

Meeting: Internal Audit Sector Panel
Location: Virtual meeting
Date: 5 April 2023 – 10.30 AM

PRESENT

Lee Glover (Chair), Claire Pretty (Vice Chair), Tim Ahlborn, Fadeke Ayoola, Sophie Corbett, Neville de Spretter, Rebecca Hamilton, Kiryl Katushkin, Brooke Love, Sonia Shah, John Webb and Shamsul Zaman.

APOLOGIES

Sue Hibbert and Annabel Faulkner.

IN ATTENDANCE

Lloyd Powell (Strategic Engagement Lead, ACCA UK) and Pat Delbridge (Member Networks Manager, ACCA UK).

1 PANEL PRINCIPLES

The panel noted the Panel Principles document and the intention to use Slack as a channel for discussions outside of panel meetings.

2 NOTES OF PREVIOUS MEETING

The notes of the last meeting were agreed.

3 STRATEGIC ENGAGEMENT: UPDATE

Lloyd Powell – ACCA UK's Strategic Engagement Lead for Wales – described the work that his team does to ensure that ACCA's voice is heard across the UK market, and how vital it is for ACCA members to support that work by sharing their insights and participating in consultations. The team has relationships with senior stakeholders across the UK including politicians, ministers, other bodies, key employers, and members, and uses these to build ACCA's influence, reputation and profile on subjects that really matter. ACCA's work on Sarbanes-Oxley was briefly discussed.

4 MARKET INTELLIGENCE

Draft IIA IPPF

The Panel made some initial comments about the draft IIA IPPF as follows:

- The draft looks very similar to the existing IPPF with no fundamental shifts. It had been expected that it would move to a more principles-based methodology, but it appears to just be a re-vamp of the existing standards
 - It does provide a little more detail and clarity in some areas, and places more onus and responsibility on the Boards in relation to Internal Audit
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- It would benefit from guidance on how to utilise our softer skills more effectively in forming our Internal Audit reports where we are dealing with difficult clients or very negative opinions. Recent press reports have shown how negative ratings can cause unbearable pressure such as that experienced by the headteacher at Caversham primary school earlier this year
- For Chief Executives and Boards, the IPPF is not relevant – they see the IPPF as being the niceties about how you do some of the work but fundamentally when you are looking at Internal Audit and what it should be reporting on, that's not what we see coming out of the IPPF. Internal Audit's work should be about being predictive – considering what could prevent a company from achieving its objectives and goals and then helping Boards to figure out how to do things differently so that they can stay on track. However there is no inkling of this in the draft IPPF.

General:

- In the past month in Europe, the financial services regulators have been focusing on internal controls and as part of that, they are looking at the effectiveness of third line functions. Internal Audit as an industry is now getting some regulatory focus in financial services in Europe signalling an intent to place reliance on the work of Internal Audit.

5 SUPPORT FOR INTERNAL AUDITORS**WHAT IS INTERNAL AUDIT VIDEOS**

Four short videos featuring ACCA members talking about what Internal Audit is have been filmed and are in post-production. Once these have been published to ACCA's YouTube channel, the Panel will suggest how these assets can be used.

INTERNAL AUDIT HUB

Awareness of the hub is low amongst members. There will be a review of the hub to refresh and re-promote it as a resource for members working in Internal Audit.

INTERNAL AUDIT E-BULLETIN & WEBINARS

The Panel noted the articles that are planned for the next e-bulletin which will be published towards the end of April 2023.

The Panel was asked if an article about whether an IA function needs an external quality assessment (EQA) would be useful. The consensus was that it would be worthwhile to highlight the benefits of having an EQA, and post-meeting, Lee Glover has volunteered to write the article for the November edition of the e-bulletin.

6 NEXT MEETING

The date of the next Panel meeting has been left open for the time being.

7 CLOSE.