

External Quality Assessment (EQA) for Internal Audit

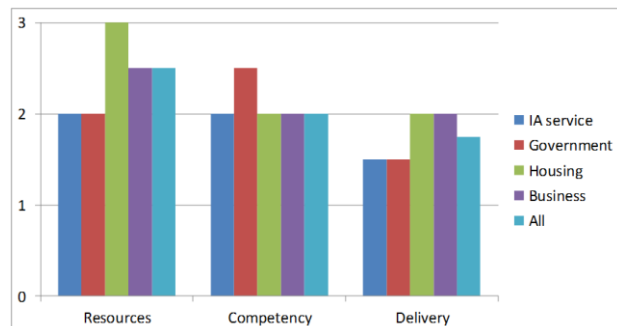
“More than just about confirming conformance to recognised standards, getting benefit from your investment in a review requires providing a vision regarding potential progression and adding value to your clients”.



Ever increasing attention is being placed upon the assurances available to Boards, Audit Committees and Executive teams as stakeholders focus on the risks to which the organisation is or may become exposed. In these turbulent times, particularly post-pandemic, whether the focus is on shareholder value, continuity of services or maintaining the quality of services being provided, appropriate assurance regarding risk exposures that have the potential to cause significant failure is an integral part of good governance in every sector.

Internal Audit represents a fundamental source of independent internal assurance. If performing to professional standards it should provide focus on the key controls and management assurances that exist in order to provide an opinion regarding their adequacy and effectiveness.

International Standard 1312 requires that internal audit services commission an external quality assessment every five years to provide comfort regarding adherence to the professional standards. This will assess whether:



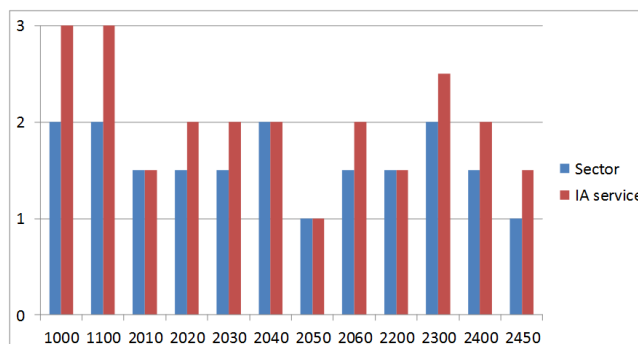
- The Audit Committee has established a clear and comprehensive charter for the internal audit service that provides an effective framework against which performance can be assessed?
- Internal Audit planning is risk focused and therefore able to provide independent assurance regarding the ‘things that really matter’ with regard to the unique features of your organisation and its risk environment.
- Your internal audit team has an established methodology which provides for consistent professional practices that are to be followed in terms of planning, review and evidence, as well as reporting and follow up?
- The internal audit team adequately staffed in terms of resources, qualifications and skills to deliver the expectations of the organisation?
- The Head of Internal Audit’s annual opinion provides assurance that summarises the significant weaknesses and risks to which your organisation is exposed and which therefore underpins the Viability or Governance Statement in the Annual Report and Accounts?
- Your internal audit service adds value and contribute to the success of the organisation?

The External Quality Assessment (EQA)

An EQA from **Business Risk Solutions** provides a professional and personal advisory service aimed at helping the organisation and/or its internal audit service recognise what it needs to achieve to comply with professional standards; with a view to then advising on the establishment of a pathway for progression that allows improved performance and demonstrable commitment to helping the organisation to achieve its corporate objectives.

The review can therefore be scoped to deliver reporting at a Board or Audit Management level and provide for a variety of intended outcomes which may include:

- ✓ A facilitator led, graded self-assessment of the Internal Audit Service in respect of three recognisable standards.
- ✓ Digital surveys with key internal audit stakeholders to obtain feedback regarding their engagement with internal audit.
- ✓ Potential inclusion of diagnostic sessions with the Audit Committee, Non-Executive Directors, the Executive, Head of Internal Audit and Internal Audit Team to compile a position statement of current delivery and future expectations.
- ✓ Summary report containing issues arising directly from the EQA and supported by a separate schedule of potential enhancements which would benefit future service delivery.
- ✓ Development of an action plan against which progress can be tracked by the Head of Internal Audit or Audit Committee as part of the QAIF.
- ✓ Presentation of the identified position and future action plan to your Board, Audit Committee or Internal Audit Team.



Our experience

Robin Pritchard has over 40 years' experience within the profession and has acted both as a Non-Executive Chair of Audit Committees as well as an Internal Audit Partner with several of the UK's leading providers of outsourced internal audit providers; with experience in the UK and Internationally. Robin has completed 50 EQA reviews across most sectors of the UK public sector as well as those with Financial Services and Industry.

Robin will provide a professional and independent review that meets your needs and recognises the cost constraints your organisation may be working to. His approach will allow establishment of a friendly and considerate relationship with the internal audit team through completion of a structured and value-added review, and include benchmarking data on a confidential basis

Reviews can now be undertaken remotely using an established process which enhances efficiency and minimises overhead costs.

Next steps?

We would welcome an opportunity to help your organisation to succeed – we offer an introductory meeting, in confidence, to establish expectations and on a no obligations basis. If you would find this beneficial please make contact using the details shown below.

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