External Quality Assessments for the Third and Public Sectors

Independent, proportionate and pragmatic reviews that recognise the realities of public service organisations

Internal audit functions operating within local authorities, charities, housing associations, universities, colleges and other public sector organisations face increasing expectations from boards, audit committees, trustees, regulators and stakeholders.

At the same time, many organisations are navigating significant financial pressures, evolving governance arrangements, increasing regulatory scrutiny and rapidly changing risk landscapes.

An External Quality Assessment (EQA) provides independent assurance that internal audit conforms with relevant professional standards while continuing to deliver practical value to the organisation.

The Chartered Institute of Internal Auditors delivers independent EQAs that assess conformance with the Global Internal Audit Standards (GIAS), the Internal Audit Code of Practice and, where applicable, the Application Note: Global Internal Audit Standards in the UK Public Sector.

Most importantly, our reviews are designed to be proportionate, pragmatic and tailored to your organisation, recognising that a local authority, housing association, charity or university should not be expected to operate in exactly the same way as a large listed company or financial institution.

Who we support

Our Quality Services team has experience working across a wide range of organisations with different governance models, funding arrangements, stakeholder expectations and levels of internal audit maturity.

Organisation type	Typical EQA considerations
Local authorities and combined authorities	Public accountability, statutory responsibilities, member oversight and value for money expectations
Charities and not-for-profit organisations	Trustee oversight, mission-led objectives, funding constraints and donor or regulator expectations
Housing associations and registered providers	Tenant outcomes, regulatory scrutiny, development risk, repairs, compliance and financial resilience
Higher and further education	Academic governance, student outcomes, research activity, estates, funding and regulatory expectations
Arm's-length and other public bodies	Public stewardship, accountability, partnership working and service delivery risks

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A proportionate approach to quality assessment

No two internal audit functions are the same. A successful EQA should assess conformance with professional standards whilst recognising the size, complexity, maturity and risk profile of the organisation.
Our approach focuses on what is required by the Standards, what is appropriate for your organisation, how effectively internal audit supports governance and risk management, whether resources are being used efficiently, and where there are opportunities to strengthen impact and stakeholder confidence.

Rather than adopting a compliance-led approach, we provide balanced, constructive observations and recommendations that support continuous improvement. Our objective is to help internal audit functions become stronger, more effective and more influential while remaining realistic about resource constraints and organisational priorities.

Proportionate Scaled to organisational size, risk and maturity	Pragmatic Focused on what works in practice, not unnecessary bureaucracy	Improvement-focused Clear recommendations that support continuous improvement

Assessing conformance with the Global Internal Audit Standards

Our methodology is aligned to the Global Internal Audit Standards and considers performance across all five Domains. Our assessments provide practical observations, examples of good practice and clear recommendations aligned to organisational maturity.

GIAS Domain	What we assess
Domain I: Purpose of Internal Auditing	How internal audit supports organisational objectives and contributes to governance, risk management and control.
Domain II: Ethics and Professionalism	How professional integrity, objectivity, competency and due professional care are embedded in internal audit activity.
Domain III: Governing the Internal Audit Function	Governance arrangements, reporting lines, audit committee engagement and organisational support for internal audit.
Domain IV: Managing the Internal Audit Function	Quality management, planning, resource management, performance monitoring and continuous improvement.
Domain V: Performing Internal Audit Services	Engagement planning, fieldwork, reporting, stakeholder engagement and follow-up processes.

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Understanding the UK public sector Application Note

The Application Note: Global Internal Audit Standards in the UK Public Sector applies alongside the Global Internal Audit Standards for UK public sector internal audit practice. It provides public sector-specific interpretations and requirements that are important when assessing conformance.

Our EQA reviewers understand both the Standards and the practical realities of applying them within local government, higher education, housing and wider public sector environments. We therefore provide assurance that is grounded in public sector practice rather than private sector assumptions.

- Public sector governance expectations
- Annual opinions and reporting requirements
- Resources and capability
- Chief Audit Executive qualifications
- Selection of independent assessors
- Application of essential conditions within public bodies
- Consideration of public value and stewardship responsibilities.

Benchmarking against the Internal Audit Code of Practice

The Internal Audit Code of Practice provides a professional benchmark for effective internal audit across financial services, private and third sector organisations. It is principles-based and should be applied proportionately.

As part of our review, we can assess progress against relevant Code principles, recognising that organisations are at different stages of maturity and that improvement should be practical, targeted and achievable.

Code area	Pragmatic review focus
Internal audit strategy and positioning	Whether internal audit has a clear purpose, mandate and direction aligned to stakeholder needs
Board, trustee and audit committee relationships	Whether governance bodies receive the assurance, insight and challenge needed to discharge their responsibilities
Organisational independence	Whether internal audit has sufficient independence, access and authority to operate effectively
Resource planning and capability	Whether internal audit has the skills, capacity and support required for its risk-based plan
Stakeholder engagement and impact	Whether internal audit is recognised as relevant, valuable and influential
Quality assurance and improvement	Whether there are arrangements to monitor, evidence and improve quality over time

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A review that adds value, not simply assurance

An EQA should provide much more than an opinion on conformance. Our reviews help organisations answer important questions about the positioning, focus, capability and value of internal audit.

- Is internal audit appropriately positioned within the organisation?
- Are board, trustee and audit committee expectations being met?
- Is the internal audit plan focused on the most significant risks?
- Is the function sufficiently resourced and skilled?
- Do stakeholders perceive internal audit as adding value?
- How does internal audit compare to recognised good practice?
- Every recommendation is designed to be practical, proportionate and achievable.

Why choose the Chartered Institute of Internal Auditors?

Genuine independence

Unlike many consulting firms, we do not provide outsourced internal audit services. This means we have no commercial interest in replacing your internal audit provider or selling additional delivery services. Our assessments are wholly independent, objective and focused solely on improving the quality and effectiveness of internal audit.

Deep public and third sector experience

Our Quality Services panel includes experienced internal audit leaders who have worked across government, not-for-profit organisations, higher education, housing and commercial sectors. Our reviewers understand the challenges facing organisations operating under public accountability and limited resources.

Proportionate and pragmatic

We recognise that excellence looks different in different organisations. Our aim is not to create unnecessary bureaucracy or additional process. Instead, we help organisations achieve conformance in a way that supports their objectives and operating environment.

Focused on continuous improvement

We combine independent assessment with constructive challenge, helping internal audit functions strengthen governance, increase influence and demonstrate value to stakeholders.

What you will receive

- An independent EQA opinion
- Assessment against the Global Internal Audit Standards
- Assessment against the Internal Audit Code of Practice
- Review of relevant Application Note requirements
- Identification of strengths and recognised good practice
- Practical and prioritised recommendations

- A continuous improvement roadmap
- A report suitable for audit committees, boards, trustees and regulators

Strengthening confidence in internal audit

Whether you are a local authority, charity, housing association, university or other public sector organisation, an External Quality Assessment provides confidence that internal audit is delivering effective assurance while meeting evolving professional expectations.

The Chartered Institute of Internal Auditors offers independent, experienced and proportionate reviews that help organisations demonstrate conformance, strengthen governance and enhance the value delivered by internal audit.