

RAPC 584/26**NEW FOREST NATIONAL PARK AUTHORITY****RESOURCES, AUDIT AND PERFORMANCE COMMITTEE – 02 MARCH 2026****EXTERNAL QUALITY ASSESSMENT – FINAL REPORT**

Report by: Antony Harvey. Deputy Head of the Southern Internal Audit Partnership and Chief Internal Auditor to the Authority

1 Introduction

1.1 The purpose of this paper is to provide the Resources, Audit and Performance Committee with the outcome from the External Quality Assessment (EQA) of the Southern Internal Audit Partnership against the Global Internal Audit Standards in the UK Public Sector.

2 Contextual information

2.1 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.’

2.2 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).

2.3 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.’*

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External Quality Assessment

2.4 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.

2.5 The External Quality Assessment was undertaken by John Chesshire 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

2.6 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.

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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

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2.7 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

2.8 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’.*

2.9 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

2.10 The decision to undertake an early external quality assessment and the resulting outcome provides assurance to the Authority 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 positioned as your internal audit provider.

3 Additional Information

3.1 Provision for the delivery of Internal Audit is included within the Authority’s Service Level Agreement with New Forest District Council. The cost of the External Quality Assessment is included within these arrangements.

4 Recommendation

4.1 It is recommended that Resources, Audit and Performance Committee 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).

Appendices:

Appendix A – External Quality Assessment – Final Report

Appendix B – External Quality Assessment – Action Plan

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