



Agenda Item 06

JOINT AUDIT COMMITTEE
26 June 2025

Internal Audit
Quality Assurance and Improvement Programme

1. Purpose of the Report

- 1.1 The purpose of this report is to present, in compliance with Global Internal Audit Standards in the UK Public Sector (GIAS), the latest version of the Quality Assurance and Improvement Programme for the Joint Internal Audit Service.

2. Background

- 2.1 The Head of Internal Audit is responsible for the internal audit function's conformance with the Global Internal Audit Standards and continuous performance improvement.
- 2.2 A quality assurance and improvement program has been developed that is designed to evaluate and promote the internal audit function's conformance with the Standards, achievement of performance objectives, and pursuit of continuous improvement. The program includes internal and external assessments.
- 2.3 The Head of Internal Audit is responsible for ensuring that the internal audit function is continuously seeking to improve. This requires developing measures to assess the performance of internal audit engagements, internal auditors, and the internal audit function. These measures form the basis for evaluating progress toward performance objectives including continuous improvement.
- 2.4 The Head of Internal Audit must establish a methodology for internal assessments, that includes:
- Ongoing monitoring of the internal audit function's conformance with the Standards and progress toward performance objectives.
 - Periodic self-assessments or assessments by other persons within the organisation with sufficient knowledge of internal audit practices to evaluate conformance with the Standards.
 - Communication with the Joint Audit Committee and senior management about the results of internal assessments
- 2.5 During 2024/25, Internal Audit were working to the requirements of the Public Sector Internal Audit Standards and supporting Local Government application note, and a self-assessment was undertaken against these standards in April 2025 which confirmed that the service continued to

be fully compliant with these Standards up to the point when they no longer applied at the end of March 2025. The assessment is summarised at Appendix A.

- 2.6 From April 2025, new Global Internal Audit Standards in the UK Public Sector come into effect and in March 2025 a baseline [self-assessment](#) against these requirements was undertaken which confirms the internal audit service generally conforms with the majority of standards, but some areas of improvement have been identified where the service partly conforms. We continue to strive to improve or build upon the minimum requirements of the Standards and on our own working practices and any actions arising from this baseline review have been incorporated into our improvement plan provided at Appendix B. We will provide updates to the Committee throughout the year on progress.
- 2.7 An assessment of compliance with the 2024/25 QAIP agreed by Committee in June 2024 is attached at Appendix C. This continues to show a high level of conformance.
- 2.8 A review has been undertaken of the QAIP following the introduction of the new Standards with effect from 1st April 2025. The proposed QAIP for 2025/26 is provided at Appendix D.

3 RECOMMENDATIONS

- 3.1 The Committee is asked to note the report; including, compliance against PSIAS (Appendix A), the internal audit improvement plan (Appendix B) and compliance with the requirements of the agreed QAIP for 2024/25 (Appendix C).
- 3.2 The Committee is also asked to approve the latest Quality Assurance and Improvement Programme (Appendix D).

CONTACT OFFICER

Name: Lynn Joyce

Title: Head of Internal Audit

BACKGROUND DOCUMENTS

Public Sector Internal Audit Standards
(apply to 31/3/24)

Global Internal Audit Standards in the
UK Public Sector (apply from 1/4/25)

PSIAS Self-Assessment (completed April 2025)

Attribute Standards:

Ref	Standard	Ref	Description	Assessment
1000	Purpose, Authority and Responsibility	1010	Recognition of the Definition of Internal Auditing, the Code of Ethics and the Standards in the Internal Audit Charter	Compliant
1100	Independence and Objectivity	1110	Organisational Independence	Compliant
		1111	Direct Interaction with the Board	Compliant
		1120	Individual Objectivity	Compliant
		1130	Impairment to Independence or Objectivity	Compliant
1200	Proficiency and Professional Care	1210	Proficiency	Compliant
		1220	Due Professional Care	Compliant
		1230	Continuing Professional Development	Compliant
1300	Quality Assurance and Improvement Programme	1310	Requirements of the Q.A. and Improvement Programme	Compliant
		1311	Internal Assessments	Compliant
		1312	External Assessments	Compliant
		1320	Reporting on the Q.A. and Improvement Programme	Compliant
		1321	Conforms with International Standards	Compliant
		1322	Disclosure of Non-Conformance	Compliant

Performance Standards:

Ref	Standard	Ref	Description	Assessment
2000	Managing the Internal Audit Activity	2010	Planning	Compliant
		2020	Communication and Approval	Compliant
		2030	Resource Management	Compliant
		2040	Policies And Procedures	Compliant
		2050	Co-ordination	Compliant
		2060	Reporting to Senior Management and the Board	Compliant
2100	Nature of Work	2110	Governance	Compliant
		2120	Risk Management	Compliant
		2130	Control	Compliant
2200	Engagement Planning	2201	Planning Considerations	Compliant
		2210	Engagement Objectives	Compliant
		2220	Engagement Scope	Compliant
		2230	Engagement Resource Allocation	Compliant
		2240	Engagement Work Programme	Compliant
2300	Performing the Engagement	2310	Identifying Information	Compliant
		2320	Analysis and Evaluation	Compliant
		2330	Documenting Information	Compliant
		2340	Engagement Supervision	Compliant
2400	Communicating Results	2410	Criteria for Communicating	Compliant
		2420	Quality of Communications	Compliant
		2421	Errors and Omissions	Compliant
		2430	Compliance with International Standards	Compliant
		2431	Engagement Disclosure of Non-Conformance	Compliant
		2440	Disseminating Results	Compliant
		2450	Overall Opinions	Compliant
2500	Monitoring Progress			Compliant
2600	Resolution of Senior Management's Acceptance of Risks			Compliant

Internal Audit Improvement Plan

Status of Improvement actions from PSIAS

No	Section of PSIAS	Recommendation/Suggestion for Improvement	Status	Progress Update as at June 2025
1	2040	Working Paper Software Galileo software is used for documenting audit working papers. The system has been in place for a number of years and newer versions are now available. It is likely that sometime in the future the current version may no longer be supported. Investigate the benefits of the new system and determine whether upgrade would be beneficial.	Complete	The existing system (Galileo) was still supported during 2024/25 and remained compliant with PSIAS. The Head of Internal Audit undertook a cost benefit analysis during the year and reviewed alternative systems. An options paper was reported to the Financial Governance Board and approval given to explore existing Microsoft 365 products. Core processes have now been developed were effective from 1 st April 2025, with further developments and enhancements during 2025/26.
2	2400/2410	Review audit methodologies from learning over last few years Due to the success of implementing more agile approaches the internal audit team will explore further opportunities for streamlining audit reports and working practices making communications more concise and timelier.	In progress	New leaner audit report templates have been developed and were effective from 1 st April 2025. Further work is underway to establish a stakeholder framework and reporting schedule/methodologies for wider stakeholder groups as part of the Internal Audit Strategy objectives agreed.
3	2000/2010	Improving agile audit planning approach Due to the risk landscape for the OPCC and Force changing with new risks emerging or business objectives / priorities changing, developing an agile audit planning approach will enable the internal audit team to respond to any changes in a timely manner, adding more value to both organisations.	In Progress	Progress has been slow in this area. The Audit Plan for 25/26 presented to the Joint Audit Committee in March 2025 clarified that in year changes to the plan will be made to reflect changes in the risk environment. A list of pipeline audits that we will consider throughout the year and add to or amend as required was also reported. This will help us progressively move to a rolling audit plan which changes frequently to adapt to the risk environment. Any in-year changes will be incorporated into the quarterly update reports to the Audit Committee.
4	1100/1110 1300/1311 2000/2060	Review key performance indicators The key performance indicators in place have not been reviewed for a substantial period and, in line with developing a more agile approach to audit planning and exploring opportunities to review audit methodologies, the KPI's in place should also be reviewed to ensure they effectively demonstrate the value of internal audit.	Complete	Revised performance indicators were considered when setting the Audit Strategy for 2025-2028. These build on existing indicators and provide more qualitative indicators on which to measure the service.
5	All	Assessment against new standards New Global Audit Standards introduced in January 2024 which are due to be effective from January 2025. The UK Public Sector Internal Audit Standards Advisory Board (IASAB) has begun its review of the new global standards and will determine the implications for the PSIAS, with any subsequent changes being subject to consultation and appropriate transitional arrangements. A review against any revised standards will be completed once guidance on PSIAS is released and any changes required to key processes and documentation such as Audit Charter, Strategy, Audit Manual etc. will be made.	Complete	A self-assessment against the requirements of the new Global Internal Audit Standards in the UK Public Sector was undertaken and reported to Joint Audit Committee in March 2025. Any actions arising will be incorporated into the improvement plan.

New Improvement Actions from self-assessment with GIAS

No	Principle	Standard	Recommendation/Suggestion for Improvement	Status	Progress Update as at June 2025
6	Principle 4: Exercise Due Professional Care Principle 8: Overseen by the Board Principle 9: Overseen by the Board	Standard 4.1 Conformance with the Global Internal Audit Standards Standard 8. Board Interaction Standard 8.2 Resources Standard 9.3 Methodologies	Audit Manual to be updated to reflect revised Standards and new systems and processes recently introduced. This should also include: - Arrangements for managing disagreements. - Reporting arrangements for when resources are insufficient to meet the agreed work programme for internal audit along with proposed steps to consider for mitigating and minimising impact.	In progress To be completed by 31/12/25	Early work is underway to realign the existing audit manual to the new Principles and Standards set out in the new Global Internal Audit Standards.
7	Principle 5: Maintain Confidentiality	Standard 5.1 Use of Information	All Team members to attend refresher training around GDPR and protection of information.	Complete	Refresher training was provided to the entire OPCC during an away day held on 12/3/25.
8	Principle 6: Authorised by the Board Principle 9: Overseen by the Board	Standard 6.1 Internal Audit Mandate Standard 9.5 Coordination and Resilience	Internal Audit should map roles/responsibilities of other assurance providers and clarify how Internal Audit rely upon the work of other assurance providers. Support will be needed from senior management to understand fully the other sources of assurance (e.g. assurance map.)	In progress To be completed by 31/3/26	Head of Internal Audit is working with the Director Commercial Services to explore options to produce an Assurance Framework. This work is in its infancy.
9	Principle 6: Authorised by the Board	Standard 6.3 Board and Senior Management Support	Develop a matrix showing what information should be communicated by the Head of Internal Audit to Joint Audit Committee and senior management and the expected frequency.	Complete	Reporting requirements are set out in the internal Audit Charter approved by the Joint Audit Committee in March 2025.
10	Principle 9: Overseen by the Board	Standard 9.2 Internal Audit Strategy	Head of Internal Audit to create an Internal Audit Strategy to clearly set out the vision, strategic objectives and supporting initiatives for the internal audit function.	Complete	Internal Audit Strategy for 2025-2028 was presented to and approved by the Joint Audit Committee in March 2025, setting out the strategic objectives for the internal Audit team.
11	Principle 9: Overseen by the Board	Standard 9.4 Internal Audit Plan	Head of Internal Audit to continue to work with Senior Management to promote dynamic plans and accommodate changes. The Audit Portfolio Leads will have responsibility to develop enhanced engagement.	To be completed by 31/12/25	
12	Principle 10: Manage Resources		Head of Internal Audit to set out resource management processes within the Audit Charter.	Complete	Resource Management arrangements were set out in the revised Audit Charter approved by the Joint Audit Committee in March 2025
13	Principle 11: Communicate Effectively	Standard 11.1	Develop plan for managing key stakeholder relationships, including other assurance providers.	In progress	Key stakeholders and reporting requirements have been mapped. Methodologies now being developed to meet stakeholder communication requirements.

No	Principle	Standard	Recommendation/Suggestion for Improvement	Status	Progress Update as at June 2025
		Building Relationships and Communicating with Stakeholders		To be completed by 31/12/25	
14	Principle 11: Communicate Effectively	Standard 11.3 Communicating Results	Head of Internal Audit to develop a process of capturing and reporting on themes from assurance assignments.	Complete	Themes for actions are now being captured within the newly developed action tracker which allows for more informed reporting. Themes arising from actions have been captured in the Head of Internal Annual report that will be reported to Joint Audit Committee in June 2025.
15	Principle 11: Communicate Effectively	Standard 11.4 Error and Omissions	Head of Internal Audit to agree criteria when revised communication would be distributed to the Joint Audit Committee in cases of errors or omissions. Criteria and process to be documented in Audit Manual	To be completed by 31/12/25	

Appendix C

Quality Assurance and Improvement Programme - Compliance Assessment 2024/25

No.	QAIP requirement	Frequency	Timing	Result	Comment
1	Quality Assurance and Improvement Plan (QAIP)				
1.1	QAIP Maintained for Internal Audit (As required by International Standards for Professional Practice of Internal Audit)	Annual review	June	Achieved	Updated annually. 2024/25 QAIP reported to JAC in June 2024. 2025/26 QAIP will be reported to JAC in June 2025.
1.2	QAIP aligns with IIA and PSIAS (1300)	Annual review	June	Achieved	Compliance checks undertaken to standard 1300. <i>Note - New Global Standards were introduced in the UK Public Sector in April 2025.</i>
1.3	QAIP comprises: Internal assessments – ongoing Internal assessments – periodic External assessments – Once every 5 years	Annual review	June	Achieved	QAIP incorporates internal and external assessments. All internal audit activities are subject to ongoing assessment. Self-assessment against the requirements of the new Global Internal Audit Standards was undertaken by the Head of Internal Audit with summary results reported to JAC in March 2025. External Assessment undertaken 2022/23. Next external inspection due to take place in 2027.
2	Internal Assessments – Ongoing				
2.1	The maintenance of an integrated audit management, documentation and reporting system to ensure consistency	Ongoing	Continual maintenance	Achieved	Galileo audit system was used during 2024/25 to promote consistency in working papers. Spreadsheets are utilised to manage time recording and monitoring of plan v actual time. During the latter part of 2024/25, and following a cost/benefit analysis that was reported to and approved by the Financial Governance Board, new processes were established using Microsoft 365 products, which will see the team move away from the integrated audit management system from 1/4/25. These processes will be further developed during 2025/26.
2.2	Management supervision of all engagements	Ongoing	Continual throughout each audit	Achieved	All engagement planning documents, terms of reference and working papers are reviewed by Head of Internal Audit or delegated Audit Portfolio Lead. All reports are subject to review by the Head of Internal Audit before issuing to client.
2.3	Structured, documented review of working papers and draft reports by internal audit management	Ongoing	Upon conclusion of fieldwork for each audit	Achieved	As above. The review process was evidenced in the Galileo audit system during 2024/25
2.4	Feedback from audit clients obtained through post audit questionnaires at the closure of each engagement	Ongoing	After each audit	Achieved	Post Audit Questionnaires are issued to the client at the time the final report is issued. Summary of results is included in the Head of Internal Audit's annual report.

No.	QAIP requirement	Frequency	Timing	Result	Comment
2.5	Monitoring of internal performance targets and quarterly reporting to the Joint Audit Committee	Monthly	Monitored monthly (Reported to JAC each quarter)	Achieved	Internal targets are monitored monthly with updates provided to JAC at quarterly meetings.
2.6	Review and approval of all final reports, recommendations and levels of assurance by the Head of Internal Audit	Ongoing	After each audit	Achieved	All final reports are signed off by Head of Internal Audit prior to issue. This review and sign off was evidenced within the Galileo working paper system during 2024/25.
3	Internal Assessments – Periodic				
3.1	Quarterly Progress Reports to the Joint Audit Committee which include progress against the annual plan, reports issued during the period including details of the opinion and summaries of key issues and outcomes from the work undertaken in the period	Quarterly	June, September, December and March	Achieved	Internal Audit update report presented at all meetings of JAC during 2024/25. These reports include details of finalised audits with more detail being provided of those audits awarded a Limited or Minimal opinion.
3.3	Annual self-assessment of conformance with PSIAS	Annual	June	Achieved	Latest review complete April 2025.
3.4	Annual review of compliance against the requirements of the QAIP, the results of which are reported to senior management and the Joint Audit Committee	Annual	June	Achieved	Annual review completed and reported to JAC in June 2024. For 2024/25 compliance results will be reported to JAC in June 2025.
3.5	Feedback from the Chief Finance Officer and Chair of the Joint Audit Committee to inform the annual appraisal of the Head of Internal Audit in accordance with Standard 1100	Annual	November	Achieved	Both Chief Finance Officer and Joint Audit Committee Chair contributed to the Performance Development Review (PDR) of Head of Internal Audit in January/February 2025.
3.6	Periodic Skills and Competency exercise for each Internal Auditor	Annual	November	Achieved	Competency framework is considered during discussions in staff PDR process. The framework is used to guide training and development targets.
4	External Assessment				
	An external assessment will occur at least once every five years to ensure continued application of professional standards	5-Yearly	Every 5 years	Achieved	External Assessment undertaken June 2022 – full compliance. Next external assessment taking place by June 2027.
5	Review of QAIP				
	This document will be reviewed at least on an annual basis	Annual	June	Achieved	Reported in June 2024 and reviewed June 2025.

Appendix D



west midlands
police and crime
commissioner



Internal Audit Quality Assurance and Improvement Programme (QAIP) 2025/26

1 Introduction

- 1.1 Internal Audit's Quality Assurance and Improvement Programme (QAIP) is designed to provide reasonable assurance to the various stakeholders of the service that Internal Audit:
- Performs its work in accordance with its Charter, which is consistent with the Global Internal Audit Standards in the UK Public Sector (GIAS);
 - Operates in an effective and efficient manner; and
 - Is perceived by stakeholders as adding value and continually improving its operations.
- 1.2 GIAS Standard 8.3 Quality, requires the Head of Internal Audit to develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program includes two types of assessments:
- External assessments
 - Internal assessments
- 1.3 At least annually, the Head of Internal Audit must communicate the results of the internal quality assessment to the Joint Audit Committee and senior management. The results of the external quality assessments must be reported when completed. In both cases, such communications include:
- The internal audit function's conformance with the Standards and achievement of performance objectives.
 - If applicable, compliance with laws and/or regulations relevant to internal auditing.
 - If applicable, plans to address the internal audit function's deficiencies and opportunities for improvement.
- 1.4 The Head of Internal Audit is ultimately responsible for the QAIP, which covers all Internal Audit activities.

2 Internal Assessments

Internal assessments are undertaken through both on-going and periodic reviews.

2.1 On-going Reviews

Continual assessments of quality are undertaken via:

- The maintenance of established processes, tools, documentation and reporting system to ensure consistency;
- Management supervision of all engagements;
- Structured, documented review of working papers and draft reports by Internal Audit management;
- Feedback from audit clients obtained through post audit questionnaires at the closure of each engagement;
- Monitoring of internal performance targets (Appendix 1) and quarterly reporting to the Joint Audit Committee; and
- Review and approval of all final reports, recommendations and levels of assurance by the Head of Internal Audit.

2.2 Periodic Reviews

The Internal Audit Service operates to a Charter that mandates compliance with relevant professional standards. Periodic assessments are designed to evaluate conformance with these standards and are conducted via:

- Quarterly Progress Reports to the Joint Audit Committee which includes progress against the annual plan, reports issued during the period including details of the opinion and summaries of key issues and outcomes from the work undertaken in the period;
- Annual review of compliance against the requirements of the QAIP, the results of which are reported to senior management and the Joint Audit Committee;
- Annual self-assessment against the Global Internal Audit Standard in the UK Public Sector;
- Feedback from the Chief Finance Officer and Chair of the Joint Audit Committee to inform the annual appraisal of the Head of Internal Audit; and
- Periodic Skills and Competency exercise for each Internal Auditor.

2.3 Significant areas of non-compliance with GIAS identified through internal assessment and the periodic assessments will be reported in the Internal Audit Annual Report and used to inform the Annual Governance Statement.

2.4 Results of internal assessments will also be reported to the Joint Audit Committee at least annually. This reporting will include:

- The scope, frequency, and results of internal and external quality assessments
- Action plans that address deficiencies and opportunities for improvement for agreement by the Joint Audit Committee; and
- Progress toward completing the agreed-upon actions.

3 External Assessments

3.1 An external assessment will occur at least once every five years to ensure continued application of professional standards. This process will express an opinion about Internal Audit's conformance with the Standards, Definition of Internal Audit and Code of Ethics and include recommendations for improvement, as appropriate.

3.2 The appointment of the external assessor and scope of the external assessment will be approved by the Joint Audit Committee.

3.3 The external assessment will consist of a broad scope of coverage that should include the following:

- Conformance with the Standards and Internal Audit's mandate, charter, strategy, methodologies, processes, risk assessment, and internal audit plan;
- Performance criteria and measures as well as assessment results.
- Competencies, due professional care, and focus on continual development.
- Qualifications and competencies, including those of the Head of Internal Audit.
- Integration into the organisation's governance processes, including relationships, reporting lines and independence.
- Contribution to the organisation's governance, risk management, and control processes and to the improvement of the organisation's and ability to attain its

objectives.

- Ability to meet expectations of Internal Audit as expressed by the Joint Audit Committee, senior management and stakeholders;

- 3.4 Results of external assessments will be reported to the Joint Audit Committee at the earliest opportunity following receipt of the external assessors report. The external assessment report will be accompanied by a written action plan in response to significant comments and recommendations identified. Any significant areas identified of non-conformance will be reported in the Annual Internal Audit Report.

4 Review of the QAIP

- 4.1 This document will be reviewed at least on an annual basis.

Appendix 1**Performance Targets 2025/26****Output indicators:**

90% of Audit Plan Delivered

95% of draft audit report were issued within 10 working days.

95% of final reports were issued within 5 days of agreement of the draft.

Reduce elapsed time on audits (Baseline to be determined end March 2025)

Quality Indicators:

97% of Post Audit Questionnaires responses were scored as "Very Good" or "Good"

95% of respondents feel internal audit understands their business area, needs, objectives and risks

95% of respondents feel internal audit adds value

Conformance with Global Internal Audit Standards in the UK Public Sector (next external assessment 2027)