MIAA - Internal Audit Service External Quality Assessment – Action Plan

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 assessment confirmed that MIAA is **Generally Conforming** with the Global Internal Audit Standards (UK Public Sector). This is the highest classification CIPFA award. This has been reported to you separately

3 EQA Action Plan

As previously reported CIPFA raised a small number of recommendations for management action and consideration as part of their EQA.

MIAA's action plan in response to these recommendations is provided below. This action plan has been reviewed and approved by MIAA's Management Board:

Issues for Management Action	Priority	MIAA Agreed Action	Deadline
(Std 14.3) We found that for MIAA to continue to the next level with root cause analysis and theme identification and to fully match the requirements of Standard 14.3 that root cause analysis should be explicitly documented for each finding in MIAA reports and that themes identified should be more specific reflecting the more detailed nature of the root cause analysis.	Medium	CIPFA confirmed that MIAA engagement teams discuss with management root causes for each issue identified and that is how the audit team establish whether the audit findings are a control design or operating effectiveness issue, which is explicitly referenced in reports at both at finding level and collated at Executive Summary level. This approach also supports the identification of themes. To support progression of our methodology all internal audit staff will receive further training on root cause analysis and how this should be reflected in our reports.	30th September 2026
(Std 13.4) Evaluation criteria, audit methodology and practice needs to more clearly result in sub objectives that reflect GIAS requirements. We recommend this is driven through internal quality assurance, review and training. This may also be assisted by embedding the language of GIAS; "evaluation criteria" and "condition" into the internal audit manual and documentation.	Low	To support progression of our methodology all internal audit staff will receive further training on evaluation criteria. Following training ongoing compliance with requirements will be confirmed through existing internal quality assurance and review mechanisms.	30th September 2026
(Std 9.1) We recommend providing further training for internal auditors to allow greater incorporation of value for money (VFM) within such areas as evaluation criteria	Low	To support progression of our methodology all internal audit staff will receive further training on evaluation criteria	30th September 2026

Issues for Management Action	Priority	MIAA Agreed Action	Deadline
and to enhance MIAA's position as a key strategic partner. This could include bite sized training sessions and other training methods but ideally expanded to include comprehensive VFM audit methodology training.		which will include coverage of value for money where applicable.	
(Std 9.2) We recommend that MIAA strengthen their Board by adding representation from their wider portfolio of clients to improve diversity of input, specifically to strategic thinking.	Advisory.	MIAA regularly assesses the composition of our Management Board. We will continue to review composition and widen representation as and when appropriate.	31st March 2027 (date of next review completion)
(Std 1.1) We consider further including the language of GIAS, in this case the values of "honesty and courage" across all appropriate MIAA documentation will assist with embedding GIAS.	Advisory	The requirement for honesty and courage is included in the IA manual which has been updated for GIAS. As other MIAA documentation becomes due for review we will assess the relevance of these references for specific documents and update them as appropriate.	N/A – dependent on when documents are due for review.

We will monitor progress against this action plan through MIAA's governance structure and update you on the position of these actions in our Annual Report.

CIPFA Action Priority Ratings Definitions

Action Priorities	Criteria
High priority	The internal audit function needs to rectify a significant issue of non-conformance with the standards. Remedial action to resolve the issue should be taken urgently.
Medium priority	The internal audit function needs to rectify a moderate issue of conformance with the standards. Remedial action to resolve the issue should be taken, ideally within a reasonable time scale, for example six months.
Low priority	The internal audit function should consider rectifying a minor issue of conformance with the standards. Remedial action to resolve the issue should be considered but the issue is not urgent.
Advisory	These are issues identified during the course of the EQA that do not adversely impact the service's conformance with the standards. Typically, they include areas of enhancement to existing operations and the adoption of best practice.