"> To inform Management Team and Group Heads of the outcome of the external assessment of the Southern Internal Audit Partnership against the Global Internal Audit Standards in the UK Public Sector. To inform Audit Committee of the outcome of the external assessment of the Southern Internal Audit Partnership against the Global Internal Audit Standards in the UK Public Sector at the meeting of 24 February 2026.

1.1 This report provides the Audit Committee with the outcome from the External Quality Assessment of the Southern Internal Audit Partnership against the new Global Internal Audit Standards in the UK Public Sector.

2. Key issues

Contextual information

2.1 The mandate for internal audit in local government is specified within the Accounts and Audit [England] Regulations 2015, which states:

‘A relevant authority 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.’

2.2 From 1 April 2025, the ‘standards or guidance’ in relation to internal audit are those laid down in the Global Internal Audit Standards (GIAS), Application Note: Global Internal Audit Standards in the UK Public Sector (Application Note) and the Code of Practice for the Governance of Internal Audit in UK Local Government. The collective requirements are referred to as the Global Internal Audit Standards in the UK Public Sector (the Standards).

2.3 The Standards (8.4) require that *‘the Chief Internal Auditor must develop a plan for an external quality assessment and discuss the plan with the Audit Committee. The external audit assessment must be performed at least once every five years by a qualified, independent assessor or assessment team. The requirement for an external assessment may also be met through a self-assessment with independent validation.’*

External Quality Assessment

- 2.4 An External Quality Assessment of the Southern Internal Audit Partnership was undertaken during September to December 2025. The scope was comprehensive including review of the Southern Internal Audit Partnership's:
- Conformance with the Global Internal Audit Standards in the UK Public Sector.
 - Mandate, charter, strategy, methodologies, processes, risk assessment and internal audit planning.
 - Performance measures and outcomes.
 - Qualifications and competencies including those of the Chief Internal Auditor.
 - Integration into the organisation's governance processes.
 - Contribution towards the organisation governance, risk management, and control processes.
 - Contribution to the organisations operations and ability to attain its objectives.
 - Ability to meet the expectations of stakeholders.
- 2.5 The External Quality Assessment was undertaken by John Chesshire of JC Training Ltd who met all of the necessary requirements of the enhanced qualification and experience required of an external assessor in the public sector. John is also the current Chairman of the Internal Audit Standards and Advisory Board whose role includes oversight of the development and periodic revision of the Global Internal Audit Standards. As such John is ideally positioned to provide the most credible assessment of the Southern Internal Audit Partnership against the new Standards.

External Quality Assessment Outcome

- 2.6 A full copy of the External Quality Assessment – Final Report is provided (Appendix A), in concluding their conformance opinion, the external assessor states:

'I undertook this EQA review to provide an independent, objective, examination of SIAP against the GIAS, the Application Note, and the expectations within the CIPFA Code, as well as considering the function's effectiveness and delivery compared with other internal audit functions, current and emerging good practice(s).

The GIAS comprises five Domains, 15 Principles and 52 Standards. For each Standard, there are Requirements, Considerations for Implementation and Examples of Evidence of Conformance to achieve.

SIAP has achieved an excellent result of 'generally achieves' in this EQA in relation to the GIAS and Application Note. The IIA use the term 'general achievement' or 'general conformance' to indicate that "internal audit activities were performed in general conformance with the Global Standards."

I include a summary of SIAP’s conformance to the GIAS, below. Overall, I believe that the team has achieved an excellent performance given its size, together with the breadth and depth of the benchmark established by the new GIAS.

I am delighted to confirm that SIAP fully achieves 46 of the 52 Standards and generally achieves the remaining six Standards. There are no partial conformances, or areas where the team do not conform with any Standards.

I have undertaken ten reviews of diverse internal audit functions using the (new) GIAS to date and this result puts SIAP firmly within the top quartile and represents the highest level of achievement and conformance with the new GIAS that I have seen to date.’

Summary of IIA Conformance	Standards	Does not Conform	Partially Conforms/Achieves	Generally Conforms/Achieves	Fully Conforms/Achieves	Total
<i>Purpose of Internal Auditing</i>	N/A					N/A
<i>Ethics and Professionalism</i>	13				13	13
<i>Governing the Internal Audit Function</i>	9			3	6	9
<i>Managing the Internal Audit Function</i>	16			1	15	16
<i>Performing Internal Audit Services</i>	14			2	12	14
	52	0	0	6	46	52

2.7 In contextualising the overall assessment outcome, the external assessors clarify:

‘Given these results, you may ask why does SIAP not fully achieve/conform, overall, given this level of attainment? The reason is that the IIA have set an incredibly high, and some may say excessively high, benchmark for the ‘fully achieves’ level of attainment. To fully achieve or conform, the IIA state that “The internal audit function is fully achieving all 15 principles and the Purpose of Internal Auditing.” To fully achieve each of the 15 Principles, an internal audit function must fully conform with each of the 52 Standards.

Given that the GIAS remains ‘comply or explain’ in nature, an internal audit function can reasonably decide that some elements are not necessary to fully adopt, given the team’s nature, size, sector, cost/benefit, value for money

considerations, or target maturity level. Not everything must be platinum-plated, and a level of common sense, judgement and proportionality is important.'

Opportunities for Improvement

- 2.8 It is important to note that the external assessor in their final report clearly states 'I do not make any formal recommendations in this report. To aid continuous improvement however, I do make a small number of suggestions for future development'.
- 2.9 Whilst there is no obligation on the Southern Internal Audit Partnership to address the highlighted areas of improvement, our culture as a learning organisation seeks continual development in ensuring our service is future proofed, lean, efficient, and effective. Consequently, an Action Plan (Appendix B) has been compiled to consider each of the suggested future development opportunities.

Conclusion

- 2.10 The decision to undertake an early external quality assessment and the resulting outcome provides assurance to the Council that the Southern Internal Audit Partnership are operating in general conformance with the Global Internal Audit Standards in the UK Public Sector and remain well positioned as your internal audit provider.

3. Risk implications

- 3.1 The absence of conducting an external audit assessment within the specified timelines will conflict with the expectation of the Global Internal Audit Standards of completing an EQA every 5 years.

4. Financial implications

- 4.1 There is no additional budget impact to the Council.

5. Legal comments

- 5.1 The Council is required to make proper provision for internal audit in accordance with the 1972 Local Government Act and the Accounts and Audit Regulations 2015.
- 5.2 The Council's internal audit function is required to comply with the Global Internal Audit Standards (GIAS), which standards are designed to ensure high quality and effective internal audit functions.
- 5.3 By completing the external review of the effectiveness of internal audit the Council will ensure compliance with the GIAS. In addition, this external review will provide assurance to the Audit Committee in respect of the quality and the effectiveness of the Council's internal audit function.

Corporate implications

6. S151 Officer comments

- 6.1 As S151 Officer, it is important to receive independent reassurance as to the effectiveness of the Council's internal audit support which plays a key role in supporting the S151 to undertake their responsibilities. The S151 Officer is pleased to note the outcome of the external assessment undertaken in late 2025.

7. Monitoring Officer comments

- 7.1 The Monitoring Officer confirms that the relevant legal implications have been taken into account.

8. Procurement comments

- 8.1 There are no procurement implications immediately arising from this report.

9. Equality and Diversity

- 9.1 Equality and diversity are key considerations that feature in the assessment of risk and audit needs.

10. Sustainability/Climate Change Implications

- 10.1 Sustainability is a key consideration and features in the assessment of risk and audit needs.

11. Other considerations

- 11.1 None.

12. Timetable for implementation

- 12.1 The EQA will be applicable for the period 1 April 2026 – 31 March 2031.

13. Contact

- 13.1 Iona Bond, Deputy Head of Southern Internal Audit Partnership
iona.bond@hants.gov.uk

Please submit any material questions to the Committee Chair and Officer Contact by two days in advance of the meeting.

Background papers: There are none.

Appendices:

Appendix A – External Quality Assessment Outcome Report

Appendix B – External Quality Assessment Action Plan