
Report To:	Audit Committee	Date:	6 May 2025
Report By:	Chief Internal Auditor	Report No:	FIN/25/25/APr
Contact Officer:	Andi Priestman	Contact No:	01475 712251
Subject:	Global Internal Audit Standards – Update		

1.0 PURPOSE AND SUMMARY

- 1.1 ☐ For Decision ☒ For Information/Noting
- 1.2 To inform the Audit Committee of the new Global Internal Audit Standards (UK public sector) that came into effect on 1 April 2025 and that internal audit teams in the public sector will be working to implement these new internal audit standards by 31 March 2026.

RECOMMENDATIONS

- 2.1 It is recommended that Audit Committee considers and notes the contents of this report and that further update reports will be provided during 2025/26 in relation to the new Global Internal Audit Standards (UK public sector).

Andi Priestman
Chief Internal Auditor

3.0 BACKGROUND AND CONTEXT

- 3.1 Local government bodies have a requirement for internal audit as set out in national regulations. As the relevant internal audit standard setter (RIASS) for UK local government, CIPFA works with other RIASS through the Internal Audit Standards Advisory Board (IASAB) to mandate the appropriate internal audit standards. Since 2013, the RIASS have jointly mandated the Public Sector Internal Audit Standards (PSIAS) based on the International Professional Practices Framework of the Institute of Internal Auditors (IIA). New standards, Global Internal Audit Standards (UK public sector), are mandated from 1 April 2025 consisting of the Global Internal Audit Standards (GIAS) of the IIA and the RIASS Application Note: Global Internal Audit Standards in the UK public sector.
- 3.2 Internal Audit teams will not be required to demonstrate full compliance on this date but must work in accordance with the new standards from 1 April in order to transition to the new requirements.
- 3.3 The Standards are arranged into five domains:
- I Purpose of Internal Auditing
 - II Ethics and Professionalism
 - III Governing the Internal Audit Function
 - IV Managing the Internal Audit Function
 - V Performing Internal Audit Services
- 3.4 Across the domains are 15 Principles and 52 Standards. These include requirements, considerations for implementation, and examples of evidence of conformance.
- 3.5 CIPFA has developed the Code of Practice for the Governance of Internal Audit in UK Local Government (the Code) to support local authorities in establishing their internal audit arrangements and providing oversight and support for internal audit. The Code is designed to work alongside new internal audit standards and replaces the organisational responsibilities set out in the Statement on the role of the head of internal audit (CIPFA, 2019).

4.0 PROPOSALS

- 4.1 As an Audit Committee, Members play a vital role in ensuring that the internal audit function adheres to the Standards and fulfils its mandate effectively and efficiently. Audit Committee Members and senior management should be familiar with the new Standards and their implications.
- 4.2 Having reviewed the requirements of the new Standards, it is considered that the Council's internal audit services aligns with the intent of the Standards. During 2025/26, processes and templates will be refreshed as part of the ongoing quality assurance and improvement programme to ensure alignment with requirements of the new Global Internal Audit Standards.
- 4.3 The Chief Internal Auditor will provide further reports in relation to the new Standards during 2025/26 and a transition plan will be developed and implemented to ensure that Internal Audit service's practices and templates are aligned with expectations.

5.0 IMPLICATIONS

- 5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO
Financial		X
Legal/Risk	X	
Human Resources		X
Strategic (Partnership Plan/Council Plan)	X	
Equalities, Fairer Scotland Duty & Children/Young People's Rights & Wellbeing		X
Environmental & Sustainability		X
Data Protection		X

5.2 Finance

There are no direct financial implications arising from this report.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

5.3 Legal/Risk

There are no significant risks arising from the proposed recommendations in this report. The report should provide a key source of assurance over the Council's internal audit arrangements.

5.4 Human Resources

There are no direct human resources implications arising from this report.

5.5 Strategic

This report relates to strong corporate governance.

6.0 CONSULTATION

- 6.1 The GIAS will require close engagement with Council management. The Chief Internal Auditor will therefore attend the Council CMT to discuss the changes in more detail and agree changes to the ways of working with management under the new arrangements.

7.0 BACKGROUND PAPERS

- 7.1 [Institute of Internal Auditors Global Internal Audit Standards](#); [CIPFA Application Note](#) and the [Code of Practice](#) on the Governance of Internal Audit.