

OPEN

Audit and Governance Committee

04 December 2025

Global Internal Audit Standards Self-Assessment and Internal Audit Charter

**Report of: Kevin O’Keefe, Interim Director of Law & Governance
(Monitoring Officer)**

Report Reference No: AG/30/25-26

Ward(s) Affected: All

Purpose of Report

- 1 This report provides the Audit and Governance Committee with an update on the implementation of the Global Internal Audit Standards in the UK Public Sector (GIAS). It presents the self-assessment of the Council’s Internal Audit team against the standards, an action plan for improvements (Appendix B), and the Internal Audit Charter for 2025/26 (Appendix A).
- 2 The Audit and Governance Committee’s Terms of Reference include responsibility for approving the Internal Audit Charter, and for receiving reports on conformance with the relevant Internal Audit Standards.

Executive Summary

- 3 The 2024 Global Internal Audit Standards (GIAS) are now the professional practice guidelines for internal auditors, issued by the International Professional Practices Framework (IPPF). The GIAS aim to promote quality, consistency and value in the work of internal audit, as well as aligning with the evolving needs and expectations of stakeholders.
- 4 This report provides the Committee with the actions identified to increase conformance with GIAS following our self-assessment (Appendix B). The Committee are also asked to approve an updated

version of the Internal Audit Charter (Appendix A), which is one of the actions identified following self-assessment.

RECOMMENDATIONS

The Audit and Governance Committee is recommended to:

1. Note the update on the implementation of the Global Internal Audit Standards in the Public Sector
2. Approve the Internal Audit Charter (Appendix A) for 2025/26

Background

- 5 The GIAS have been interpreted for the public sector by CIPFA as the professional standards setter, and from 1 April 2025, public sector teams have been expected to be working to the “Global Internal Audit Standards in the UK Public Sector”, as defined by the Application Note published by CIPFA.
- 6 Whilst 1 April 2025 was the effective date of the new standards, internal audit teams are not expected to demonstrate full conformance on this date. Internal audit teams are expected to work towards conformance with the new standards from 1 April 2025 and by doing so will build up conformance.
- 7 Members of the Audit and Governance Committee received a detailed briefing on the key changes introduced through the GIAS in October 2025, and the briefing material has been shared with committee members.
- 8 One of the clear aims of the GIAS is to ensure that there is a clear foundation, or the “essential conditions” for internal audit to work effectively, across whatever sector or specialism. The GIAS are structured into five domains, across 15 principles and 52 individual standards. Consideration needs to be given to each area as there are some elements which have a different relevance or interpretation depending on the size or sector where the work is being carried out. A “comply or explain” approach is encouraged.
- 9 Actions identified following the initial self-assessment against GIAS are set out in Appendix B organised by the relevant domain, principle and standard. The Global Internal Audit Standards document covers 120 pages; the self-assessment table summarises the actions required for greater conformance. These focus on elements of the standards which require more operational, and explicit consideration of the responsibilities of the Corporate Leadership Team and of the Audit and Governance Committee in relation to supporting and the oversight of

internal audit, and which must be considered at least annually. This will be timed for consideration of the annual internal audit plan, which will next be considered by the Committee in February 2026.

- 10 Once the final report from the external assessment against the previous standards, the Public Sector Internal Audit Standards, is completed, the self-assessment and action plan will be further updated to accommodate any necessary actions. An independent external assessment against the GIAS will be necessary, and options for the timing and approach to that being carried out will be discussed with the Committee in due course.
- 11 Unless specifically indicated otherwise, actions arising from the self-assessment will be the responsibility of the Head of Audit Risk and Assurance and Internal Audit Manager to complete.

Consultation and Engagement

- 12 A detailed briefing to the Audit and Governance Committee members was given in October 2025. Further updates will also be provided to the Corporate Leadership Team.

Reasons for Recommendations

- 13 To ensure that internal audit activity operates in accordance with the requirements and expectations of the “Global Internal Audit Standards in the UK Public Sector”, and that the Committee has a clear understanding of the areas where action is required to achieve an appropriate level of compliance.

Other Options Considered

- 14 Failure to work in compliance with GIAS undermines the level of assurance which can be placed upon the findings and recommendations of the Council’s internal audit function, and the level of assurance the Committee is able rely upon in their wider responsibilities and considerations. A “do nothing” approach therefore presents an undesirable and unacceptable level of risk.

Implications and Comments

Monitoring Officer/Legal/Governance

- 15 The requirement for an internal audit function in local government is established in the Accounts and Audit Regulations 2015 which states that a relevant body 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’.

- 16 As referenced above, the relevant public sector internal auditing standards are now the Global Internal Audit Standards in the UK Public Sector, and the adoption of the Internal Audit Charter, and the other actions identified in the self-assessment ensure that the Council’s internal audit team is appropriately compliant with the new standards.

Section 151 Officer/Finance

- 17 There are no expected financial impacts associated with this report directly.
- 18 In accordance with the GIAS, the Audit and Governance Committee should ensure that the function has the necessary resources and access to information to enable it to fulfil its mandate and is equipped to perform in accordance with appropriate professional standards for internal auditors.
- 19 The Internal Audit Plan 2025/26 was prepared, based on known resources, to cover the core areas of work required to deliver an annual audit opinion. Resource availability is subject to regular review as part of monitoring progress against the plan. If an imbalance between the two arises the Committee will be informed of proposed solutions. Matters that jeopardise the delivery of the audit plan or require significant changes to it will be identified, addressed and reported to the Committee.

Human Resources

- 20 There are no direct implications for human resources arising from the recommendations of this report.

Risk Management

- 21 Compliance with the relevant internal auditing standards and guidance ensures that the findings and recommendations of the internal audit team can be received with confidence by the Audit and Governance Committee, and that our work is trusted and respected by the organisation.

Impact on other Committees

- 22 There are no direct implications for other committees arising from the recommendations of this report.

Policy

- 23 The requirements of the GIAS for the Audit and Governance Committee, Corporate Leadership Team and the internal audit team are set out in the report and appendices. Ensuring that the internal audit team is working in compliance supports the wider transformation and improvement journey of the Council and the delivery of the three commitments in the Corporate Plan.

Equality, Diversity and Inclusion

- 24 There are no direct implications for equality, diversity and inclusion arising from the recommendations of this report.

Other Implications

- 25 There are no other implications arising from the recommendations of this report.

Consultation

Name of Consultee	Post held	Date sent	Date returned
<i>Statutory Officer (or deputy) :</i>			
Ashley Hughes	S151 Officer	24/11/25	26/11/25
Kevin O'Keefe	Interim Monitoring Officer	24/11/25	26/11/25
<i>Legal and Finance</i>			
Steve Reading	Finance Manager	24/11/25	25/11/25
Hilary Irving	Interim Head of Legal Services	24/11/25	To follow

Access to Information

Contact Officer:	Josie Griffiths Head of Audit Risk and Assurance,
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Appendices:	Appendix A – Internal Audit Charter 2025/26 Appendix B – Self Assessments against GIAS
Background Papers:	Global Internal Audit Standards in the UK Public Sector CIPFA https://www.cipfa.org/policy-and-guidance/standards/global-internal-audit-standards-in-the-uk-public-sector Global Internal Audit Standards – Institute of Internal Auditors https://www.theiia.org/en/standards/2024-standards/global-internal-audit-standards/free-documents/complete-global-internal-audit-standards/