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Resourcing Internal Audit

(How to make the decision and alternative options)

- Needs analysis
- Options appraisal
- What to look for in a co-source partner

Careering through life

CIPFA & CIIA

- Conformance with PSIAS & IPPF

- Fully resourced teams
- Professionally competent
- In-house or outsourced

- Partnering has been effective

Expectations and Needs

- Expectations
- Situation
- Stakeholders
- Resources

Options appraisal

- In-house
- Shared services
- Co-sourcing:
  - additional skills
  - flex resources
  - specialist markets
- Outsourced

In-house models

- Better understanding of organisation
- Sharing info for better service
- Responsiveness
- Unified plan and methodology
- Retention of knowledge valuable to organisation

Shared services model

- Synergies from two or more organisations
- Complementary skill sets
- Deep knowledge of the sector
- Wider experience to offer to teams
- Flexibility in allocation of staff
- Efficiencies

Case Study

Internal Audit Shared Service for regulatory authorities and non-ministerial departments in Central Government

- Two levels of engagement:
  - sourcing internal audit together
  - sharing knowledge networking group
- Service level agreements
- Common accountability, KPIs, standards and reporting

Finding a co-source partner

- Accountancy firms
- Specialist internal audit firms
- Neighbouring organisations
- Stakeholders
- Wider organisation

£13 million - value of internal audit services provided by contractors
Source: NAO report "the effectiveness of internal audit in central government

Case study – CAA

Sourcing from the wider organisation

- 2 FTE plus
- 15 day secondments
- External co-source
- Blended expertise with internal knowledge of business

Case study – CAA continued

Challenges:

- Engagement
- Quality and consistency
- Independence and objectivity

What to look for in a co-source partner

- ~~Quality Assurance Systems~~?
- Existing experience of same organisation type/market
- How many internal auditors?
- How many qualified vs in-training?
- What specialist or complementary skills?

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