



INTERNAL AUDIT – EXTERNAL QUALITY ASSURANCE REVIEW

Report by Chief Internal Auditor

PURPOSE

- 1.1 To advise Members of the arrangements for the External Quality Assurance (EQA) review of Internal Audit.

EXECUTIVE SUMMARY

- 2.1 It is mandatory that every internal audit activity undergo an EQA conducted by an independent team or evaluator once every five years to comply with Standard 1312 of the International Standards for the Professional Practice of Internal Auditing. EQA's are necessary in order to provide full objectivity, building stakeholders confidence by documenting the internal audit activities commitment to quality and best practice. The Comhairle's last review was undertaken in late 2020 and reported to Audit and Scrutiny Committee on 2 February 2021.
- 2.2 The Scottish Local Authority Chief Internal Auditors Group has a development group to ensure implementation of the mandatory requirement producing review documentation templates and reporting requirements. The primary focus of this approach is to comply with the mandatory EQA requirements but also minimise the cost to each local authority by way of independent evaluation by another local authority. A process of scheduled reviews for those organisations wishing to take part in this process.
- 2.3 An EQA development team through Scottish Local Authority Chief Internal Auditors Group has recently initiated the third round of such reviews known as EQA 3.
- 2.4 The arrangements for EQA 3 for the Comhairle will commence late 2024 with the resulting report likely in early 2025 and will involve a review undertaken by Dundee City and Angus Council's joint Chief Internal Auditor.

RECOMMENDATIONS

- 3.1 It is recommended that the Comhairle note the arrangements in place for the External Quality Assurance review of the Comhairle's Internal Audit section.**

Contact Officer: Sandy Gomez Chief Internal Auditor, Tel 211236, sandy.gomez@cne-siar.gov.uk
Appendix: None

IMPLICATIONS

4.1 The following implications are applicable in terms of the Report.

Resource Implications	Implications/None
Financial	None
Legal	Public Sector Internal Audit Standards (PSIAS) are mandatory. UK Public Sector PSIAS have been developed to apply across the whole of the public sector in all sectors of government. The PSIAS are based on standards issued by the Institute of Internal Auditors (IIA), with additional requirements and interpretations that make them directly applicable to the UK public sector. The PSIAS are developed jointly by the relevant internal audit standard setters (RIASS) which include local government.
Staffing	None
Assets and Property	None
Strategic Implications	Implications/None
Risk	None
Equalities	None
Corporate Strategy	By complying with the mandatory Public Sector Internal Audit Standards (PSIAS), the Internal Audit team work towards the outcomes to meet strategic priority <i>"4.1.1 The Comhairle has achieved a systematic approach to improving organisational effectiveness that aligns strategy, people and processes and the service provided is high quality, continually improving and cost effective."</i>
Environmental Impact	None
Consultation	None