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SUBMITTED TO: AUDIT COMMITTEE – 16 OCTOBER 2026

**SUBJECT: GLOBAL INTERNAL AUDIT STANDARDS – ESSENTIAL CONDITIONS
DOCUMENT**

Summary

1. The report attached is Global Internal Audit Standards – Essential Conditions Document.

Recommendation

1. The Audit Committee is requested to consider the attached report.



Suffolk Police and the
Office of the Police
and Crime
Commissioner for
Suffolk

Internal Audit Standards - Essential Conditions

September 2026

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Global Internal Audit Standards in the UK Public Sector

Global Internal Audit Standards in the UK Public Sector requirements

The Global Internal Audit Standards (GIAS) in the UK Public Sector encompass:

- The global Institute of Internal Auditors (IIA) Global Internal Audit Standards effective from January 2025
- The Internal Audit Standards Advisory Board (IASAB) Application Note Global Internal Audit Standards in the UK Public Sector effective from 1 April 2025.

As the activities of the Audit Committee, acting on behalf of the Police and Crime Commissioner (PCC) and Chief Constable (CC), together with senior management, are essential to the Internal Audit function's ability to fulfil the Purpose of Internal Auditing, we have set out on the following pages the respective responsibilities of each party together with our assessment of conformance with the specific requirements of Domain III.

Action: The Audit Committee is asked to note the conformance assessment and recommend its acceptance to the CC and the PCC, where appropriate.



Global Internal Audit Standards requirements

Whilst the Chief Audit Executive (CAE) is responsible for the requirements of Domain III, activities of the board and senior management are essential to the Internal Audit function's ability to fulfil the Purpose of Internal Auditing. These activities are identified as 'essential conditions' and establish the necessary foundation for an effective dialogue between the board, senior management and the CAE, ultimately enabling an effective Internal Audit function.

The GIAS refer to the 'board' as the highest-level body charged with governance. Within Suffolk Police and the Office of the Police and Crime Commissioner (OPCC), governance responsibilities rest with the PCC and CC. For the purposes of Internal Audit oversight, these responsibilities are discharged through the Audit Committee, which acts on their behalf.

The GIAS also refer to the '**chief audit executive**' as the 'leadership role responsible for effectively managing all aspects of the internal audit function and ensuring the quality performance of internal audit services. For Suffolk Constabulary and the Office of the Police and Crime Commissioner for Suffolk ('the Force and OPCC') this is the BDO-assigned director acting as the **Head of Internal Audit (HoIA)**.

The HoIA must meet regularly with the Audit Committee and senior management to discuss:

- ▶ The purpose of internal auditing
- ▶ The 'essential conditions' to enable an effective Internal Audit function
- ▶ The potential impact on the effectiveness of the Internal Audit function if the Audit Committee or senior management does not provide the expected levels of support.

Whilst responsibility for governance rests with the PCC and CC, the Audit Committee provides independent oversight and scrutiny of Internal Audit arrangements on their behalf. The Audit Committee reviews and scrutinises the Internal Audit Charter and Annual Plan, including the Internal Audit mandate, and makes recommendations as appropriate. Senior management's perspective supports the positioning and authority of the Internal Audit function. The nature and frequency of these discussions depend on the circumstances and any changes within the organisation.

Set out below and on the next page are the nine 'essential conditions.'



Internal Audit Mandate

Requirement: CAE to provide board and management with the information necessary to establish an Internal Audit mandate to determine Internal Audit's authority and role and responsibilities. CAE must assess whether changes in circumstance justify a discussion with the board and management about the mandate.

Board: Discuss with CAE and management the appropriate authority, role and responsibilities for the Internal Audit function.

Management: Participate in discussions with the board and CAE on the Internal Audit mandate. Support the mandate throughout the organisation and promote Internal Audit's authority.

Internal audit Charter

Requirement: CAE to develop and maintain an Internal Audit charter, outlining the purpose of internal auditing, commitment to the GIAS, Internal Audit mandate, types of service provided and the board's responsibilities and expectations regarding management's support for Internal Audit. CAE to review and update the charter periodically in consultation with the board and management.

Board: Engage in discussions regarding the charter and consider other topics to be included to enable an effective Internal Audit function. Approve the charter.

Management: Communicate with the board and CAE about management's expectations that should be considered for inclusion in the charter.

Board and senior management support

Requirement: CAE to provide board and management with the information needed to support and promote recognition of the Internal Audit function throughout the organisation.

Board: Champion the Internal Audit function, ensure unrestricted access to information, support the CAE through regular, direct communications, demonstrate support by requiring CAE be suitably positioned to fulfil the Internal Audit mandate, approve the plan, budget and resource plan, understand any restrictions placed on scope, meet with CAE without management present.

Management: support recognition of the Internal Audit function and allow unrestricted access to people and information.

Global Internal Audit Standards requirements (continued)

Independence

Requirement: CAE confirm to the board the independence of the Internal Audit function annually and any incidents where independence may have been breached. CAE must discuss with board and management any potential impairment to independence.

Board: Establish a direct reporting relationship with CAE, authorise their appointment / removal, provide opportunities for CAE to discuss sensitive matters without management, position CAE at a level they can operate without management interference.

Management: Position IA at a level in organisation that enables it to perform without interference and recognise CAE's direct reporting line to the board.

CAE qualifications

Requirement: CAE must help the board understand the qualifications and competencies necessary to manage Internal Audit. CAE must maintain and enhance qualifications and competencies necessary to fulfil responsibilities.

Board: Review the requirements necessary for CAE to manage Internal Audit. Approve the CAE role and identify necessary qualifications, experience and competencies required to fulfil responsibilities. Engage with management to appoint CAE with requirement qualifications and competencies.

Management: Engage with board to determine the CAE's qualifications, experience and competencies.

Board interaction

Requirement: CAE provides board with information needed to conduct oversight of the Internal Audit function. CAE escalates significant issues to the board when disagreements with management arise.

Board: Communicate with the CAE to understand how Internal Audit's activities fulfil its mandate, communicate the board's perspective on the organisation's strategies, objectives and risks, establish clear processes for escalating issues and support the CAE to resolve disputes with management.

Management: Share perspectives on strategies, objectives and risks to assist with determining priorities, establish escalations processes with the board.

Resources

Requirement: CAE to evaluate whether resources are sufficient to fulfil Internal Audit's mandate and achieve the Internal Audit plan.

Board: Collaborate with management to provide Internal Audit with sufficient resources, discuss resource with the CAE at least annually, consider the impact of insufficient resources and address any insufficiencies.

Management: Engage with board to provide sufficient resources to fulfil IA mandate and address any identified resource insufficiencies.

Quality

Requirement: CAE must develop, implement, and maintain a quality assurance and improvement programme (QAIP), conducting internal and external assessments and reporting results annually to the board and management.

Board: Discuss the QAIP with the CAE, approve the function's performance objectives, assess the function's effectiveness and efficiency of the Internal Audit function.

Management: Provide input on Internal Audit's performance objectives and participate in the annual assessment.

External Quality Assessment (EQA)

Requirement: CAE must develop a plan for an EQA at least every five years, ensuring that at least one person of the assessment team is suitably qualified.

Board: Review and approve CAE's EQA plan including scope / frequency of EQA, review results directly from the assessor, and approve action plans for addressing gaps.

Management: Collaborate with the board and CAE on the EQA and action plans.

Global Internal Audit Standards requirements conformance

Essential conditions evaluation

We have set out on the following pages our detailed assessment of conformance with the essential conditions for an effective Internal Audit function within the Constabulary and OPCC. This assessment is for consideration and discussion with senior management and the Audit Committee acting on behalf of the PCC and CC.

If either the Audit Committee or senior management disagrees with one or more of these essential conditions, and our assessment of the conformance, these should be discussed, with consideration for how the absence of the condition(s) may affect the Internal Audit function's ability to fulfil its purpose or conform with specific standards.

Where we are not fully conforming, we should either:

- ▶ Agree alternatives to the essential conditions to achieve the same results; or
- ▶ Reach agreement with the Audit Committee and senior management that one or more of the essential conditions are not necessary to conform with the Standards.

In such instances, the HoIA must document:

- ▶ The reasons for agreeing that a particular condition is unnecessary.
- ▶ Alternative conditions that compensate for the absent conditions, to support the judgments of the board and senior management.

If the HoIA does not agree with the Audit Committee's and/or senior management's reasons for not performing one or more of the conditions, the HoIA may conclude that the Internal Audit function cannot conform with the Standards. In such cases, the HoIA should document the reasons why the Audit Committee and/or senior management will not perform the essential conditions. This documentation should be shared with the Audit Committee and senior management to ensure clarity regarding their positions and made available to an external quality assessor.

Overview of assessment

In the assessment that follows we have recommended that the internal audit services is **fully conforming with eight out of the nine essential conditions and is generally conforming with one.**

The essential condition that is generally met relates to Standard 8.4 External Quality Assessment. This standard requires the CAE to develop a plan for an EQA and discuss the plan with the board. At BDO we have an EQA performed every five years, as required by the standards, however this is across all outsourced internal audit services that we provide to all our clients. For this reason, we do not meet all of the essential conditions that support conformance with this standard which require board approval of:

- The scope and frequency of assessments
- The competencies of the external assessor or assessment team
- The rationale for choosing to conduct a self-assessment with independent validation instead of an EQA (if applicable)
- The CAE's action plan to address identified deficiencies and opportunities for improvement (if applicable).

As a suggested alternative we will provide the Audit Committee, PCC, CC and senior management with a briefing on the scope, competencies of the team, and a summary report providing the outcome of the EQA assessment and any associated action plan.

Recommendation for approval

We recommend the Audit Committee note the conformance assessment and endorse the alternative condition in relation to Standard 8.4 on behalf of the PCC and CC.

Global Internal Audit Standards requirements conformance (continued)

Essential condition	Status	Commentary
Internal audit mandate	✓	▶ The internal audit mandate is defined by the IIA as the function's authority, role, and responsibilities, which may be granted by the board and/or laws and regulations. BDO has defined the mandate in the Internal Audit Charter that will be reviewed annually to confirm it is up to date and an accurate reflection of practice. This was included within the Annual Internal Audit Plan which was reviewed and scrutinised by the Audit Committee on behalf of the PCC and CC. ▶ Internal audit's mandate is: ○ Authority: the Internal Audit team has direct access to the Chair of the Audit Committee and attends all Audit Committee meetings. The Internal Audit team met with the Audit Committee Chair in the internal audit contract onboarding process and will meet annually as part of the planning process each year. The HoIA and Internal Audit team meet regularly with key senior officers from both the Force and OPCC, including finance leadership, to discuss strategy, risk, governance and the Internal Audit programme. ○ Role: the HoIA and Internal Audit team do not have responsibilities outside of the scope of internal audit. ○ Responsibilities: the Internal Audit function is responsible for the performance of internal audit services and conforming with the IIA International Professional Practices Framework which include the GIAS. ▶ During the development of the Internal Audit Strategy and Internal Audit Plan, the Internal Audit team met with the Chief Finance Officers (CFOs) of the Constabulary and OPCC to discuss the role, responsibility and authority of the Internal Audit function. ▶ In developing our Internal Audit Strategy and Audit Plan, we take into account the importance of securing value for money in the public sector. ▶ As part of individual assignment scoping meetings, we set out the purpose of Internal Audit, our role, authority and responsibilities to ensure there is no disparity on the service we can provide. ▶ All our Internal Audit reports include our conformance with the GIAS in the UK Public Sector.
Internal audit charter	✓	▶ The Internal Audit Charter was approved within the Internal Audit Plan. This set out the purpose of internal auditing, our commitment to conformance with the GIAS in the UK Public Sector and our authority, position and reporting lines within Suffolk Police and the OPCC.



Full conformance



Generally conforms



Partial conformance



Non conformance

Global Internal Audit Standards requirements conformance (continued)

Essential condition	Status	Commentary
Board and senior manager support	✓	▶ The Internal Audit team will meet at least annually with the Audit Committee Chair outside of Audit Committee meetings. The Internal Audit team will also meet quarterly with the CFOs of the Constabulary and the OPCC. This allows direct interaction on the level of support for the Internal Audit function and whether any restrictions have been imposed in terms of the scope, access or authority of the function. ▶ The Audit Committee and senior management are involved in risk assurance mapping activity. ▶ Senior officers and senior management from both the Force and OPCC were actively engaged in developing the risk assessment and Internal Audit Plan.
Independence	✓	▶ The Internal Audit function maintains independence in multiple ways. As a function, we are ultimately responsible to the Audit Committee, on behalf of the PCC and CC, and have a direct reporting line to the Audit Committee Chair. In line with this, we will have annual meetings with the Audit Committee Chair, independent from management, which would allow any concerns to be shared freely. In a similar fashion, the Chair can also reach out to us at any point during the year. ▶ Should we identify any potential conflicts arising during the delivery of our Internal Audit services we would discuss the potential conflict with management and the Audit Committee Chair at the time to agree the appropriate actions required. This would also be communicated at the next Audit Committee meeting for transparency. Within our Annual report, we will confirm whether we have undertaken any work or activity during the year that would lead us to declare any conflict of interests. This will also be reported annually in our Internal Audit Annual Reports. ▶ Our internal risk management procedures include specific conflict checks in relation to the clients/projects which are flagged to the Internal Audit team so that these can be considered for potential conflicts and discussed with senior management and the Audit Committee, on behalf of the PCC and CC, if required. ▶ In addition, our public sector auditors are aware that they are also required to comply with the Seven Principles of Public Life (the 'Nolan Principles'), being Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership.
CAE qualifications	✓	▶ It is our policy that staff engaged in the provision of a specialist service be qualified in the relevant professional discipline. In Internal Audit, staff are qualified or are studying for the exams of the Chartered Institute of Internal Auditors or through an accountancy body. ▶ All professionally qualified staff are required by the firm to complete a minimum of 40 hours of continuous professional development (CPD) annually, as well as meeting the specific requirements of the professional body of which they are a member. ▶ Information regarding the qualifications, training and development of the Internal Audit function, was provided to the Audit Committee as part the Internal Audit Plan. ▶ The Audit Committee and senior management contribute to the determination of the qualifications, experience and competencies required of the HoIA through procurement and appointment arrangements and competencies through the specification and selection processes when tendering for the Internal Audit service. ▶ In the UK public sector, the HoIA must have a CMIIA or CCAB qualification or equivalent professional qualification which includes training on the practice of internal audit, and suitable internal audit experience. We confirm that Suffolk Police and the OPCC's HoIA conforms with this requirement.



Full conformance



Generally conforms



Partial conformance



Non conformance

Global Internal Audit Standards requirements conformance (continued)

Essential condition	Status	Commentary
Board interaction	✓	▶ The HoIA will provide the Audit Committee with the information it needs to conduct its oversight responsibilities. This includes the provision of: ○ The Internal Audit Plan, including the number of assigned audit days, and subsequent significant revisions to the plan (if applicable) ○ Changes potentially affecting the mandate or charter ○ Results of internal audits, including conclusions, themes, assurance, advice, insights, and monitoring results ○ Results from feedback surveys received in relation to the performance of the internal audits, as part of the Key Performance Indicators (KPIs) included in our Progress Reports and Annual Reports. ▶ The Audit Committee and senior management communicate their perspectives on strategic objectives, governance, risk and control through Audit Committee meetings, risk reporting, governance arrangements and routine engagement with Internal Audit. ▶ The Internal Audit team attends every Audit Committee meeting and presents the findings of each internal audit assignment. The Audit Committee members can ask questions of the Internal Audit team and senior management on the content of the reports. ▶ The Internal Audit team involves both the Audit Committee and senior management in determining the scope of the annual Internal Audit Plan to ensure to it is addressing key assurance needs and concerns.
Resources	✓	▶ We discussed the Internal Audit plan with senior management and the Audit Committee, on behalf of the PCC and CC. We ensure there is enough time allocated to deliver individual reviews. ▶ The Audit Committee and senior management engaged with the HoIA regarding the sufficiency of Internal Audit resources and any potential limitations that may affect the delivery of the Internal Audit mandate. ▶ As part of the planning process the relevant skills, competencies and expertise that are required to deliver the plan and Internal Audit mandate were considered. Use of subject matter experts is factored into the overall resource and budget for the plan. The Internal Audit plan clearly articulates where we foresee the use of specialist resources. ▶ BDO continually invests in platforms and technologies to drive innovation, efficiency, and value for you. We have several tools to support the Internal Audit function and provide valuable insights, such as various data analytics packages, Culture and Governance maturity assessments.



Full conformance



Generally conforms



Partial conformance



Non conformance

Global Internal Audit Standards requirements conformance (continued)

Essential condition	Status	Commentary
Quality	✓	▶ We follow a clear and defined method of working, which is aligned to the GIAS. This ensures that all assignments and deliverables have undergone a thorough review and approval process. ▶ BDO's Risk Management Unit oversees our quality assurance policies, procedures, and review approach. Quality assurance is our highest priority and is integral to our Conduct of Professional Services Manual (CPSM). This includes the review and approval of work, quality and documentation requirements, and annual 'cold' and 'hot' reviews of partner and manager files. ▶ Performance measures are agreed with the Audit Committee and reported through regular Progress Reports. We will also report on our KPIs in our Annual Report. ▶ We seek regular feedback through our Listening Programme, client satisfaction surveys, formal effectiveness/feedback processes, and regular communication. ▶ Our staff undergo continuous training through recognised providers, and we share our experiences internally to enhance the quality of our work.
External quality assessment (EQA)	✓	▶ The global standards of the IIA require every Internal Audit function that aims to comply with its standards to be reviewed, externally, every five years. ▶ At BDO we recognise the importance of independent quality assurance and so submit our Internal Audit team to an EQA review every five years. In 2021 we engaged the Chartered Institute of Internal Auditors (CIIA) to carry out the EQA and, in summary, their conclusion was that BDO generally conforms to the International Professional Practices Framework (IPPF). This was the highest of the three gradings awarded by the CIIA at the time. We are committed to continuous improvement and agreed a Quality Assurance Improvement Programme with the CIIA to respond to the recommendations and suggestions raised through the EQA exercise. A copy of the EQA report is available on request. ▶ We are currently making arrangements for the next EQA to take place later this calendar year. We will ensure that at least one person in the independent assessor team has the characteristics outlined for the CAE qualification, including relevant CPD and an understanding of how the GIAS are applied in the UK public sector, as required by the IASAB's <i>Application Note Global Internal Audit Standards in the UK Public Sector</i>. ▶ The EQA of the BDO internal audit services is not specific to Suffolk Police and the OPCC and the scope covers all of our out-sourced internal audit clients. For this reason, we generally conform with Standard 8.4 External Quality Assessment which requires the CAE to discuss the plan for the EQA with the Board. We do not meet all of the essential conditions under this standard which require collaboration and Board approval of: ○ The scope and frequency of assessments ○ The competencies of the external assessor or assessment team ○ The rationale for choosing to conduct a self-assessment with independent validation instead of an EQA (if applicable) ○ The CAE's action plan to address identified deficiencies and opportunities for improvement (if applicable). Instead, we determine these internally. We will however keep the Audit Committee, acting on behalf of the PCC and CC, informed of the EQA arrangements and outcomes as appropriate.



Full conformance



Generally conforms



Partial conformance

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Non conformance

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