

28th January 2026

SIAP EXTERNAL QUALITY ASSESSMENT – OUTCOME REPORT**SUMMARY:**

As required by the Global Internal Audit Standards in UK Public Sector this report presents the outcomes from the External Quality Assessment of the Southern Internal Audit Partnership against the new Standards.

- The external assessor report of the External Quality Assessment conducted on the Southern Internal Audit Partnership provides an independent oversight of conformance against the new Global Internal Audit Standards in the UK Public Sector as required under Standard 8.4 [External Quality Assessment].

RECOMMENDATION:

Members are requested:

- to **note** the report of the External Assessor following the External Quality Assessment of the Southern Internal Audit Partnership against the Global Internal Audit Standards in the UK Public Sector (Appendix A) and the action plan developed against suggested opportunities for future development (Appendix B).

1 Introduction

1.1 The mandate for internal audit in local government is specified within the Accounts and Audit [England] Regulations 2015, which states:

'A relevant authority 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.'

1.2 From 1 April 2025, the 'standards or guidance' in relation to internal audit are those laid down in the Global Internal Audit Standards (GIAS), Application Note: Global Internal Audit Standards in the UK Public Sector (Application Note) and the Code of Practice for the Governance of Internal Audit in UK Local Government. The collective requirements shall be referred to as the Global Internal Audit Standards in the UK Public Sector (the Standards).

1.3 The Standards (8.4) require that '*the Chief Internal Auditor must develop a plan for an external quality assessment and discuss the plan with the Audit Committee. The external audit assessment must be performed at least once every five years by a qualified, independent assessor or assessment team. The requirement for an external assessment may also be met through a self-assessment with independent validation.*

External Quality Assessment

1.4 An External Quality Assessment of the Southern Internal Audit Partnership was undertaken during September to December 2025. The scope was comprehensive including review of the Southern Internal Audit Partnership's:

- Conformance with the Global Internal Audit Standards in the UK Public Sector.
- Mandate, charter, strategy, methodologies, processes, risk assessment and internal audit planning.
- Performance measures and outcomes.
- Qualifications and competencies including those of the Chief Internal Auditor.
- Integration into the organisation's governance processes.
- Contribution towards the organisation governance, risk management, and control processes.
- Contribution to the organisations operations and ability to attain its objectives.
- Ability to meet the expectations of stakeholders.

1.5 The External Quality Assessment was undertaken by John Cheshire of JC Training Ltd who met all of the necessary requirements of the enhanced qualification and experience required of an external assessor in the public sector. John is also the current Chairman of the Internal Audit Standards and Advisory Board whose role includes oversight of the development and periodic revision of the Global Internal Audit Standards. As such John is ideally positioned to provide the most credible assessment of the Southern Internal Audit Partnership against the new Standards.

External Quality Assessment Outcome

1.6 A full copy of the External Quality Assessment – Final Report is provided (Appendix A), in concluding their conformance opinion, the external assessor states:

'I undertook this EQA review to provide an independent, objective, examination of SIAP against the GIAS, the Application Note, and the expectations within the CIPFA Code, as well as considering the function's effectiveness and delivery compared with other internal audit functions, current and emerging good practice(s).

The GIAS comprises five Domains, 15 Principles and 52 Standards. For each Standard, there are Requirements, Considerations for Implementation and Examples of Evidence of Conformance to achieve.

SIAP has achieved an excellent result of 'generally achieves' in this EQA in relation to the GIAS and Application Note. The IIA use the term 'general achievement' or 'general conformance' to indicate that "internal audit activities were performed in general conformance with the Global Standards."

I include a summary of SIAP's conformance to the GIAS, below. Overall, I believe that the team has achieved an excellent performance given its size, together with the breadth and depth of the benchmark established by the new GIAS.

I am delighted to confirm that SIAP fully achieves 46 of the 52 Standards and generally achieves the remaining six Standards. There are no partial conformances, or areas where the team do not conform with any Standards.

I have undertaken ten reviews of diverse internal audit functions using the (new) GIAS to date and this result puts SIAP firmly within the top quartile and represents the highest level of achievement and conformance with the new GIAS that I have seen to date.'

Summary of IIA Conformance	Standards	Does not Conform	Partially Conforms/Achieves	Generally Conforms/Achieves	Fully Conforms/Achieves	Total
Purpose of Internal Auditing	N/A					N/A
Ethics and Professionalism	13				13	13
Governing the Internal Audit Function	9			3	6	9
Managing the Internal Audit Function	16			1	15	16
Performing Internal Audit Services	14			2	12	14
	52	0	0	6	46	52

1.7 In contextualising the overall assessment outcome, the external assessors clarify:

'Given these results, you may ask why does SIAP not fully achieve/conform, overall, given this level of attainment? The reason is that the IIA have set an incredibly high, and some may say excessively high, benchmark for the 'fully achieves' level of attainment. To fully achieve or conform, the IIA state that "The internal audit function is fully achieving all 15 principles and the Purpose of Internal Auditing." To fully achieve each of the 15 Principles, an internal audit function must fully conform with each of the 52 Standards.'

'Given that the GIAS remains 'comply or explain' in nature, an internal audit function can reasonably decide that some elements are not necessary to fully adopt, given the team's nature, size, sector, cost/benefit, value for money considerations, or target maturity level. Not everything must be platinum-plated, and a level of common sense, judgement and proportionality is important.'

Opportunities for Improvement

1.8 It is important to note that the external assessor in their final report clearly states ***'I do not make any formal recommendations in this report. To aid continuous improvement however, I do make a small number of suggestions for future development.'***

1.9 Whilst there is no obligation on the Southern Internal Audit Partnership to address the highlighted areas of improvement, our culture as a learning organisation seeks continual development in ensuring our service is future proofed, lean, efficient, and effective. Consequently, an Action Plan (Appendix B) has been compiled to consider each of the suggested future development opportunities.

Conclusion

1.10 The decision to undertake an early external quality assessment and the resulting outcome provides assurance to the Council that the Southern Internal Audit Partnership are operating in general conformance with the Global Internal Audit Standards in the UK Public Sector and remain well position as your internal audit provider.

2 Recommendation

2.1 Members are requested to **note** the report of the External Assessor following the External Quality Assessment of the Southern Internal Audit Partnership against the Global Internal Audit Standards in the UK Public Sector (Appendix A) and the action plan developed against suggested opportunities for future development (Appendix B).

AUTHOR: Neil Pitman, Head of Southern Internal Audit Partnership
Neil.pitman@hants.gov.uk

HEAD OF SERVICE: Peter Vickers, Executive Head of Financial Services and S151 Officer



JC Audit Training Ltd
3 Arthur Garrard Close, Oxford, OX2 6EU
Tel: 0788 122 7189
chessh@hotmail.co.uk
<http://jc-audit.com/>

11 December 2025

Neil Pitman
Head of Southern Internal Audit Partnership

Dear Neil,

Please see attached my final report as promised.

This report forms the final phase of the external quality assessment exercise. Congratulations on an excellent result.

Many thanks once again to you and the team for facilitating the exercise smoothly, professionally and efficiently.

Best wishes as ever and very happy to answer any questions.

John Cheshire
Director, JC Audit Training Ltd



External Quality Assessment

INDEPENDENT REVIEW FINAL REPORT

GENERAL ACHIEVEMENT	SOUTHERN INTERNAL AUDIT PARTNERSHIP GENERALLY ACHIEVES THE GLOBAL INTERNAL AUDIT STANDARDS, THE INTERNATIONAL PROFESSIONAL PRACTICES FRAMEWORK AND THE UK PUBLIC SECTOR APPLICATION NOTE
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John Cheshire CIIA CRMA CIA CISA
JC Audit Training Ltd

11 December 2025

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Executive Summary

1. The Institute of Internal Auditors (IIA) launched their new Global Internal Audit Standards (GIAS) in January 2024, providing organisations, and their internal audit functions, twelve months to adapt their practices to meet the updated benchmark. The UK public sector delayed formal implementation to align with reporting years, and the GIAS became formally effective across this sector from 1st April 2025.
2. The GIAS comprises five Domains, 15 Principles, and 52 Standards. They replace the previous iteration and the UK's Public Sector Internal Audit Standards (PSIAS), which in turn were based upon the IIA's earlier International Standards.
3. The Southern Internal Audit Partnership (SIAP) commissioned this external quality assessment (EQA) in 2025 to assess their service against the new GIAS, as the very latest, best international internal audit practice. The GIAS requires an EQA at least once every five years, with SIAP last having one in September 2020. I was requested to undertake this current engagement, and, for the record, I also delivered the previous exercise on behalf of the Chartered IIA.
4. I am an experienced EQA reviewer, a former Head of Internal Audit and Chief Assurance Officer, and current Audit Committee Chair. I have delivered approximately 60 EQA reviews over the last eight years to a variety of clients of all sectors and sizes, across the UK and overseas. I have already undertaken several of these using the new GIAS.
5. I undertook this EQA by undertaking a formal validation of the team's internal assessment in Autumn 2025. This included examining SIAP's approach, ways of working, methodologies, remote document review and analysis, a selection of stakeholder and team member interviews, a targeted review of a selection of recent internal audit assurance and advisory engagement files, evaluation and the drafting and communication of this report.
5. I am delighted to report that SIAP **generally achieves** the GIAS which represents the global benchmark for internal audit quality. The IIA use the term 'general achievement' or 'general conformance' to indicate that "internal audit activities were performed in general conformance with the Global Standards."
6. This is an **excellent result**, particularly given the recent launch of the GIAS and SIAP's complexities as a multi-client provider of internal audit services. Many internal audit functions are struggling to conform with aspects of the GIAS, and others within the public sector are certainly not as well advanced in their implementation and maturity.

7. I have undertaken ten reviews of diverse internal audit functions using the (new) GIAS to date and this result puts **SIAP firmly within the top quartile and represents one of the highest levels of achievement and conformance with the new GIAS that I have seen to date.** Congratulations to all involved.
8. SIAP, and their key stakeholders, have established an effective governance and management framework over their activity that includes:
 - Well-established Audit Committee (or equivalent) oversight, appropriate functional and administrative reporting lines, with revised Internal Audit Mandates and Charters, updated in line with the new GIAS.
 - A very experienced Head of Partnership leads SIAP, supported by an Assistant Head, four deputies and a knowledgeable professional team with diverse knowledge, backgrounds and capabilities. The SIAP team are trusted, valued and respected for their professionalism by key stakeholders.
 - SIAP strategic and operational priorities are guided by regular engagement with key stakeholders, an overarching audit strategy aligned with the new GIAS, flexible periodic audit plans, an updated quality assurance and improvement programme, investment in learning and development, and increasingly effective use of specialist internal audit software applications.
 - Revised SIAP working practices, templates, tools and an updated internal audit methodology aligned with the GIAS that seeks to balance agility and efficiency, with root cause analysis and depth to deliver added value, insight and - increasingly - foresight to its key stakeholders.
9. From the EQA results, I am satisfied that SIAP clearly conforms with the fifteen GIAS Principles. SIAP also conforms with the fifty two Standards. **I am very pleased to report that there are no Standards that the Internal Audit Service 'partially achieves' or 'does not achieve'.** Once again, this is very positive and represents an excellent level of performance against a challenging - and new - set of demanding benchmarks.
10. Given SIAP's high level of performance and achievement with the GIAS, I do not make any formal recommendations in this report. To aid continuous improvement, however, I do make a small number of suggestions for further development.
11. I would like to thank everyone who assisted us in this review, most obviously the Head of Partnership, for organising everything, and their SIAP colleagues and key stakeholders I interviewed as part of this EQA process. Thank you all.

Introduction and approach

12. The Head of Southern Internal Audit Partnership (SIAP) commissioned this External Quality Assessment (EQA) against the Institute of Internal Auditors (IIA) Global Internal Audit Standards (GIAS). The GIAS were formally implemented across the UK public sector on 1st April 2025 and forms the key part of the broader IIA International Professional Practices Framework (IPPF) alongside the new Topical Requirements¹.
13. The GIAS builds upon the previous International Standards and the associated UK Public Sector Internal Audit Standards. For the UK public sector, the GIAS are also supplemented by the Global Internal Audit Standards in the UK Public Sector Application Note (Application Note).
14. The Chartered IIA state that the GIAS, “guide the worldwide professional practice of internal auditing and serve as a basis for evaluating and elevating the quality of the internal audit function. At the heart of the Standards are fifteen guiding principles that enable effective internal auditing. Each principle is supported by standards that contain requirements, considerations for implementation, and examples of evidence of conformance. Together, these elements help internal auditors achieve the principles and fulfill the Purpose of Internal Auditing”. The GIAS comprises five Domains, 15 Principles and 52 Standards, with some additional public sector nuances introduced through the Application Note.
15. In local government, the CIPFA Code of Practice for the Governance Internal Audit in UK Local Government (CIPFA Code) also applies to address the ‘essential conditions’ for the governance of internal audit set out in Domain III of the GIAS. The Code concerns the roles of senior management and the audit committee regarding internal audit. EQAs must also consider the governance of internal audit, which for local government is set out in this CIPFA Code.
16. Where internal audit providers have more than one local government client, like SIAP, the governance arrangements for internal audit should be separately considered so that there can be a conclusion for each client. This does not mean that a separate EQA is required for each authority, only that the EQA must be able to conclude individually for each principal local authority client. I have undertaken this in this EQA.

¹ The IIA states that the Topical Requirements “enhance the consistency and quality of internal audit services, increasing the professionalism of internal auditors’ performance. They help strengthen the relevance of internal auditing to address pervasive and evolving risks.” The first Topical Requirement on Cybersecurity becomes properly effective on February 5, 2026. As a result, Topical Requirements were not applicable at the time of this EQA.

17. Where the internal audit function applies a common approach to its working practices for all its clients (e.g. engagement planning and conduct of audits), again like SIAP, then the EQA assessor may sample across the client base to verify those aspects of the standards. Where the internal audit provider has a large client base, this may mean the conduct of internal audit engagements at an authority may not be selected for sample testing. If the EQA assessor is satisfied that the provider adopts a common approach across the clients, then the authority can still be satisfied with the assessor's conclusion. This is the approach that I have also undertaken in this EQA exercise.
18. The SIAP team comprises 61 internal audit, IT audit and counter fraud professionals. SIAP seeks to bring together the professional discipline of internal audit across partnering organisations, pooling expertise and enabling a flexible, responsive and resilient service to its partner and client portfolio. SIAP currently delivers internal audit services to 20 local authorities, including Hampshire and West Sussex County Councils, five blue light clients and six other smaller clients. The SIAP partner and client base has continued to grow since the 2020 EQA exercise and delivers nearly 10000 days' chargeable work.
19. The Head of Partnership, supported by the Assistant Head and four Deputy Heads fulfil the Chief Internal Auditor (CIA) roles for their respective portfolios. They report functionally to Audit Committees in the partner and client organisations. In addition, the Head of Partnership reports strategically to the Strategic and Key Stakeholder Boards.
20. SIAP last had an EQA in 2020, undertaken by the Chartered Institute of Internal Auditors (Chartered IIA). The GIAS mandate these EQAs at least once every five years.
21. Like many internal audit teams, SIAP has reviewed its governance, management and operational practices because of the update and implementation of the GIAS. The IIA are keen that the GIAS help 'raise the bar' for internal audit services across the world. As a result, SIAP undertook a thorough gap analysis and embarked upon identifying and implementing changes and enhancements to better align with the new GIAS, the associated Application Note and the expectations of the Code.
22. This EQA included examining SIAP's overall approach, methodology, processes, remote document review and analysis, interviews with the team and stakeholders, a targeted review of a selection of their recent internal audit assurance engagement files, evaluation and the drafting and communication of this report. I have included a list of stakeholder interviewees at appendix one, SIAP team members interviewed at appendix two, and a sample of the feedback at appendix three.

23. The EQA primarily involved comparison of working practices against the GIAS. The tried and tested process I followed involved:

- Examining and reflecting upon the requirements of the Purpose of Internal Auditing, the five Domains, the 15 Principles and the 52 Standards. I have also employed the 'Considerations for Implementation' and the 'Examples of Evidence of Conformance'.
- Assessing the key criteria needed to demonstrate appropriate compliance.
- Recording the necessary evidence to demonstrate SIAP's conformance status with each Standard. I have undertaken this through documentation review, thorough consideration of SIAP's latest (and comprehensive) self-assessment, a targeted examination of working papers, with evidence drawn from across the whole client base, discussions with team members and selected interviews (et al), as noted above. I have recorded the sample SIAP engagements I reviewed in detail in appendix four, but I examined aspects of work SIAP have undertaken with each client.
- Comparing the evidence to the key conformance criteria and assessing the degree of conformance. I have employed the standard IIA definitions for this and have provided these in appendix five.

Conformance opinion

24. As noted above, I undertook this EQA review to provide an independent, objective, examination of SIAP against the GIAS, the Application Note, and the expectations within the CIPFA Code, as well as considering the function's effectiveness and delivery compared with other internal audit functions, current and emerging good practice(s).

25. The GIAS comprises five Domains, 15 Principles and 52 Standards. For each Standard, there are Requirements, Considerations for Implementation and Examples of Evidence of Conformance to achieve.

26. **SIAP has achieved an excellent result of 'generally achieves' in this EQA** in relation to the GIAS and Application Note. The IIA use the term 'general achievement' or 'general conformance' to indicate that "internal audit activities were performed in general conformance with the Global Standards."

27. I include a summary of SIAP's conformance to the GIAS, below. Overall, I believe that the team has achieved an excellent performance given its size, together with the breadth and depth of the benchmark established by the new GIAS.

28. I am delighted to confirm that SIAP fully achieves 46 of the 52 Standards and generally achieves the remaining six Standards. There are no partial conformances, or areas where the team do not conform with any Standards.

29. I have undertaken ten reviews of diverse internal audit functions using the (new) GIAS to date and this result puts SIAP firmly within the top quartile and represents the highest level of achievement and conformance with the new GIAS that I have seen to date.

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30. Given these results, you may ask why does SIAP not fully achieve/conform, overall, given this level of attainment? The reason is that the IIA have set an incredibly high, and some may say excessively high, benchmark for the 'fully achieves' level of attainment. To fully achieve or conform, the IIA state that "The internal audit function is fully achieving all 15 principles and the Purpose of Internal Auditing." To fully achieve each of the 15 Principles, an internal audit function must fully conform with each of the 52 Standards.

31. Given that the GIAS remains 'comply or explain' in nature, an internal audit function can reasonably decide that some elements are not necessary to fully adopt, given the team's nature, size, sector, cost/benefit, value for money considerations, or target maturity level. Not everything must be platinum-plated, and a level of common sense, judgement and proportionality is important.

32. I summarise the results further using a red, amber, light and dark green (RAGG) colour-coding covering each of the 15 Principles as shown below:

Principles	
1	Demonstrate Integrity
2	Maintain Objectivity
3	Demonstrate Competence
4	Exercise Due Professional Care
5	Maintain Confidentiality
6	Authorized by the Board
7	Positioned Independently
8	Overseen by the Board
9	Plan Strategically
10	Manage Resources
11	Communicate Effectively
12	Enhance Quality
13	Plan Engagements Effectively
14	Conduct Engagement Work
15	Communicate Engagement Conclusions and Monitor Action Plans

33. For SIAP's conformance with the 52 Standards, the results are:

Standards						
1.1		6.1		9.5		13.2
1.2		6.2		10.1		13.3
1.3		6.3	Support	10.2		13.4
2.1		7.1		10.3		13.5
2.2		7.2		11.1		13.6
2.3		8.1	Board	11.2		14.1
3.1		8.2		11.3		14.2
3.2		8.3		11.4		14.3
4.1		8.4		11.5		14.4
4.2		9.1		12.1		14.5
4.3		9.2	Strategy	12.2		14.6
5.1		9.3		12.3	Oversee	15.1
5.2		9.4	Plan	13.1		15.2

Deliverables

34. In addition to this report, I have provided the Head of Partnership and the Internal Audit Service with a briefly annotated version of their own Internal Quality Assessment (IQA) which I have validated through this EQA. This evidences my view of the team's own IQA.
35. I make several small suggestions to help promote ongoing development and continuous improvement. I have included these suggestions on pages 11-14 below.

Key achievements

36. I believe that SIAP performs very effectively in its own governance, risk management and internal audit practices. I was particularly impressed with the following:
 - SIAP delivers a very effective, efficient, independent, and objective assurance and advisory service across its partners and clients, covering their diverse and complex activities.
 - SIAP's own governance framework is mature, with strategic oversight through a well-established Key Stakeholder Board, as well as partner and client Audit Committee (or equivalent) and senior management engagement, oversight, reporting and regular communications.
 - SIAP's revised Internal Audit Charter fully aligns to the good practice detailed in the GIAS. It clearly details the team's mandate, purpose, authority, and accountability.
 - A very experienced Head of Partnership leads SIAP, supported by an Assistant Head, four deputies and a knowledgeable professional team with diverse knowledge, backgrounds and capabilities. The Learning and Development Plan 2024-26 represents good practice, covering SIAP's overall approach to induction, vocational training, performance management, and learning and development.
 - Team members have considerable practical and professional experience and undertake an appropriate range of Continuing Professional Development (CPD) activities to maintain and enhance knowledge, skills, and experience. Less experienced colleagues are supported through a very well-received, effective induction programme. SIAP maintains a useful log of the team's collective Knowledge, Qualifications, Skills and Experience.

- Partners and clients highly value the team's specialisms and capabilities in IT audit and counter fraud expertise, together with the resilience and capacity that SIAP bring.
- SIAP has established an Internal Audit Strategy for 2025-2028. This is clear and well presented, with valid relevant objectives and priorities for the team to aim for and deliver. This has been developed with partner and client involvement and indicates how SIAP aims to continue to enhance the assurance and advisory services it delivers to help them enhance their own governance, risk management and control practices, and thereby deliver their own objectives.
- SIAP agree flexible internal audit plans with their partners and clients. These include future engagements based upon key risks, client priorities, other sources of assurance and SIAP views and judgement. The client Audit Committee (or equivalent), senior management and other assurance providers are closely involved in, or contribute to, the SIAP planning process.
- SIAP have sought to develop effective working relationships with other partner and client functions in the second and fourth lines of assurance, most obviously with risk management and external audit. Some reliance is placed on the work of other teams, when appropriate, such as transformation or quality assurance, and SIAP have developed a methodology for this
- Delivery of the Internal Audit Strategy 2025-2028 and internal audit plans are supported by an updated, effective Quality Assurance and Improvement Programme, with associated improvement priorities and a suite of Internal Audit Performance Measures.
- In recent years, SIAP has enhanced its use of technology, invested in K10 audit management software, data analytics tools and expertise and is continuing to explore how generative artificial intelligence (Copilot) can further enhance efficiency and effectiveness. This technology focus outpaces many comparable functions. The team has achieved clear benefits and efficiencies from their use of technology to date but also recognise that there is more to be achieved in each area.
- SIAP have also updated their own methodologies, procedures and templates in line with the GIAS. In particular, the team's refreshed report template is particularly user-friendly, and the embedding of root cause analysis, together with the benefits this should bring SIAP, its partners, and clients, continues.

- It is clear from the EQA that SIAP are trusted, respected and valued by key stakeholders. Feedback was very positive about the service and its delivery, both in the interviews undertaken for this review and through the team's own surveys and related feedback mechanisms.

37. In conclusion, SIAP have invested time and effort in reviewing, updating, communicating and aligning their own governance, planning, quality and delivery methodologies to the GIAS. This has clearly paid off with an approach that clearly mirrors good global practice.

Areas for improvement

38. I believe that the Head of Partnership and SIAP have clearly embedded a culture of continuous improvement in their approach and ethos. And like most internal audit functions everywhere, they continue their journey embedding the new GIAS and ensuring their services are future-proof, lean, efficient and effective.

39. I include a small number of observations and suggestions for the Head of Partnership and SIAP to consider below, linking them to relevant elements of GIAS. Some are general points to consider, but I also mention the rationale for each of the six 'generally achieves' results below.

40. I will repeat again, however, that these areas still appropriately meet the expectations of the GIAS, and me as the EQA assessor. They **do not** represent shortcomings or failures in respect of conformance with the GIAS. These observations and suggestions do not require a formal response.

- SIAP fully achieves Standard 1.1 Honesty and Professional Courage and Standard 1.2 Organisation's Ethical Expectations.

Going forward within the planned training on these areas and Domain II in general, detailed in the Learning and Development Plan 2024-2026, the Head of Partnership could usefully consider including practical ethical dilemmas, ethics scenarios or case studies, common challenges and how to deal with them, in future learning coverage.

- SIAP fully achieves Standard 3.1, Competency.

While many of the team are highly skilled, knowledgeable and experienced, other team members continue to gain competence and confidence. SIAP actively supports team members as they gain experience. SIAP have certainly also put effort and resources into growing their specialist teams, primarily IT audit and counter fraud, and developing the skills sets within these teams.

SIAP leadership and their stakeholders recognise that additional emphasis on advisory, rather than assurance engagements, will be needed over the medium term as Local Government Reorganisation and Devolution proceeds. Additional advisory skills and learning may be necessary to add value, insight and foresight across SIAP.

The team does not always have deep, specialist expertise in everything they may be asked to deliver assurance over, such as AI as a topical example, and staying up to date with IT and cyber security changes and associated developments are a real challenge for any internal audit function. This is normal for any internal audit function.

A clear related risk is that of succession and service continuity, whether in respect of the potential loss of more experienced team members, or specialists within the IT audit or counter fraud teams. SIAP has clearly recognised these challenges and has boosted both capacity and capability.

Continuing to manage these risks will be key to SIAP's future resilience at a time of change.

- SIAP generally achieves Standard 6.3, Board and Senior Management Support, and 8.1, Board Interaction.

The Head of Partnership and SIAP have undertaken everything I would expect of them under these Standards, the related Application Note and CIPFA Code.

Where SIAP do not have a direct influence, I am satisfied that the team have engaged with each partner and client highlighting the importance of Domain III, the Application Note and Code and developing an action plan to encourage compliance, highlighting its importance and their ability as an organisation to confirm in the 2025/26 Annual Governance Statement that they are conforming with the GIAS in the UK Public Sector. Some partners and clients are fully compliant, while others still have some actions to progress, resulting in a general, rather than full, level of achievement for SIAP against these Standards.

- SIAP fully achieves Standard 8.3, Quality. The team revised their Quality Assurance and Improvement Programme in June 2025. The result is excellent. SIAP will need to continue to focus on embedding and implementing the various actions and priorities contained within this document to progress the five identified areas for improvement. I support these next steps and the periodic reporting of progress to partner and client Audit Committees (or equivalent) and senior management, as well as to other key stakeholders.

- SIAP generally achieves Standard 9.2, Internal Audit Strategy.

SIAP has established an Internal Audit Strategy for 2025-2028. This is clear and well presented, with valid relevant objectives and priorities for the team to aim for and deliver. This has been developed with partner and client involvement, but given the number of partners and clients, it is not practical for this to be aligned to each separate organisation's key objectives and priorities.

The Head of Partnership and SIAP have consciously chosen not to seek to implement every aspect of this Standard, where it makes little practical sense to do so, given the size and nature of their function. In my opinion, this makes perfect sense, as there is little value in conformance for the sake of conformance, but it does result in this generally (rather than fully) achieves assessment here.

- SIAP generally achieves Standard 9.4, Internal Audit Plan.

Going forward, SIAP should add additional detail – ideally bespoke for each partner or client – on the rationale for not including an assurance engagement in a high-risk area or activity in its flexible internal audit plans. SIAP currently includes a short standard statement, but this would benefit from being more tailored to the individual partner or client if a 'fully achieved' rating is considered necessary.

- SIAP fully achieves Standard 11.1, Building Relationships and Communicating with Stakeholders, and 11.3, Communicating Results.

At interview, and in the April 2025 SIAP survey responses, some stakeholders commented whether there was more that could be done in terms of sharing cross-client themes, issues, results, root causes and insights. This is an obvious benefit of the partnership model and AI may enable the development of additional insights that could be efficiently created and add value.

- SIAP generally achieves both Standard 12.3, Oversee and Improve Engagement Performance, and 13.5 Engagement Resources.

SIAP has set a strategic objective to innovate to explore a more agile approach to the audit process, building efficiencies and producing more timely feedback to the organisation. Some stakeholders at interview, through the April 2025 SIAP survey, and my own sample of engagements, commented that occasionally there were delays in the completion of engagements.

While there can be varied reasons for these delays, this may require closer monitoring and earlier supportive intervention from engagement managers if delivery is affected and the allocation of additional resources, where necessary, to help ensure any particularly critical milestones or deadlines are achieved.

I support the planned actions detailed in the Internal Audit Strategy 2025-2028 for investigating and addressing these concerns.

- SIAP fully achieves Standard 13.3, Engagement Objectives and Scope, 13.4, Evaluation Criteria, and 14.3 Evaluation of Findings

SIAP will need to consider how best to incorporate the IIA's Topical Requirements into their methodology, particularly when it comes to engagement scope and objectives. At the time of this EQA, two Topical Requirements have been finalised to date, two have been released in draft, and others are in the production pipeline. The first on Cybersecurity comes into effect in February 2026.

Additional thinking, guidance and review on what constitutes the 'criteria' against which performance is assessed could also prove beneficial, as this is a key change included within the GIAS.

Finally, the use of root cause analysis has commenced within the team, and the initial results are promising from both a SIAP and stakeholder perspective. There will be further opportunity to deliver insights on common root cause categories and themes across the partner and client base.

- The obvious opportunities and challenges associated with Local Government Reorganisation were highlighted by several SIAP team members and stakeholders during this EQA.

In times of change and transformation, there is likely to be a far greater demand for SIAP to support its partners and clients through advisory and/or 'real time' assurance engagements. To date, the majority of SIAP work has been of an assurance nature, given stakeholder resourcing constraints and priorities.

Ensuring that the team can meet partner and client diverse assurance and advisory needs in this volatile time of change will be key to maintaining effective relations, supporting and helping clients through added value, insights and foresight when stakeholder capacity for internal audit activity may be stretched.

Appendix One - Stakeholder Interviewees

Interviewee	Position
Peter Appleton	Section 151 Officer, Surrey/Sussex Police Force
Cllr Ian Booth	Chair, Audit and Scrutiny Committee, Tandridge District Council
Jo Cassar	Monitoring Officer, Eastleigh Borough Council
Cllr Nigel Dennis	Chair, Regulation, Audit and Accounts Committee, West Sussex County Council
Ian Duke	Chief Executive, Crawley Borough Council
David Ford	Chief Executive, Tandridge District Council
Caroline Martlew	S151 Officer, Crawley Borough Council
Cllr Steve Holes	Chair, Audit and Resources Committee, Eastleigh Borough Council
Cllr Kiran Khan	Chair, Audit Committee, Crawley Borough Council
Sarah King	S151 Officer, Eastleigh Borough Council
Cllr Derek Mellor	Chair, Audit Committee, Hampshire County Council
Kelvin Menon	S151 Officer, Surrey Office of the Police and Crime Commissioner
Patrick Molineux	Chair, Surrey Joint Audit Committee
James Strachan	Chief Executive, Eastleigh Borough Council
Mike Suarez	S151 Officer, West Sussex County Council
John Ward	Chief Operating Officer and S151, Chichester District Council
Andy Lowe	Director of Corporate Operations (S151), Hampshire County Council
Gary Westbrook	Chief Executive, Hampshire County Council
Leigh Whitehouse	Chief Executive, West Sussex County Council

Appendix Two - SIAP Interviewees

Interviewee	Position
Vanessa Anthony	Audit Manager
Nick Barrett	Audit Manager
Donna Bone	Auditor
Amanda Fahy	Auditor
Liz Foster	Audit Manager
Emma Fullerton	Senior Auditor
Laura Hutchison	Auditor
Dorota Kruczynska	Senior Auditor
Lisa Lowe	Auditor
Neil Pitman	Head of SIAP
Hayley Pothecary	Auditor
Laura Scull	Auditor
James Short	IT Audit Manager
Lisa Smy	Audit Manager
Nigel Spriggs	Senior Auditor
Sophie Taylor-D'Arcy	Auditor
Sun Wong	Senior Auditor

Appendix Three - Selected Interview Feedback

“I’m very pleased with the SIAP service – it is very professional and very prepared. They know what they are doing and involve the right stakeholders.”

“We really value internal audit’s conclusions and advice – even though we have had a run of limited assurances recently.”

“They have had some staffing issues last year and this caused some delays in delivery of the plan, but these have been resolved now.”

“SIAP are flexible, responsive and adapt the plan when we request it so that the focus is on higher priority areas. We get sufficient assurance from them because of their risk-based approach.”

“Communications with the Audit Committee are good, clear and professional. We really value the quality of their reports.”

“We have seen a stepped improvement since bringing SIAP in, leading to an elevated profile for internal audit and their work is taken far more seriously by management.”

“The development of the internal audit plan is participative and iterative, resulting in good engagement and a very good plan that looks at the right areas at the right time.”

“Because SIAP generally work remotely, interactions feel slightly more distant and a step removed from us. This has some disadvantages, and I wonder whether they can effectively pick up on the things an embedded service would pick up on.”

“I particularly value the IT audit expertise that SIAP bring.”

“SIAP resources are my only concern. They have been upfront about the challenges, and they are managing these. They do a good job on prioritizing their work on the most important areas.”

“They are definitely a trusted partner to us and where there have been the occasional issues, they get it right.”

“The specialist fraud team is really useful and a big benefit of having SIAP.”

“I’m very happy with the Partnership and their continued growth speaks volumes about their quality, effectiveness and delivery.”

“SIAP are very collaborative, and they are challenging when they need to be.”

“Some of the SIAP reports are a little confusing, lengthy and too detailed.”

“They have faced some challenges with resourcing, vacancies and churn, but we have not seen an impact on the internal audit programme, on delivery or on quality.”

“The SIAP induction process was excellent. I had a good mentor and the whole process was supportive and informative. It has given me confidence in the new role.” (SIAP)

“LGR is an obvious challenge for us and for SIAP. How we come up with an internal audit workplan that adds value in the time of LGR may be difficult, especially when combined with the capacity of the organisation to accept internal audit work and reviews.”

“SIAP are approachable and flexible, but firm when they need to be.”

“I like the quality of the internal audit reports – they are well-structured, readable and not too long. The actions are appropriate and address the issues.”

“SIAP’s presentations at Audit Committee are good, professional, and clear. They deal with the Committee’s questions confidently and effectively.”

“I have nothing bad to say about the service we get from SIAP. Their communications are good, they are approachable and they involve us appropriately in developing the internal audit plan and in the delivery of individual engagements.”

“They have briefed the Audit Committee on the new Standards. I have found the team to be helpful, and they deliver the assurance we need.”

“Some audits have taken longer than expected, but on balance it is beneficial having a bigger partnership and I’m pretty happy with the service we have received.”

“I feel very well engaged, supported and assured by the SIAP team. I have regular dialogue and ongoing interaction with them. This has led to a mature and trusted relationship.”

“We have had some benefits from SIAP consultancy services and not just their assurance work. In respect of LGR, we need to make sure we use internal audit in this process.”

“Future proofing will be important – not just because of LGR, but because of developments in digital, AI, the general technology space and data governance.”

“We are wanting to see more in the way of best practice from others so we can learn from SIAP’s wider client base. No onsite presence does also mean less visibility of internal audit.”

“Overall, we are getting the assurance we need. They are engaging, receptive and professional in their approach and work.”

Appendix Four - List of Reviewed 'Deep Dive' Internal Audit Engagements²

Engagement
Chichester District Council, Safeguarding, 2025/26
Crawley Borough Council, Food Safety 2025/26
Eastleigh Borough Council, Treasury Management, 2025/26
Epsom and Ewell Borough Council, Tree Preservation Orders 2024/25
Hampshire County Council – Information Governance 2025/26 (in progress at review)
Hampshire and the Isle of Wight Fire and Rescue Service, Risk Management 2025/26
Runnymede Borough Council, Emergency Planning and Business Continuity 2024/2025
Spelthorne Borough Council, Main Accounting 2025/26
Tandridge District Council, Climate Change Strategy 2025/26
West Sussex County Council, Pool Cars 2025/26 (in progress at review)

² As noted earlier, I also briefly reviewed governance and engagement documentation for each client.

Appendix Five - External Quality Assessment Ratings

Quality Rating	Total Opinion	Principle Opinion	Standard Opinion
Full achievement The HIA can state that all internal audit activities were performed in full conformance with the Global Standards.	The internal audit function is fully achieving all 15 principles and the Purpose of Internal Auditing.	The internal audit function is fully achieving all the Standards related to the Principle and the Principle's intent.	The internal audit function is fully conforming with all requirements of the Standard and the Standard's intent.
General achievement The HIA can state that internal audit activities were performed in general conformance with the Global Standards.	The internal audit function is achieving the Purpose of Internal Auditing however it is not fully achieving at least one Principle or aspect of Domain I.	The internal audit function is achieving the Principle's intent. However, it is not fully achieving at least one Standard.	The internal audit function is achieving the intent of the Standard but not fully conforming with at least one requirement of the Standard.
Partial achievement The HOIA may not state that all internal audit activities were performed in conformance with the Standards but may be able to depending on the activity.	The internal audit function achieves some Principles. However, it is not fully achieving at least one Principle and one aspect of Domain I and the impact is significant enough to rate the function's overall achievement as partially achieving.	The internal audit function achieves some Standards. However, it is not fully conforming with at least one Standard, and the impact is significant enough to rate the function as Partially achieving the principle.	The internal audit function achieves some requirements of the Standard. However, it is not fully conforming with at least one requirement, and the impact is significant enough to rate conformance with the Standard as partially conforming.
Nonachievement The HIA may not state that internal audit activities were performed in conformance with the Standards.	The internal audit function fully achieves some Principles; however it is not fully achieving more than one aspect of Domain I and the impact is significant enough to rate the function's overall achievement as not achieving.	The internal audit function is not fully conforming with more than one Standard, and the impact is significant enough to rate the function as not achieving the Principle's intent.	The internal audit function is not fully conforming with more than one requirement, and the impact is significant enough to rate conformance with the standard as not achieving the Standard's intent.

Appendix 2

External Quality Assessment December 2025 - Action Plan

Standard	Detail	Action Owner	Target Date	Action
Non – Compliance with the Global Internal Audit Standards in the UK Public Sector; Application Note; and Code Governance				
N/A	N/A	N/A	N/A	N/A
Suggested areas of improvement				
1.1 & 1.2	<p>SIAP fully achieves Standard 1.1 Honesty and Professional Courage and Standard 1.2 Organisations Ethical Expectations</p> <p>Going forward within the planned training on these areas and Domain II in general, detailed in the Learning and Development Plan 2024-2026, the Head of Partnership could usefully consider including practical ethical dilemmas, ethics scenarios or case studies, common challenges and how to deal with them, in future learning coverage</p>	Deputy Head of Partnership (IB)	March 2026	To include including practical ethical dilemmas, ethics scenarios or case studies, common challenges and how to deal with them, in future learning coverage
3.1	<p>SIAP fully achieves Standard 3.1, Competency.</p> <p>SIAP leadership and their stakeholders recognise that additional emphasis on advisory, rather than assurance engagements, will be needed over the medium term as Local Government Reorganisation and Devolution proceeds. Additional advisory skills and learning may be necessary to add value, insight and foresight across SIAP.</p> <p>Staying up to date with IT and cyber security changes and associated developments are a real challenge for any internal audit function. This is normal for any internal audit function.</p>	Head of Partnership	July 2026	<p>Arrange training and support to develop advisory skills to compliment future client needs (particularly in light of LGR & Devolution).</p> <p>Review IT staff CPD and ongoing training needs to support the evolving technical landscape (particular focus on AI and cyber)</p>

Standard	Detail	Action Owner	Target Date	Action
6.3 & 8.1	<p>SIAP generally achieves Standard 6.3, Board and Senior Management Support, and 8.1, Board Interaction.</p> <p>The Head of Partnership and SIAP have undertaken everything I would expect of them under these Standards, the related Application Note and CIPFA Code.</p> <p>Where SIAP do not have a direct influence, I am satisfied that the team have engaged with each partner and client highlighting the importance of Domain III, the Application Note and Code and developing an action plan to encourage compliance, highlighting its importance and their ability as an organisation to confirm in the 2025/26 Annual Governance Statement that they are conforming with the GIAS in the UK Public Sector. Some partners and clients are fully compliant, while others still have some actions to progress, resulting in a general, rather than full, level of achievement for SIAP against these Standards.</p>	SMT	February 2026	<p>Discuss and implement action plans developed as part of partner organisations compliance with the Code of Practice for the Governance of Internal Audit in UK Local Government.</p>
8.3	<p>SIAP fully achieves Standard 8.3, Quality.</p> <p>The team revised their Quality Assurance and Improvement Programme in June 2025. The result is excellent. SIAP will need to continue to focus on embedding and implementing the various actions and priorities contained within this document to progress the five identified areas for improvement. I support these next steps and the periodic reporting of progress to partner and client Audit Committees (or equivalent) and senior management, as well as to other key stakeholders.</p>	Head of Partnership	December 2026	<p>Ongoing implementation of actions within the QAIP.</p> <ul style="list-style-type: none"> • Continue to develop K10 to optimise SIAP efficiencies and effectiveness • Review and update the Partnership website • Explore the opportunities presented from the use of AI in the audit process <p>*Actions in relation to Code of Governance & Topical Requirement covered elsewhere in this action plan</p>

Standard	Detail	Action Owner	Target Date	Action
9.2	<p>SIAP generally achieves Standard 9.2, Internal Audit Strategy.</p> <p>SIAP has established an Internal Audit Strategy for 2025-2028. This is clear and well presented, with valid relevant objectives and priorities for the team to aim for and deliver. This has been developed with partner and client involvement, but given the number of partners and clients, it is not practical for this to be aligned to each separate organisation's key objectives and priorities.</p> <p>The Head of Partnership and SIAP have consciously chosen not to seek to implement every aspect of this Standard, where it makes little practical sense to do so, given the size and nature of their function. In my opinion, this makes perfect sense, as there is little value in conformance for the sake of conformance, but it does result in this generally (rather than fully) achieves assessment here.</p>	N/A	N/A	No action – accepting of the fact that due to SIAPs multi-client provider status we will never fully achieve this standard.
9.4	<p>SIAP generally achieves Standard 9.4, Internal Audit Plan.</p> <p>Going forward, SIAP should add additional detail – ideally bespoke for each partner or client – on the rationale for not including an assurance engagement in a high-risk area or activity in its flexible internal audit plans. SIAP currently includes a short standard statement, but this would benefit from being more tailored to the individual partner or client if a 'fully achieved' rating is considered necessary.</p>	SMT	March 2026	To incorporate an additional annex in the audit plan report listing all areas assessed as high priority that are not covered in the plan along with a reason for their omission.

Standard	Detail	Action Owner	Target Date	Action
11.1 & 11.3	<p>SIAP fully achieves Standard 11.1, Building Relationships and Communicating with Stakeholders, and 11.3, Communicating Results.</p> <p>At interview, and in the April 2025 SIAP survey responses, some stakeholders commented whether there was more that could be done in terms of sharing cross-client themes, issues, results, root causes and insights. This is an obvious benefit of the partnership model and AI may enable the development of additional insights that could be efficiently created and add value.</p>	Head of Partnership	April 2026	<p>Head of Partnership to engage with Key Stakeholders to determine the ask. From there to develop a process and means of correspondence to meet stakeholder expectations.</p>
12.3 & 13.5	<p>SIAP generally achieves both Standard 12.3, Oversee and Improve Engagement Performance, and 13.5 Engagement Resources.</p> <p>SIAP has set a strategic objective to innovate to explore a more agile approach to the audit process, building efficiencies and producing more timely feedback to the organisation. Some stakeholders at interview, through the April 2025 SIAP survey, and my own sample of engagements, commented that occasionally there were delays in the completion of engagements. While there can be varied reasons for these delays, this may require closer monitoring and earlier supportive intervention from engagement managers if delivery is affected and the allocation of additional resources, where necessary, to help ensure any particularly critical milestones or deadlines are achieved.</p> <p>I support the planned actions detailed in the Internal Audit Strategy 2025-2028 for investigating and addressing these concerns.</p>	SMT	As per Strategy December 2025 to March 2027	<p>To complete objectives within the internal audit strategy 'Innovate to explore a more agile approach to the audit process, building efficiencies and producing more timely feedback to the organisation'</p> <p>KPIs have been put in place to help identify process bottlenecks.</p>

Standard	Detail	Action Owner	Target Date	Action
13.3, 13.4, &14.3	<p>SIAP fully achieves Standard 13.3, Engagement Objectives and Scope, 13.4, Evaluation Criteria, and 14.3 Evaluation of Findings</p> <p>SIAP will need to consider how best to incorporate the IIA's Topical Requirements into their methodology, particularly when it comes to engagement scope and objectives. At the time of this EQA, two Topical Requirements have been finalised to date, two have been released in draft, and others are in the production pipeline. The first on Cybersecurity comes into effect in February 2026.</p> <p>Additional thinking, guidance and review on what constitutes the 'criteria' against which performance is assessed could also prove beneficial, as this is a key change included within the GIAS.</p> <p>Finally, the use of root cause analysis has commenced within the team, and the initial results are promising from both a SIAP and stakeholder perspective. There will be further opportunity to deliver insights on common root cause categories and themes across the partner and client base.</p>	Head of Partnership	March 2026 July 2026	<p>To update audit Practice Notes to incorporate consideration of Topical Requirements</p> <p>Ensure root cause is appropriately captured at year end to inform themes to be incorporated within the Annual Conclusion(s)</p>