Internal Audit Quality Assurance & Improvement Programme and Strategy Framework

2026/27

APPENDIX A

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1. Introduction

Quality Assurance and Improvement Programme (QAIP)

1.1 Internal Audit's QAIP is designed to provide reasonable assurance to the various stakeholders of internal audit activity that internal audit:

- performs its work in accordance with its Charter, which is consistent with Global Internal Audit Standards (GIAS), and the GIAS definition of Internal Auditing and Code of Ethics
- operates in an effective and efficient manner
- is perceived by stakeholders as adding value and improving internal audit's operations.

1.2 Internal audit's QAIP covers all aspects of the internal audit activity in accordance with the GIAS, including:

- monitoring the internal audit activity to ensure it operates in an effective and efficient manner
- ensuring compliance with the GIAS definition of Internal Auditing and Code of Ethics
- helping the internal audit activity add value and improve organisational operations
- defining performance measures and targets
- undertaking both periodic and ongoing internal assessments
- commissioning an external assessment at least once every five years, the results of which are communicated to the Audit Committee and Chief Finance Officer in accordance with GIAS

1.3 The Head of Fraud, Audit, Insurance and Risk is ultimately responsible for the QAIP, which covers all types of internal audit activities, including consulting.

Strategy

1.4 The Global Internal Audit Standards require the Head of Fraud, Audit, Insurance and RIsk to develop and implement a Strategy for the internal audit function that supports the strategic objectives, the success of the council, and aligns with the expectations of the Audit Committee and other key stakeholders. The Standards indicate that:

- the strategy is a plan of action designed to achieve the internal audit function's long-term or overall objective/s
- it must include a vision (future state), objectives, and supporting initiatives for the internal audit function
- helps guide the internal audit function toward the fulfilment of the internal audit mandate / charter
- The Head of Fraud, Audit, Insurance and Risk must review the internal audit strategy with the Audit Committee periodically.

2. Internal Assessments

2.1 In accordance with the GIAS, internal assessments are undertaken through both ongoing and periodic reviews.

Ongoing Reviews

2.2 Continual assessments are conducted through:

- management supervision of all engagements
- structured, documented review of working papers and draft reports
- audit policies and procedures used for each engagement to ensure consistency, quality and compliance with appropriate planning, fieldwork and reporting standards
- feedback from audit clients obtained through Post Audit Questionnaires (PAQs) at the closure of each engagement
- review and approval of all final reports, agreed actions, and levels of assurance by the Senior Auditors and the Head of Fraud, Audit, Insurance and Risk
- regular team briefings attended by all members of the internal audit team for which minutes are retained.

Periodic Reviews

2.3 Periodic assessments are designed to assess conformance with Internal Audit's Charter, the GIAS, Definition of Internal Auditing, the Code of Ethics, and the efficiency and effectiveness of internal audit in meeting the needs of its various stakeholders. Periodic assessments are conducted through:

- monitoring of internal performance targets and regular progress reports to Audit Committee
- periodic audit survey to senior leaders
- annual risk assessments, in accordance with the internal audit development plan, for the purposes of annual audit planning
- annual review of the effectiveness of internal audit, undertaken by the Head of Fraud, Audit, Insurance and Risk
- annual review of compliance against the requirements of the Quality Assurance & Improvement Programme, the results of which are reported to Senior Management and the Audit Committee
- feedback from the Chief Finance Officer and the Chair of the Audit Committee to inform the annual appraisal of the Head of Fraud, Audit, Insurance and Risk in accordance with the GIAS
- periodic appraisal process to identify individual training and development needs
- annual review of performance and development of all internal audit staff in accordance with the council's PDR process.

2.4 Results of internal assessments will be reported to the Audit Committee at least annually. The Head of Fraud, Audit, Insurance and Risk will implement appropriate follow-up to any identified actions to ensure continual improvement of the service.

2.5 Any significant areas of non-compliance with the GIAS that are identified through internal assessment will be reported in the Head of Fraud, Audit, Insurance and Risk's Annual Report and used to inform the Annual Governance Statement (AGS).

3. External Assessments

3.1 External assessments will appraise and express an opinion about internal audit's conformance with the GIAS, Definition of Internal Auditing and Code of Ethics and include recommendations for improvement, as appropriate.

Frequency of External Assessment

3.2 An external assessment will be conducted at least every five years, in accordance with the GIAS. Appointment of the External Assessor and scope of the external assessment will be approved by the Audit Committee.

Scope of External Assessment

3.3 The external assessment will consist of broad scope of coverage that includes the following elements of Internal Audit activity:

- conformance with the Standards, Definition of Internal Auditing, the Audit Committee Terms of Reference, Internal Auditing; the Code of Ethics, and Internal Audit's Charter, plans, policies, procedures, practices, and any applicable legislative and regulatory requirements
- integration of the internal audit activity into the council's governance framework, including the audit relationship between and among the key groups involved in the process
- tools and techniques used by internal audit
- the mix of knowledge, experiences, and disciplines within the staff, including staff focus on process improvement delivered through this Quality Assurance and Improvement Programme
- a determination whether internal audit adds value and improves the council's operations.

3.4 Results of external assessments will be provided to the Chief Finance Officer and the Audit Committee. The external assessment report will be accompanied by a written action plan in response to significant comments and recommendations identified.

3.5 Any significant areas of non-compliance will be reported in the Annual Report of the Head of Fraud, Audit, Insurance and Risk and in the council's Annual Governance Statement (AGS).

4. Review of the QAIP

4.1 This document will be updated appropriately following any changes to the GIAS or internal audit's operating environment and will be reviewed at least on an annual basis.

5. Key Documents

- Internal Audit Strategy 2026/27 — Appendix B
- Internal Audit Performance Indicators 2026/27 — Appendix C