



BUCKINGHAMSHIRE COUNCIL

Business Assurance Update

Including Progress against the Internal Audit Plan 2023/24

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1. Introduction

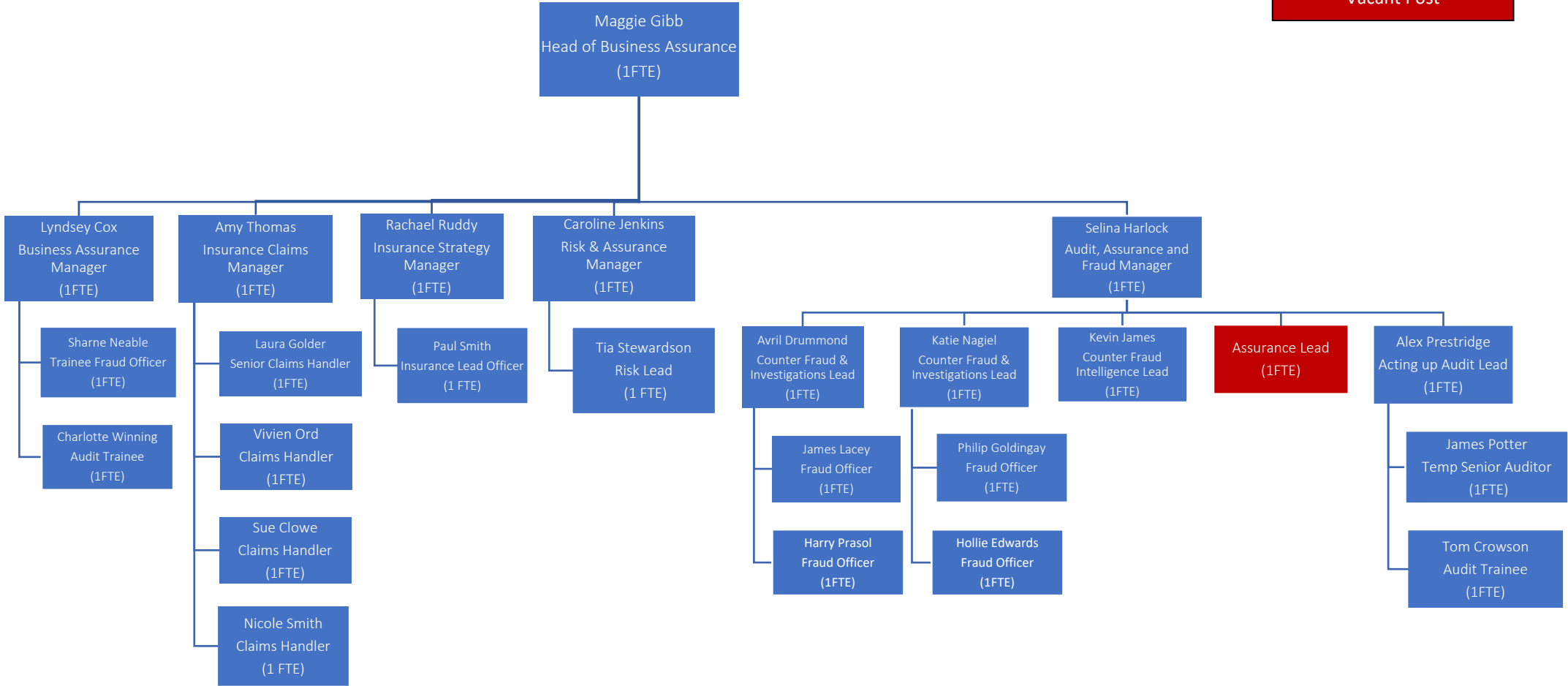
- 1.1 The Business Assurance Team is responsible for delivering the Council's Risk Management, Assurance, Internal Audit, Counter Fraud, and Insurance services. The team operates under the Service Director for Legal and Democratic Services within the Deputy Chief Executive Directorate.
- 1.2 This report outlines the work carried out by the Business Assurance Team for the financial year 2023/24 to date. The Business Assurance work plans remain flexible in nature as they evolve throughout the year to reflect the changing risks faced by the Council, the maturity of the assurance framework and to meet the needs of unplanned demands and other emerging priorities. Quarterly updates on Business Assurance activities continue to be presented to each directorate leadership team providing them with an overview of the Internal Audit and other assurance activities including progress on implementation of audit actions and an update on escalated risks and mitigating actions.

2. Resources

- 2.1 We have successfully recruited to the majority of posts within the Business Assurance structure with just one vacancy currently on hold. We continue to resource work plans with a mix of in-house staff and a partnership arrangement with the APEX London Audit Framework. This arrangement enables us to request specialist resource such as IT auditors and contract auditors, whilst allowing for a flexible approach that enables us to respond swiftly to urgent requests for resource such as for investigations.

Business Assurance Team Structure:

Vacant Post



3. Risk Management

3.1 Risk Management continues to be embedded across the Council with all Directorates ensuring that risks are identified and uploaded onto the corporate risk management system in a timely manner; as well as horizon scanning and keeping a watching brief on emerging risks.

3.2 We continue to promote and deliver our risk management training sessions across the organisation, to ensure that officers continue to be aware of their roles and responsibilities in relation to risk management. As well as having a basic risk management e-learning module, which all officers can access at any time, we also deliver more detailed risk management training to officers which sessions are available on a monthly basis. For 2023/24 to date (as of 9 February 2024), the team has trained 171 staff members across the organisation:

Officer Level	Risk Management	Risk Management System
Service Director	1	1
Head of Service	10	9
Manager	25	19
Officer	64	42
Total	100	71

3.3 Members of the Audit and Governance committee were also provided with risk management training on 29 January 2024.

3.4 Deep dive risk reviews continue across certain service areas, especially those areas that have undergone service reviews. This ensures that risks are relevant and current, are updated with realistic target scores, and have internal controls as well as mitigating actions.

3.5 We have re-introduced the Risk Champions Network with the first meeting taking place on 7 February 2024. This is a meeting of all risk champions across the organisation to share best practice and gain a better understanding of the risk profile of Buckinghamshire Council as a whole.

- 3.6 The team continues to work with other assurance and compliance functions within the Council such as Internal Audit, Health & Safety, Strategic Insurance, Counter Fraud, and the Resilience Service. By building better synergies and working relationships between functions, the Council is in a better position to understand its risk landscape and manage risks effectively. This will ensure that appropriate measures are put in place to either prevent or minimise the impact of any event occurring.
- 3.7 The Risk Management Group was last held on 18 December 2023. An update on December meeting has been provided in a separate report to the Audit and Governance Committee meeting.

4. Internal Audit

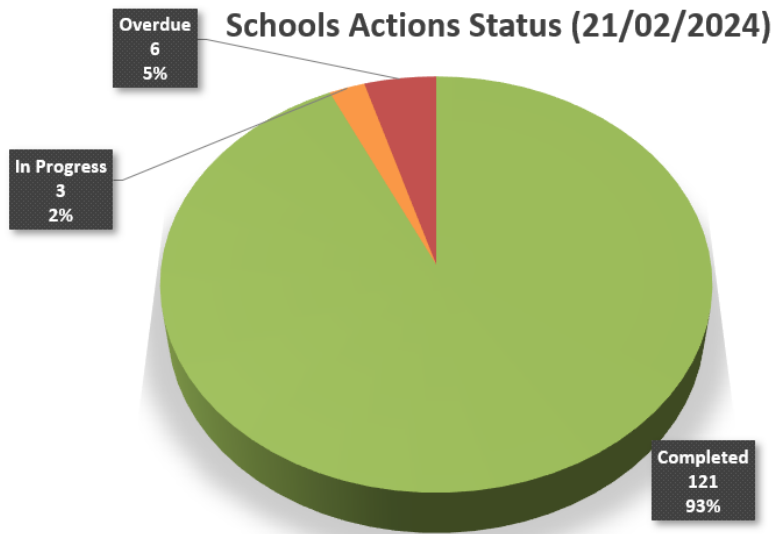
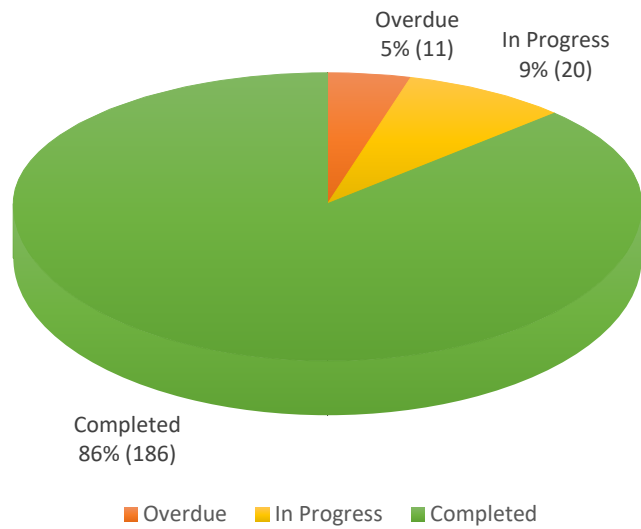
- 4.1 The Internal Audit Function, supported by Mazars (through the APEX London Audit Framework) has been progressing with the delivery of the approved 2023/24 audit engagements. The Internal Audit plan was produced with reference to the Strategic and Directorate Risk Registers and prepared using a risk-based methodology that enables the provision of an independent opinion on the adequacy and effectiveness of the systems of internal control (comprising of risk management, corporate governance, financial and operational controls). The plan was also informed through discussions with the Senior Leadership Teams for each Directorate, Heads of Finance, Section 151 Officer, and the Deputy Chief Executive (Monitoring Officer).
- 4.2 Whilst we have an agreed Internal Audit Plan, this will be continuously reviewed to ensure that it remains dynamic to reflect the changing risks faced by the Council. The plan will continue to be influenced by external organisations and statutory bodies we work with and provide assurance to. The plan is also reviewed quarterly in conjunction with the Strategic and Directorate Risk Registers. Any significant deviation from the approved Internal Audit Plan is communicated through the periodic activity reporting process.

- 4.3 The formulaic audit planning model which was applied in the development of the approved Internal Audit Plan enabled us to RAG rate each audit engagement, with those rated HIGH (RED) deemed priority to deliver in the year. **Appendix 1** details the 2023/24 Internal Audit Plan which includes all the internal audit engagements that are RAG rated RED based on the Audit Planning Model score. We have also had a supplementary list of auditable areas (**Appendix 2**) that were identified as part of the 2023/24 planning process but have been RAG rated MEDIUM or LOW for delivery per the Audit Planning Model. This list will be kept under continuous review and audits that are MEDIUM rated may be added to the plan for delivery based on resource capacity and service priorities, this will be subject to discussions with the respective directorate leadership teams, Audit Board and Audit & Governance Committee approval.
- 4.4 The Internal Audit Team has developed Schools' Audit Programme which identifies a schedule of schools to visit and audit during the current year. Through review of financial reports, complaints, Ofsted results, consultation with the Schools Improvement Team and Schools Finance, each maintained school was risk assessed based on this information and those with a high 'RAG' rating are selected for an audit. Eight schools have been selected for review, and a summary of the audit findings will be shared with all schools via the SchoolsWeb and presented to the schools Forum to enable those schools not audited to learn and assess their own control environments to ensure effectiveness.
- 4.5 The team has continued to deliver the 2023/24 Internal Audit Plan in the seven weeks since the last meeting. There are four reports that have been finalised, nine reports at a draft stage and a further nine engagements that are currently in progress. In addition, five grant certification reviews have been completed.
- 4.6 The Institute of Internal Auditors (IIA) has recently issued the revised International Professional Practices Framework (IPPF), which includes the new Global Internal Audit Standards (GIAS). The new standards aim to enhance the quality, consistency, and professionalism of internal audit practices across the world. They also reflect the evolving role and expectations of internal auditors in the dynamic and complex business environment.
- 4.7 CIPFA has not yet clarified whether the Public Sector Internal Audit Standards (PSIAS) will be amended to reflect the new GIAS.

- 4.8 The Business Assurance Team has recently carried out a self-assessment against the PSIAS and confirmed that we still conform with the standards. Full details of the self-assessment will be detailed in the Annual Report later in 2024.
- 4.9 A summary of the key changes to the GIAS are included at Appendix 3 for information.
- 4.10 Using the audit tool, 'Pentana', Internal Audit have been monitoring implementation of audit actions. Follow-up of management actions is a continuous task that is undertaken by the auditors alongside their assigned audit engagements. The chart below provides a summary on the implementation status of the audit actions:

Chart 1 - Summary Status of Management Actions

All BC Audit Actions (excluding Schools)



4.11 As at 21 February 2024, there are 5 out of 217 (5%) audit management actions which are overdue for implementation and 20 actions that are in-progress. We are now reporting separately on audit actions relating to schools, and at present there are 6 out of 130 (5 %) which are overdue for implementation and 3 actions that are in progress.

Management are aware of the actions and progress updates are being provided to Internal Audit on a regular basis. Progress against implementing audit actions is reported to each of the directorate leadership team on a regular basis, and outstanding audit actions are due to be reported to the Corporate Management Team (CMT) in March 2024.

4.12 The Internal Audit Team have also been progressing with the implementation of the new audit system which was a key action from the CIPFA External Assessment. All records have been migrated from the previous system and the team are now undertaking all new audits on the new system. The team is working on developing key reporting requirements for all key stakeholders, this includes information on agreed management actions that form part of the quarterly reporting to directorates. This is expected to be complete by the end of Q4.

4.13 We have two Service Level Agreements in place to deliver the internal audit services for Buckinghamshire and Milton Keynes Fire Authority (BMKFA) and Insignis Trust Academy (IAT). The agreed audit plan for BMKFA has been delivered ahead of schedule with the final reports being presented to the Overview and Audit Committee on 13 March 2024. The team continues to progress with the delivery of the agreed audit activity for IAT with regular updates being presented to senior management.

4.14 The Governance and Assurance Board, chaired by the Deputy Chief Executive (Monitoring Officer) has absorbed the work of the Audit Board. The Governance and Assurance Board meets on a monthly basis and is attended by the S151 Officer, Head of Business Assurance (& Chief Auditor), Director of Legal and Democratic Services, Director of Major Projects, and the Principal Governance Officer. The Board reviews progress against the Business Assurance Strategy, in particular delivery of the Internal Audit Plan.

4.15 Appendix 1 shows the current progress updated against the Internal Audit Plan.

5. Business Assurance

- 5.1 The Business Assurance Team continues to progress with the COVID grant assurance as the requirements from central government to carry out post assurance checks continue. The team liaise with the services and support in the collation of the required returns, reconciliations and certification where required.
- 5.2 The Risk and Assurance Manager is leading on an exercise to develop the Assurance Framework for the Council with the aim that each directorate will have an “assurance dashboard” detailing internal and external sources of assurance for key activities. This exercise started on 15 January 2024 with the Adults and Health Directorate.

6. Counter Fraud

- 6.1 The Business Assurance Team procedures alone cannot guarantee the detection of fraud and corruption, nor can we give an overall assurance opinion on counter fraud, therefore management have responsibility for ensuring that there are adequate controls in place to manage the risk of fraud and corruption. The size and complexity of the authority means that some irregularities are inevitable, and when these arise the Fraud Team deploy resources to investigate these. Whilst responding to fraud allegations raised internally and externally, the team also have a proactive schedule of activity that includes fraud awareness training and probity reviews. Counter Fraud activity is reported to the Statutory Officers Group on a monthly basis.
- 6.2 Delivery of the Fraud Awareness training programme continues across the organisation with content tailored to key fraud risks within the various services. Training is also being delivered to housing associations through Service Level Agreements.

Appendix 1– 2023/24 Internal Audit and Counter Fraud Plan

Corporate				
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update
Cross-cutting	Assurance Framework	Develop a means of identify and mapping the main source of assurance across the Council and coordinating them to best effect.	N/A	On-going
	Project/Programme Support	To ensure that there is a framework in place to effectively and efficiently deliver projects/ programmes across the organisation.	HIGH	Q4
	Contract Management	To provide assurance on the management of the identified suppliers to ensure that the contract is being managed in line with Council requirements; in order to maximise their value and manage risk whilst delivering the outcomes and benefits envisaged.	HIGH	Fieldwork in progress
	MTFP Assurance Review	To evaluate the adequacy and effectiveness of the MTFP process, the review will consider the governance arrangements, the modelling, savings targets, business cases, risk management and delivery/ management of the MTFP.	HIGH	Fieldwork in progress
Deputy Chief Executive				
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update
Policy, Partnerships & Communications	Partnership Arrangements	Partnerships are an effective way for the Council to achieve its objectives, but they give rise to new and different risks, which need to be recognised, evaluated, and effectively managed. The review will assess the partnership arrangements in place and ensure they contribute towards the achievement of the Council's objectives.	MEDIUM	Deferred (agreed by S151 / Monitoring Officer & A&G Jan 24)
Legal & Dem Services	Legal Processes	Deferred from 21/22 plan. To ensure that there are adequate arrangements in place for the services to engage with the legal team, cases are recorded, monitored and costs tracked appropriately.	HIGH	Fieldwork in progress
Major Projects	Companies Governance	To ensure that there are adequate governance arrangements in place to monitor the performance of the Council's companies, to make certain that risks are effectively managed, and objectives are being achieved.	HIGH	FINAL REPORT Reasonable Assurance
Policy, Partnerships & Communications	Homes for Ukraine	Carry forward audit	HIGH	FINAL REPORT Reasonable Assurance

Adults & Health				
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update
Adult Social Care	Charging Policy Assurance Review	To provide assurance that the Council's Charging Policy is being effectively applied, this will include evaluating income maximisation.	HIGH	Draft Report with Service
Adult Social Care/ Integrated Commissioning	Continuing Health Care:	Review effectiveness of updated process following outcomes of the review of CHC function across the whole BOB. Audit to consider policies and procedures, client assessments/ eligibility and financial controls. This audit has been deferred for the last two years.	HIGH	Q4
Adult Social Care	Direct Payments	Review of financial controls (monitoring protocols) for all the payment methods within the Direct Payments, including use of virtual wallet.	HIGH	Q4
Integrated Commissioning	Commissioning and Financial Management of Spot Contracts	End to end process reviewing adequacy and effectiveness of controls in place – Carry Forward	HIGH	Fieldwork in progress
Integrated Commissioning	E-brokerage	End to end process reviewing adequacy and effectiveness of controls in place – Carry Forward	HIGH	Fieldwork in progress
Finance	A&H Debt Recovery (Secured Debt)	As debt recovery was paused during the pandemic and the debt recovery process has been moved to Finance Operations team, the audit will be reviewing adequacy and effectiveness of controls.	HIGH	Q4
Finance	Financial Controls Review	Evaluation of the Scheme of Delegation to ensure that these are understood by all and effectively and consistently complied with, and decisions are taken with those with approved authority.	HIGH	Scope agreed starting in March

Children's Services

Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update
Education	Schools Thematic Review	Schools Thematic Review – Sample of schools to be selected for review through consultation with the School Finance Team and the School Improvement Team. (Six schools planned)	HIGH	<ul style="list-style-type: none"> • Millbrook and Castlefield Schools COMPLETED • Bedgrove Infant – COMPLETED • Bledlow Ridge School – DRAFT Report • Marsh School – DRAFT report • Brookmead School – Fieldwork in progress
Finance	Schools Financial Assurance	Lessons learnt from previous year audits – evaluate the arrangements in place that enable effective oversight of school's financial controls and management.	HIGH	Q4
Social Care	Personal Budgets	End to end process reviewing adequacy and effectiveness of controls in place for the administration and management of personal budgets	HIGH	Scoping being drafted starting in March
Education	SEND Process Review	End to end review of processes and evaluation of controls to identify inefficiencies in process and improvements to data quality. Deferred from 22/23 due an on-going consultation.	HIGH	Draft Report
Social Care	Supported Families Programme	Undertake grant certification in line with grant conditions	N/A	Three grant certifications complete
Education	Related Party Transaction Assurance (SFVS)	Verification work in line with DfE guidance	N/A	N/A

Communities				
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update
Neighbourhood Services	Waste Fees & Charges	Review will consider all cash and income collection income financial control arrangements across waste management.	HIGH	Fieldwork in progress
Neighbourhood Services	Household Recycling Centres	Carry forward	HIGH	FINAL REPORT Substantial Assurance
Highways & Technical Services	Major Infrastructure Projects	Review the adequacy and effectiveness of the governance and risk management framework in place to manage major infrastructure projects.	HIGH	Scope agreed starting March
Highways & Technical Services	Streetworks	To provide post TUPE assurance and ensure that key issues faced by the team prior to the TUPE have been addressed and processes are operating effectively and efficiently.	HIGH	Draft Report
Culture, Sports & Leisure	Tree Management	To provide assurance that the Council has an appropriate governance arrangements, strategies, and underlying systems to assess the condition of trees and undertake necessary treatment or works based on the outcomes of such assessments.	HIGH	Scope agreed starting March
Highways & Technical Services	New Highways Contract Assurance	Post go-live assurance on the new contract arrangements, ensuring there are adequate financial management, contract management, risks management and governance controls in place.	HIGH	Draft Report with the service
N/A	Grant Certification	Grant certification work within Public Transport Services and Highways	N/A	N/A

Planning, Growth & Sustainability				
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update
Housing & Regulatory Services	Management of the Housing Waiting list	New management structure in this area. Audit will include a review of the application, assessment, and allocation process.	HIGH	Deferred due to ongoing Strategy and Policy changes
Housing & Regulatory Services	Homelessness and Temporary Accommodation	Re-visit following the work from the assurance review, the 22/23 audit that identified a number of control gaps and any outcomes from the Task & Finish group. Q4	HIGH	Deferred due to ongoing Strategy and Policy changes
Property & Assets	Property Maintenance and Reactive Works	Audit deferred from previous audit plan End to end process reviewing adequacy and effectiveness of controls in place.	HIGH	Fieldwork in progress
Planning & Environment	Energy Contracts	New framework with new governance approach, the audit will evaluate the controls in place and assess the effectiveness of the framework.	HIGH	Scoping being drafted
Property & Assets	One Uniform Project	End to End review of new processes, to ensure that there is an adequate control framework in place.	HIGH	Q4
Planning & Environment	HIF Highways Projects	To consider as part of Major Projects audit which sits within Communities.	HIGH	Scope agreed starting March
N/A	Grant Certification	Grant certification work within Public Transport Services and Highways	N/A	Eight grant certifications completed

Resources

Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model	Status Update
HR & OD	Teachers Pensions – new system in place	New system in place, review process and controls in place	HIGH	Deferred (agreed by S151 and Monitoring Officer)
HR & OD	Payroll	Evaluation of the key financial controls.	HIGH	Deferred due to HMRC
Finance	Key Financial Systems – Control Framework Review	Evaluation of the financial control framework with assess the adequacy and completeness of the system of control	HIGH	FINAL REPORT Substantial Assurance
	Key Financial Systems Audits	Evaluation of the adequacy and the effectiveness of the systems of internal control across the key financial systems: <ul style="list-style-type: none"> • Feeder systems • Treasury Management (Draft Report) • Pensions (Draft Report) • CTax & NNDR (Including Income Reconciliations) • CTax Reduction Scheme • Housing Benefits • Purchasing Cards • Account Payables • Account Receivables (invoicing and debt recovery) • Suspense and Control Accounts • Budget Monitoring and Reporting • General Ledger 	HIGH	Fieldwork in progress
IT	IT/Infrastructure Resilience – including a review of the Cyber Resilience Framework	A number of IT/Infrastructure resilience-related risks feature in the Council’s IT Risk Register. The audit will address; consideration of the impact of the pandemic on IT/infrastructure resilience, People, process, and technology perspective, including a high-level review of the IT architecture and technology in place.	HIGH	Draft Report

IT	Disaster Recovery and Backups – Per Audit Needs Assessment	Disaster recovery was noted as having a residual risk score of 10 in the Council’s IT risk register with a fully tested strategy and plan required to provide the Council assurance that full business continuity can be provided. This audit would test controls in regard to backup scope, frequency, offsite location, testing and recovery.	HIGH	FINAL REPORT Reasonable Assurance
IT	Change/Patch Management	This audit will consider; - Change to infrastructure and applications are governed through a consistent policy/process; - The change process addresses the request, impact, authorisation, testing, deployment of changes; Comparison with LG peers concerning good change control practice commonly identified; and Patch management is undertaken across the estate in a complete, accurate and timely manner.	HIGH	FINAL REPORT Substantial Assurance
New Audit	Expenses	Sample testing.	HIGH	Fieldwork in progress

Appendix 2 – 2023/24 Supplementary Internal Audits

Corporate			
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model
Cross-cutting	De-commissioning of legacy systems	Ensure that there are adequate arrangements to effectively decommission systems and safeguard data, ensuring compliance with GDPR and local retention policies.	MEDIUM
Deputy Chief Executive			
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model
Policy, Partnerships & Communications	Devolution	Deferred from 21/22 plan. To evaluate the processes and procedures in place to ensure an effective transfer of services and assets to town and parish councils in line with the approved policy.	MEDIUM
Asylum & Migration	Afghan Resettlement – Grant Audit	To ensure that the funding is being fully maximised and used in line with the grant conditions.	MEDIUM
Asylum & Migration	Homes for Ukraine	To provide assurance that the Council has created appropriate systems to promote, support and administer the Homes for Ukraine offering.	Fieldwork in Progress
Adults & Health			
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model
Adult Social Care	Section 75 Mental Health	Ensure that processes are in line with statutory requirements and changes to S75 have been fully implemented.	MEDIUM
Public Health	Joint Strategic Assessment.	To ensure that partner arrangements and the Health and Wellbeing Board are operating effectively to meet their statutory obligation.	MEDIUM
Children's Services			
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model
Education	Adult Learning	Grant funded. Review programme compliance with Ts&Cs and monitoring of outcomes	MEDIUM
Education	Fair Access	To ensure that the Fair Access Protocols are operating effectively and efficiently, with adequate governance arrangements in place.	MEDIUM

Communities			
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model
Neighbourhood Services	Concessionary Fares	End to end review of processes and assess the accuracy and completeness of management information.	LOW
Integrated Transport	Client Transport	To provide assurance that a robust internal control environment is in place to support the allocation, payment, and monitoring of personal travel budgets and the post-16 scheme.	MEDIUM
Culture, Sports & Leisure	Higginson Park Trust	Financial Controls Audit – review financial processes on the new system.	MEDIUM
Culture, Sports & Leisure	Farnham Park Trust	Financial Controls Audit – review financial processes on the new system.	MEDIUM
Highways & Technical Services	Section 106	Review work with parishes (link with review in progress within PG&S on S106)	MEDIUM
Planning, Growth & Sustainability			
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model
Property & Assets	Building Control – New Tax Collection Process	New responsibilities delegated to the Council on tax collection – review of the process and how the collect funds are reconciled and paid	MEDIUM
Housing & Regulatory Services	Disability Facilities Grant (Use of the funding)	Review the process for commissioning housing adaptations and the use of the DFG fund. To include review of contractors used, VfM.	MEDIUM
LEP	LEP Financial Controls	Evaluation of key financial controls.	MEDIUM
Resources			
Service	Audit Title/ Activity	Objectives/Risk/Concerns	RAG Per Model
Finance	Enterprise Zone	Reviewing of billing arrangements, accounting arrangements and reconciliations	MEDIUM
Finance	Accounts Payable and Accounts Receivables	Evaluation of key financial controls; including processes followed by Business Support	MEDIUM
Finance	Chip & Pin Machines Audit	Evaluation of general controls testing including security of devices	MEDIUM
Finance	Breaches & Waivers	Evaluate controls that services have in place to limit breaches and waivers	MEDIUM

Appendix 3 – New Global Internal Audit Standards

A brief overview of the main changes and implications

1 Introduction

The Institute of Internal Auditors (IIA) has recently issued the revised International Professional Practices Framework (IPPF), which includes the new Global Internal Audit Standards. The new standards aim to enhance the quality, consistency, and professionalism of internal audit practices across the world. They also reflect the evolving role and expectations of internal auditors in the dynamic and complex business environment.

The standards underpin the UK Public Sector Internal Audit Standards (PSIAS) which are mandated by CIPFA for local government bodies in the UK, alongside other Relevant Internal Audit Standard Setters for the UK public sector.

2 Key changes

The new standards introduce several changes to the existing framework, such as:

- A new mission statement for the internal audit profession: "To enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight."
- A new set of core principles for the professional practice of internal auditing, which describe the characteristics of an effective internal audit function.
- A new definition of internal audit: "Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes."
- A revised Code of Ethics, which clarifies the principles and rules of conduct for internal auditors.
- A revised Standard 1000 on the purpose, authority, and responsibility of the internal audit activity, which emphasizes the alignment with the organization's strategic objectives and the need for a risk-based audit plan.
- A revised Standard 2000 on managing the internal audit activity, which requires the chief audit executive (CAE) to establish and maintain a quality assurance and improvement program (QAIP) and to communicate the results to senior management and the board.
- A revised Standard 2600 on communicating the acceptance of risks, which requires the CAE to report to senior management and the board on the organization's significant risk exposures and control issues.
- A new Standard 1130.A3 on impairments to independence or objectivity, which requires the CAE to disclose and mitigate any impairments that may affect the internal audit activity's ability to perform its work objectively.
- A new Standard 2060 on reporting to senior management and the board, which requires the CAE to report periodically on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan, as well as on its conformance with the Code of Ethics and the Standards.
- A new Standard 2120.A1 on risk management, which requires the internal audit activity to evaluate the effectiveness and contribute to the improvement of the organization's risk management processes.
- A new Standard 2210.A3 on engagement objectives, which requires the internal audit activity to consider the probability of significant errors, fraud, noncompliance, and other exposures when developing the engagement objectives.

- A new Standard 2450 on overall opinions, which requires the CAE to deliver an annual opinion on the adequacy and effectiveness of the organization's governance, risk management, and control processes.

3 Implications

The new standards have significant implications for the internal audit profession and the organizations that rely on its services. They require the internal audit activity to:

- Align its activities with the organization's strategic objectives and risk appetite.
- Demonstrate its value and impact by providing assurance, advice, and insight on the organization's governance, risk management, and control processes.
- Enhance its professionalism and credibility by adhering to the Code of Ethics and the Standards, and by maintaining a QAIP.
- Communicate effectively and transparently with senior management and the board on the internal audit activity's performance, results, and conformance.
- Collaborate and coordinate with other assurance and consulting providers to ensure a comprehensive and holistic coverage of the organization's risks and controls.

4 Conclusion

The new Global Internal Audit Standards represent a significant milestone for the internal audit profession and the organizations that it serves. They provide a clear and consistent framework for the practice of internal auditing and reflect the current and future challenges and opportunities that internal auditors face. They also reinforce the internal audit activity's role as a trusted advisor and a catalyst for positive change in the organization.