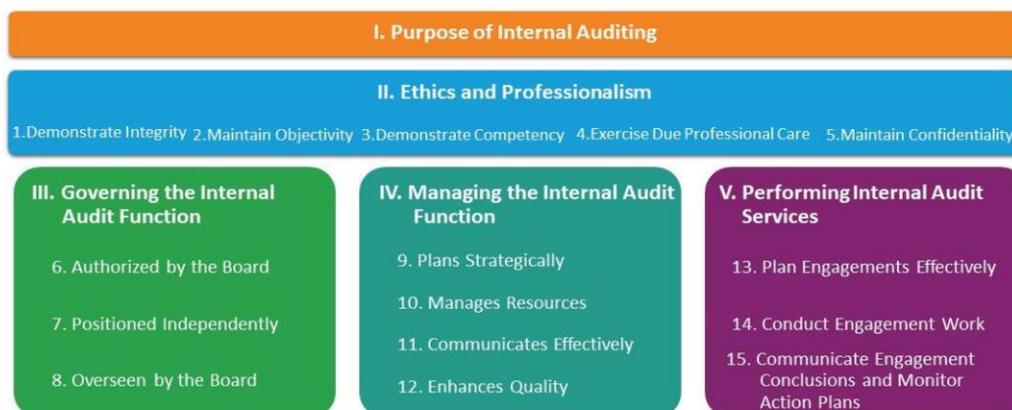**KIRKLEES MC apx1**
RISK SERVICES
INFORMATION ABOUT GLOBAL INTERNAL AUDIT STANDARDS

The new Global Internal Audit Standards (GIAS), produced by the Institute of Internal auditors (IIA) are based on the following structure, with five areas known as "domains." The GIAS uses the titles in its narratives which have been changed in the summary below
  Head of Audit is used instead of "chief audit executive"
  Audit Committee is used instead of "Board."

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The five domains – many of which have sub parts are

D	Title	Core issues
1	Purpose of Internal Auditing	Internal auditing strengthens the organization's ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight
2	Ethics & Professionalism	Includes all of the areas that might be expected of any professional – integrity, objectivity, care, competence, confidentiality Two specific areas are an expectation to have Professional scepticism Professional courage- (a newly emphasised area) a willingness to stand up for moral or ethical issues based on factual assessment, even if this leads to disagreement
3	Governing the Internal	This is about the (board) Audit Committee ensuring that

	Audit function	all the essential conditions for audit activity (such as unrestricted access to all information, employees and premises) are provided enabling fulfilment of audits objectives and strategies, and that senior management supports the same approach, and ensures that the role of internal audit is recognised across the organisation. This is set out in the IA Charter, Mandate and Strategy (and also, in the Council in constitution, FPRs etc). It includes the Audit Committee approving an audit plan, and performance objectives, and assessing quality of operations. Five yearly external quality assessment (EQA) now also assess the governance processes of the organisation as well as the other domain areas. The GIAS requires involvement by the Audit Committee in establishing role, responsibilities, qualification, appointment, removal and performance management of the Head of Audit. (see section A, below)
4	Managing the Internal Audit function	This is about the role of the Head of Internal Audit specifically to: -Plan strategically -Manage resources -Communicate effectively -Enhance quality It also expects coordination of activity, ensuring that internal control arrangements are understood, using appropriate methodology. The resources apply to having sufficient financial budget, and staff resource, and other technology to enable fulfilment of the strategy (mandate and charter) In communicating the Head of Audit is also expected assess root causes of issues arising, and trends that may apply more generally as a cultural issue in the organization.
5	Performing Internal Audit services	This involves engagements (Individual audit projects) -Planning engagements effectively, which includes setting the objectives for the audit. There is a n expectation that fraud risk is always considered -Conducting engagements (generally to assess if a system is achieving its objectives) which is gathering information and evidence, assessing and evaluating it, reaching conclusions and making recommendations. This also involves assessing if there are any root causes to issues that are identified. -Effectively communicating the outcomes, agreeing recommendations and an action plan (who, when) including an acknowledging where corrective action has been taken before the final report.

	Section A below is the UK public sector implementation information Sections B and C below are further IIA advice about implementing the GIAS
	Additional information related to the Global Internal Audit Standards
A	An application note for the UK public sector makes minor changes to the GIAS: -effective date 1/4/25 (not January 2025) -requirement to say that auditing is performed to GIAS but subject to the Global Internal Audit Standards in the UK Public Sector -CIPFA still has authority to adjust recommended requirements in local authorities -information management in the public sector can be subject to FoI, EPA and SAR -UK public bodies must assess value for money as a part of their obligations -although there is an expectation that IA coordinates its role with other assessors, this may not always be practical with UK regulators -the GIAS expects that the Audit Committee and Head of Audit agree a budget. in uk public sector organisations this is not usually the case, and the Head of audit must explain to the Audit Committee what the most effective audit strategy is within the resources available -the Head of Audit in a uk public body is required to make an annual statement about the effectiveness of arrangements for governance, risk management, and control. -a Head of Audit should be a qualified accountant or auditor with experience (CCAB or MIAA) -an annual internal assessment of quality is required -the five yearly external assessment must include someone who would qualify as a head of audit -Essential Governance conditions- these may not always be practical in uk public bodies, so non-conformance is permitted if it is explained to Audit Committee and appropriate alternative approaches are identified achieving the same principles. Global Internal Audit Standards in the UK Public Sector | CIPFA
B	Topical Requirements are meant to assist in the auditing of complicated areas. There is an expectation that any assurance audit covered by an IIA issued Topical Requirement will address the recommended areas for review (There is no obligation to follow the requirements, but the reason for not doing so needs to be recorded). The expectation applies one year after publication of these requirements, and none have yet been published. The schedule of these areas is not readily available, but it includes reliance of third parties (such as suppliers), cyber security, organisational resilience, organisational culture. There appears to be uncertainty about whether after making thee obligations mandatory, IIA will make them freely available.
C	Small Internal audit functions. The GIAS acknowledges that resource limitations mean that smaller organisations are not always able to fully comply with the expectations of the GIAS. The expectation in such cases is that" alternative actions should be implemented to meet the intentions of the related standard," and the standards require that the Head of Audit is clear with the audit committee matters of non-conformance arise, and how these might be mitigated.