MIAA - Internal Audit Service External Quality Assessment

1 Introduction and Background

From April 2025 MIAA are required to comply with the Global Internal Audit Standards (UK Public Sector) (collectively referred to as GIAS throughout this document). These documents replace the Public Sector Internal Audit Standards (PSIAS).

As required by the GIAS external assessments to confirm our compliance with standards must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation.

There are two approaches to EQAs allowed under GIAS:

- An external reviewer undertakes a full assessment; or
- An external reviewer validates the internal audit service's own self-assessment.

MIAA undertake annual self-assessments against GIAS (and previous standards). Therefore the option that was both the most efficient and presented best value was to commission an external reviewer to validate our own self-assessment.

Our last EQA was completed in 20/21 financial year and therefore we were required to commission an EQA in 25/26 to meet the 5 year requirement outlined in GIAS.

This approach was communicated to you in November 2025 and approved.

MIAA appointed the Chartered Institute of Public Finance and Accountancy (CIPFA) to undertake our EQA.

2 EQA Results

The attached document provides the results of MIAA's latest EQA completed by CIPFA.

The assessment confirms that MIAA is **Generally Conforming** with the Global Internal Audit Standards (UK Public Sector). This is the highest classification CIPFA award.

CIPFA have raised a small number of recommendations for management action and consideration as part of their EQA and the action plan for those will be reported to you separately.

Executive Summary of the MIAA EQA Report

(for use by those MIAA clients who are Principal Authorities but have not yet had an individual conformance assessment)

The comprehensive External Quality Assessment (EQA) of the Internal Audit function measured conformance against the Global Internal Audit Standards (GIAS), the CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government (the Code), and the associated Application Note: Global Internal Audit Standards in the UK Public Sector.

The GIAS is structured around five Domains, which collectively contain 15 guiding Principles and 52 underlying Standards. The Application Note - Global Internal Audit Standards mandates further specific UK governance requirements.

This assessment confirms that the function is **Generally Conforming** overall to these Standards and Principles. This is the highest classification we award.

The findings reflect a strong governance partnership between MIAA, their internal audit teams, the client audit committees, and senior management teams, noting that clients and stakeholders highly value internal audit. Interviewees praised the function's professionalism, transparent and objective delivery, and the strong working relationships established within the authority. This positive endorsement confirms that the governance oversight mechanisms and senior management support are largely effective in ensuring internal audit remains an influential resource.

We acknowledge that for all internal audit functions GIAS is still relatively new. GIAS in many respects is similar to the Standards (Public Sector Internal Audit Standards) that went before them but in some respects, there are substantive changes. It is expected that embedding GIAS into all aspects of documentation and audit methodology will take time. Whilst we consider that MIAA is a high performing organisation, we found that for MIAA to continue to the next level with regard to embedding GIAS there needs to be a focus on developing MIAA audit methodology to continue their work in GIAS adoption; particularly in the areas of root cause analysis and evaluation criteria.

One area was assessed as Partially Conforming. Combined with other advisory and action points this highlights opportunities for strengthening MIAA audit methodology:

1. Domain V, Principle 14 (Conduct Engagement Work):

Additional Note:

For Principal Authorities to be fully conforming they will require individual conformance assessments to provide assurance that they fully comply with the Code of Practice for the Governance of Internal Audit in UK Local Government. Until such time they will not be able to use MIAA's EQA to state that they have fully complied with GIAS in the UK Public Sector in their Annual Governance Statements. We understand that MIAA have communicated this requirement to their clients who are Principal Authorities.

Conclusion

It is our conclusion that MIAA's internal audit function Generally Conforms to the requirements of the Global Internal Audit Standards in the UK Public Sector.

Where the authority meets the CIPFA Code of Practice on the Governance of Internal Audit as well, it may say it conforms with the Global Internal Audit Standards in the UK Public Sector.