

External Quality Assessment (EQA) Action plan

Area	Recommended action	Response	Action status as at April 2025
Resources	<p>R1 Internal Audit Charter</p> <p>The Internal Audit Charter will need to be revised to meet the new requirements of the Global Internal Audit Standards, consequently take the opportunity to consider the value of including a statement to align the continuous development of successive internal audit plans with the provision of an annual opinion reflecting reliance on previous years internal audit work, the changing risk environment and the longer-term assurance needs of each client within perhaps a three-year planning horizon.</p> <p>Forming an independent assurance opinion in this way is aligned to later comments relating to development of a comprehensive Audit Universe in which sources of assurance are appropriately mapped and as a result designed to support the Governance Statement.</p>	<p>The Internal Audit Charter is reviewed and updated annually and has been fully reviewed and amended to align with the Global Internal Audit Standards for April 2025.</p> <p>As North Northamptonshire Council was first formed in April 2021, it has taken time to reach a position where the Chief Internal Auditor is able to reflect on successive internal audit plans and assurances. It is considered that, following four financial years, it would now be appropriate to be able to reference this in the Internal Audit Charter.</p>	<p>Revised Internal Audit Charter and Mandate produced for approval by Audit Committee in April 2025.</p> <p>Complete</p>
Resources	<p>R2 Quality Assurance and Improvement Plan (QAIP)</p> <p>Consider:</p> <p>a) Introducing a formal QAIP policy outlining the processes which support the statement in the Internal Audit Charter,</p> <p>b) Introducing a more detailed statement in the Head of Internal Audit Annual Report in which:</p>	<p>A QAIP policy or protocol will be produced and adopted, to support the revised Charter.</p>	<p>Underway – to adopt by June 2025.</p> <p>Annual report to be</p>

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	<ul style="list-style-type: none"> - Confirmation that all measures contained in the process have been completed, - Performance data is continued to be summarised along with client feedback, and - How any significant deviations or development needs that have been identified will be resolved. <p>This will include any revision of the services provided to comply with GIAS.</p>	<p>The 2024/25 annual report and opinion will include confirmation of compliance with the service's protocols and manual; performance data and any development needs highlighted in the QAIP. These areas have been included in previous annual reports and will be expanded upon in the 2024/25 report.</p>	<p>presented to Audit Committee in July 2025, in accordance with established practice.</p>
Competency	<p>Audit universe</p> <p>Whilst it is recognised that the maturity of client risk management processes is variable, it would be beneficial to increasingly align development of the internal audit planning system with each Councils risk management processes in order to ensure that resources were consistently focused on areas where assurance is required regarding the operation of policies, procedures and controls that mitigate the significant risks to which each Council is exposed at an inherent level.</p> <p>Global Internal Audit Standards anticipate alignment of risk registers with the internal audit universe.</p>	<p>The Chief Internal Auditor will work with the Council to build upon existing audit plan development processes, to ensure alignment with risk registers and support assurance mapping.</p>	<p>Audit planning for 2026/27 – March 2026</p>
Competency	<p>Governance</p> <p>In Local Government, each Council establishes a Code of Governance in accordance with CIPFA SOLACE – it would be beneficial to further map internal audit activity to the content of the Code within the Internal Audit Planning process in order to provide assurance at a level across all aspects of the Local Code of Governance within a defined planning period. This would contribute</p>	<p>The value of the Code of Corporate Governance, particularly in informing assurance work, had been raised by the Chief Internal Auditor during 2024/25 and this is a</p>	<p>To incorporate and document a review of the Code of Corporate Governance as part of the audit planning</p>

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	<p>directly to the Annual Governance Statement through the assurance opinion in the Head of Internal Audit Annual Report.</p> <p>Consider also extending the explanation regarding the internal auditor's responsibility regarding assurance on Governance processes in the introduction of the IAC to define how the opinion is derived in practice.</p>	<p>timely recommendation to support further alignment with this Code.</p>	<p>process for 2026/27 – March 2026.</p>
Competency	<p>Assurance mapping</p> <p>Consider developing the internal audit methodology by formally documenting the sources of assurance available to internal audit within each engagement as part of routine planning processes at a strategic and engagement level. Assurances maybe both internal and external.</p> <p>Use the accumulated knowledge gained to support the Annual Assurance opinion in the Head of Internal Audit's Annual Report as is required by GIAS.</p>	<p>Sources of assurance are already captured within the template Assignment Planning Record (APR) for every audit assignment. The Chief Internal Auditor will look to expand this through ensuring key assurances on the Council's strategic risks are captured within the annual report and opinion.</p>	<p>Annual report for 2025/26 – June 2026</p>
Competency	<p>Management objectives</p> <p>Consider reviewing the terminology used within the APR to reflect Management's Objectives within the area for review. Consequently, base identification and discussion of risks in relating to the achievement of the agreed objectives.</p> <p>Consider introducing a 'Heat Map' process to then determine which are significant risks (as defined within the clients Risk Impact and Likelihood gradings) to agree those which will become the scope of the review, rather than extend the audit to a wider range of control areas.</p>	<p>Every APR template already begins with the 'Objectives of the area' which is expected to capture the objective of the service area management, to then inform the risks for coverage. This can be re-titled 'Management's objectives' and the team will reflect on how this is informed. The Audit Manual will</p>	<p>Audit manual updates by July 2025</p>

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	<p>In each area to be reviewed, identify actual controls and the existing assurances that are available, this will assist in the development of assurance mapping and support the Annual opinion.</p>	<p>be expanded to ensure discussions taking place around risks in the planning meeting align with the Council's risk management terms and approach.</p> <p>The APR template already lists sources of assurance and controls for every risk.</p>	
Competency	<p>Grading of recommendations</p> <p>It would be beneficial to align future recognition of significance at planning and reporting stages and particularly regarding the grading of recommendations, with those impact definitions used within each Council's risk management process.</p> <p>This would assist in both agreeing the specific risk focus of each engagement as well in assessing the relative importance of findings at the exit meeting, grading recommendations and in providing an opinion within assurance reports.</p> <p>Significance may however need to consider the most appropriate risk category, as financial risk will not always be the critical consideration. Recognition of significance is enhanced within GIAS expectations and therefore formal recognition that matters of a very High and High (in a 5x5 matrix as above) will be beneficial in demonstrating future compliance.</p>	<p>In reviewing the Internal Audit Manual, consideration will be given to the definition of the recommendation gradings to align with the risk management framework.</p>	<p>Audit Manual review to be completed by July 2025.</p>

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Delivery	<p>Release of draft and final reports</p> <p>Consideration should be given to documenting the process for approval of a draft/final report in the Internal Audit Manual where significant risk or negative assurance opinions are to be reported.</p> <p>In addition, document the protocol for release of reports in the absence of the CAE. All reports should be issued in the name of the CAE and not the Author.</p> <p>Although not specially referred to in PSIAS or GIAS, we believe it is implied and recognises the status of the assurance opinion being provided.</p>	<p>Under the existing Audit Manual, every audit report is reviewed and approved by the Chief Internal Auditor before issuing. The Audit Manual will be reviewed in light of the Global Internal Audit Standards and coverage on audit report review will be updated accordingly.</p> <p>A statement can be added around review of reports in the absence of the Chief Internal Auditor, to support resilience of the service delivery.</p> <p>The report template can be amended to include the Chief Internal Auditor's approval.</p>	<p>Audit Manual review to be completed by July 2025.</p> <p>As above.</p> <p>Report template amended to include Chief Internal Auditor's name. Complete.</p>
Delivery	<p>Risk management opinion</p> <p>It would be beneficial to support the opinion by adding further clarification in the either the IAC and the Annual Report as to how in practice this is achieved, thereby also demonstrating the independence of the CAE, where appropriate.</p>	<p>The annual report already reflects on assurances over risk management, including the rolling risk reviews introduced in 2022/2023. This will be expanded further in future reports.</p>	<p>Annual report to be presented to Audit Committee in June 2025, in accordance with established practice.</p>

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Delivery	<p>HOIA annual report</p> <p>In practice the opinion is based upon a much broader knowledge of the client, gained through previous years programmes and that gained within and provided for within the continuous internal planning cycle, including discussions with management and reference to risk management processes.</p> <p>It would be good practice to support the comprehensive assurance opinion in relation to risk management, governance and control with broader reference to significant risks and other sources of assurance that are available (both internal and external), and, including reference to those within the risk management process which will have been subject to audit through any future assurance mapping objectives.</p> <p>In this form, the opinion would also better align with the required content of the Governance Statement in which significant risks are stated, and regarding which the CAE can address any concerns where the management response may be insufficient.</p> <p>Planning for continuous assurance over a defined period rather than on the basis of a single years' plan was reflected in R1.</p>	<p>In future annual reports, reference will be made specifically to the Council's key strategic risks and assurances relating to these.</p>	<p>Annual report to be presented to Audit and Governance Committee in June 2025, in accordance with established practice.</p>