

## Timeframes for the implementation of the Global Internal Audit Standards (GIAS) and the Application Note, GIAS in the UK Public Sector

### Changes impacting on your internal audit service

This briefing will help heads of internal audit and members of the audit management team understand the changes to internal audit standards and the transition your team will be making at various points during the next year.

### What's changing and when?

From 1 April 2025 internal audit teams in the public sector will be working to new internal audit standards. These will be a combination of the Global Internal Audit Standards (GIAS) and the [Application Note, Global Internal Audit Standards in the UK Public Sector](#). The consultation on the Application Note closed at the end of October, and the final version is [now available](#). For local government bodies the Code of Practice on the Governance of Internal Audit should be used to guide interpretation of the essential conditions in Domain III. The consultation closed at the end of November and the final version will be published in January.

The 1 April is the effective date for the new standards. Internal audit teams will not be expected to demonstrate full conformance on this date. They must work in accordance with the new standards from this date and by doing so they will build up their conformance.

### How significant a change is this?

It is a significant change that will mean internal audit teams must update their charter and audit manual to reflect the new standards. They will also need to provide training to team members. They will need to review their working practices to make sure they comply with the standards or have an action plan to achieve that compliance.

While much of the day-to-day practice of undertaking audit engagements will not change, the team will need to make sure those engagements fulfil the new standards. Reports, plans and charters will need to be updated to reflect the standards.

### Do the standards expect more from the team?

An internal audit team that fully conforms with the current standards (the Public Sector Internal Audit Standards or PSIAS) should have most of the practices it needs. There are some additional requirements, and the Application Note should help with those. But time will still be needed to make the transition and build familiarity.

## Timetable for the implementation of the new standards:

The timetable, detailed below, is for audit teams. Depending on the extent to which your audit committee and senior management can meet the Code, there might need to be actions for them too. CIPFA will provide more support on this aspect of transition when the final version of the Code of Practice is published in January.

When planning the transition to the new standards, the following table flags key steps to take. Some changes need to be put in place ready for 1 April, others will be implemented during the year

or at the year end. Its focus is on new requirements or key changes rather than covering every audit task.

Some steps will be one-off tasks, such as updating methodologies / audit manuals. Others will be iterative or responsive to changing circumstances, for example audit planning or considerations of resourcing.

At this point, reference to the Code of Practice for the Governance of Internal Audit in UK Local Government (The Code) are to the draft code.

Key tasks to be carried out as soon as possible:

<b>Key Tasks</b>	<b>More detail on requirement</b>
Communicate the new standards and the changes to your audit committee, senior management, and audit teams	<p>The audit committee and the senior management team (SMT) need to have:</p> <ul style="list-style-type: none"> <li>• A general understanding of the new audit standards and what is required.</li> <li>• Internal audit's transition plans and any concerns.</li> <li>• A more detailed focus on Domain III essential conditions or the CIPFA Code of Practice.</li> </ul>
Training (Application Note & GIAS)	<p>Produce a training log for IA team.</p> <ul style="list-style-type: none"> <li>• Hold briefings with the team.</li> <li>• Assign all internal auditors the task of familiarisation of Domains I, II and V.</li> </ul> <p>See also * below for more details on training.</p>
Audit Mandate and Charter (Principle 6 & CIPFA Code 1.2)	<p>Discuss the audit mandate and charter with SMT - to include what SMT expectations are which should be considered for inclusion in the charter.</p> <p>Gain formal approval for the new Mandate and Charter from the audit committee before or soon after 1 April.</p>

Get ready for the implementation date of 01 April 2025:

<b>Key Tasks</b>	<b>More detail on requirement</b>
Audit methodologies and working practices (Principle 9)	<p>The chief audit executive's (CAE) documentation of the methodologies (policies, processes, and procedures) to guide and direct internal auditors within the internal audit function)</p>

Update staff performance assessment  (Principles 1,4,9 &11)	In-line with training requirements to evidence staff displayed the competencies required by the standards
Update Post Audit Client Questionnaire  (Principles 1,4,9 & 11.2)	In line with training requirements to evidence staff displayed the competencies required by the standards. Share new format with teams carrying out the audit.
(New) Internal Audit Strategy approval from Audit Committee  (Principle 9)	GIAS Standard 9.2 requires an internal audit strategy. This is new, but the service should be able to build on the existing requirement in PSIAS (2010 Planning) for a strategic statement of how the service will be delivered and developed.
Audit Planning process  (Principle 9 Plan Strategically)	Discuss priorities with senior management and agree your audit plan prior to taking it to your audit committee. Build on your existing planning processes to include any new requirements in Principle 9.
Resources  (Principle 8 and Code)	Discuss internal audit resource requirements with the Audit Committee/ senior management
Audit Plan  (Principle 9)	CAE must create an Internal Audit Plan that supports the achievement of the organisation's objectives which must be approved by the audit committee during Q1 meeting. Many teams already demonstrate that link.

### First Quarter of 2025/26:

Key Tasks	More detail on requirement
Audit Charter/ Audit Mandate (New) and get Audit Committee approval  (Principle 6 and Code)	The CAE has a responsibility to prepare a charter that conforms with GIAS (UK public sector). When reviewing the charter, the audit committee should be satisfied that it covers the governance arrangements for internal audit. It must include the mandate derived from the regulations, plus any additional agreed mandate, and include internal audit's reporting line to the audit committee.
Independence  (Principle 7 and Code)	Discuss any impairments of independence at the start of the year and update the audit committee should that change throughout the year
Coordination and reliance - assurance providers  (Principle 9 and Application Note)	Identification of other assurance providers where internal audit will be relying on their work to provide assurance. (If cannot do this must discuss with Audit Committee and SMT)

<p>Agree performance objectives for internal audit (follows on from strategy and plan)</p> <p>(Principle 8)</p>	<p>Discuss with Audit Committee the quality assurance and improvement program as well as the internal audit function's performance objectives at least annually.</p>
<p>Update the engagement report template</p> <p>(Principles 11 &amp; 15)</p>	<p>To include details such as the root cause analysis as well as new requirements from 2025 -</p> <ul style="list-style-type: none"> <li>• Final communication must include person responsible for addressing findings and the dates actions should be completed</li> <li>• All actions completed during the reporting process must be updated to show completed.</li> </ul>

#### Work that needs to take place throughout 2025/26

<b>Key Tasks</b>	<b>More detail on requirement</b>
<p>Quality Assessment</p> <p>(Application note, Principle 12, and Code 3.3)</p>	<p>CAE to produce an assessment of conformance against GIAS (UK Public Sector)</p> <p>There should be some monitoring during the year from the Audit Committee. At the end of the year, a formal review of the annual report/ annual conclusion.</p>
<p>Training</p>	<p>See * Training that needs to be delivered throughout the year below.</p>
<p>CAE to review all final communications before it is issued (this can be delegated as detailed in 11.3)</p>	<p>Internal auditors must ensure the final communication is reviewed and approved by the chief audit executive (or suitable delegated management) before it is issued.</p>
<p>Supervision of engagements and quality monitoring</p> <p>(Principle 12)</p>	<p>Staff to carry out audit work and report on findings. Audit Management to ensure that the engagements are carried out in line with the GIAS. This is likely to be a similar process to what already happens.</p>
<p>Report on progress of audit plan to the audit committee periodically. Also detailing whether there are adequate resources to deliver the plan</p> <p>(Code, Application Note, Principle 8)</p>	<p>Communicate progress of audit plan and changes to the audit committee as well as whether there are adequate resources to deliver the plan in line with Principle 8 of the GIAS.</p>

Independence (Principle 7 and Code)	Discuss impairments of independence at the start of the year and update the audit committee should that change during the year
Audit committee support (Principle 6)	If you do not already do so, schedule periodic private meetings with the audit committee.

### Work that needs to take place at year end/ April 2026

Key Tasks	More detail on requirement
Quality Assessment Quality Improvement Program  (Application Note, Code & Principles 8 &12)	Application note: The chief audit executive must also report annually on the results of quality assessment carried out under GIAS 12.1 (Internal Quality Assessment), including progress against action plans to address instances of non-conformance.  Discuss results from Quality improvement program with Audit Committee
Annual Conclusion  (Code, Application note and Principle 11)	Annual Conclusion on governance, risk management and control  Application note: The requirement for an overall conclusion must also inform planning carried out under GIAS 9.4 (Internal Audit Plan). The requirement for an annual conclusion does not imply that planning needs to follow an annual cycle, but where planning is carried out in other timeframes it must still be clear to senior management and the board that this supports an annual conclusion.
Report on final progress of audit plan to AC at year end  (Code, Standard 8)	Communicate progress of audit plan and changes with AC as well as whether there are adequate resources to deliver the plan.  This will feed into the audit strategy and planning for 2026/27 onwards.

### (\* ) Training that needs to be delivered throughout the year:

Although a lot of the methodologies within the GIAS remain the same, training is a common theme throughout. The accompanying guidance does not detail the frequency but does detail how it can be evidenced within training plans, therefore we would interpret that it is an annual exercise and would suggest that as the new standards are being implemented the training is provided as early in the year as possible. Training can involve reading periodicals, training materials and the relevant audit standards. As well as attending training/ CPD events. It could also be from updates/ presentations held within team meetings. However you decide to conduct your team's training, ensure it can be evidenced on the training log.

Below is a list of all the areas that the GIAS suggests as specific training for Internal Auditors.

- 1.1 Honesty and Professional Courage
- 1.3 Legal and Ethical Behaviour
- 2.1 Individual Objectivity
- 2.2 Safeguarding Objectivity
- 3.1 Competency
- 3.2 CPD
- 4.2 Due Professional Care
- 4.3 Professional Scepticism
- 5.1 Maintain confidentiality
- 9.1 Understanding Governance, Risk management and Control processes
- 9.3 Methodologies
- 11.2 Effective Communications

## Queries

If you have any questions about the application of the GIAS or the Application Note, GIAS in the Public Sector or the CIPFA Code, please contact:

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[CIPFA Better Governance Forum](#)

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