

Frequently Asked Question

Briefing from the Internal Audit Standards Advisory Board

Peer Review – Which checklist?

If you are a chief audit executive/head of internal audit about to undergo an external assessment, or carry out an external assessment, as part of a peer review process, which checklist should you use?

In which sector is your organisation?

Different sectors within the public sector may find that certain checklists are more relevant to them. It is worth stating at the outset that UK central government departments cannot use a peer review arrangement to carry out an external quality assessment¹.

There are various checklists that can be adapted for use in a peer review process. For example, the CIIA provide a checklist that is free to its members and can be downloaded as an adaptable Word document from its website (<https://iia.org.uk/our-services/external-quality-assessment/eqa-services/self-assessment-checklist/>). This checklist covers the IIA's Standards, Definition of Internal Auditing and the Code of Ethics.

For local government, there is a complete checklist at the back of the Local Government Application Note, which can also be adapted for individual organisations. This checklist covers the PSIAS (the Standards, Definition of Internal Auditing, Code of Ethics plus the public sector-specific additions) plus any additional requirements set out for local government bodies within the Application Note itself.

HMT have also released a PSIAS-compliant checklist for central government organisations, but this is written specifically for that sector. If organisations from other sectors therefore wish to use it, they will need to ensure that it is tailored for their organisation and includes all areas applicable to it. This is particularly relevant for local government bodies.

Other considerations

Practice Advisory 1312-4 Independence of the external assessment team in the public sector sets out more detailed guidance relating to the independence of the assessor or team when using a peer review process. It is also important to remember that a key part of the quality assurance and improvement process, both internal and external, is identifying areas for improvement. Usually this comes about more easily through the external assessment process, where the external assessor or assessment team may have wider experience in different types of organisation, and as such should be also taken into account when entering into a peer review process.

¹ Unless the body falls under the jurisdiction of the devolved governments