

External Quality Assessment

June 2026

Purpose and regulatory requirements

RSM UK operates in accordance with the Global Internal Audit Standards, as issued by The Institute of Internal Auditors (IIA). The standards require internal audit to undertake an External Quality Assessment (EQA) at least once every five years. RSM last commissioned an external independent review of its internal audit services in 2021 where we achieved “generally conforms” the highest standard awarded. Our next EQA is scheduled to commence in October 2026.

An EQA provides independent, objective assurance that our internal audit services are delivered in conformance with professional standards and leading practice. The EQA assesses quality, effectiveness and consistency to provide assurance that internal audit continues to support the governance, risk management and internal control needs of our clients. The EQA complements, but does not replace, our internal quality processes.

Since our last EQA, the IIA has issued new standards, effective from January 2025. The new Global Internal Audit Standard 8.4 states that:

“The chief audit executive must develop a plan for an external quality assessment and discuss the plan with the board. The external assessment must be performed at least once every five years by a qualified, independent assessor or assessment team.”

This briefing summarises our approach to EQA and is intended to support discussions with the board / audit committee and senior management.

Multi-client providers of internal audit

RSM delivers outsourced internal audit services to a wide range of clients across the public, private, not for profit, and financial services sectors. As such, RSM is classified as a multi-client provider (MCP).

The Global Internal Audit Standards (GIAS) place enhanced responsibilities on the Chief Audit Executive (CAE). Many of the requirements assume the CAE, often referred to as the Head of Internal Audit (HoIA), has the organisational standing, access, and influence typically associated with an employee, in an in-house role.

The standards elevate the role of internal audit and strengthen requirements for effective Quality Assurance and Improvement Programmes (QAIP), an approach already embedded into our processes and operating model. However, the Essential Conditions in Domain III: Governing the Internal Audit Function, introduce specific responsibilities for the board / audit committee and senior management needed for internal audit to operate effectively. These responsibilities are outside of the control of an MCP and the arrangements will vary between organisations. There are also contractual confidentiality matters to consider and the potential for unplanned costs not factored into existing contracts.

The Chartered Institute of Internal Auditors (Chartered IIA) recognises that the GIAS introduce practical challenges for MCPs delivering outsourced internal audit services, particularly in relation to the Essential Conditions. These considerations must be reflected in the approach to EQA.

Global Internal Audit Standards: Five Domains

Domain I

- Purpose of Internal Auditing

Domain II

- Ethics and Professionalism

Domain III

- Governing the Internal Audit Function

Domain IV

- Managing the Internal Audit Function

Domain V

- Performing Internal Audit Services

Our chosen approach

Chartered IIA guidance acknowledges that EQA approaches for MCPs should be proportionate and tailored in scope, recognising that it is not feasible to fully assess all GIAS requirements at the service provider level. Our approach to EQA follows guidance from the Chartered IIA for MCPs.

- We will commission an “external assessor to perform a review of the design of the arrangements in place to meet the GIAS.” The assessment will focus on our internal audit methodology, processes and the overall assurance on conformance will be limited to whether our arrangements are designed, in general, to meet the requirements of GIAS. The EQA will cover all 15 Principles, and 52 Standards across the Domains of the GIAS, from a design perspective.
- Our EQA will review the design of our arrangements to meet the requirements of the UK Public Sector Application Note.
- To review our alignment with the Chartered IIA Internal Audit Code of Practice and for clients that have an individual audit plan exceeding 500 days the EQA will encompass file sampling and client interviews.
- Following the assessment, we will receive detailed feedback and will share a high-level summary statement of the results with clients. Where our arrangements are assessed as designed to achieve conformance with the standards, it should be noted that for “Domain III [Governing the Internal Audit Function] the overall achievement remains dependent on the arrangements in place for each client.”

QAIP and next steps

We have a mature QAIP, encompassing internal assessments undertaken by our Quality Assurance Department, periodic self-assessments, clear performance metrics and regular reporting. Undertaking an EQA demonstrates our continued commitment to quality, professional standards, and continual improvement. Our approach is proportionate, aligned to the standards and Chartered IIA guidance for MCPs. It is tailored to the scale of the service we provide, ensuring the scope and form of the EQA remain risk-based, while providing appropriate independent assurance to stakeholders.

We will appoint an external independent, qualified assessor through a competitive tender process during the summer. To discuss EQAs further or our approach in more detail, please contact your Head of Internal Audit.

Further information

- ❖ Chartered Institute of Internal Auditors “External Quality Assessment (EQA) – multi client providers”
- ❖ RSM “Global Internal Audit Standards, Key Stakeholder Requirements”
- ❖ RSM “Quality Assurance and Improvement Programme”
- ❖ For copies of RSM briefings please speak to your usual RSM internal audit contact.

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