Chartered Institute of Internal Auditors

External Quality Assessments for Financial Services Organisations

Independent, specialist reviews for internal audit functions operating in complex and regulated environments

External Quality Assessments

Financial services organisations operate in one of the most demanding governance, risk and regulatory environments. Boards, audit committees, regulators and senior executives expect internal audit functions to provide robust, independent and forward-looking assurance over the risks that matter most.

An External Quality Assessment (EQA) provides independent assurance that your internal audit function conforms with the Global Internal Audit Standards (GIAS), aligns with the Internal Audit Code of Practice, and is equipped to deliver effective assurance in a complex and fast-moving financial services landscape.

The Chartered Institute of Internal Auditors is increasingly recognised across the financial services EQA landscape for delivering independent, credible and practical assessments. Our reviews combine deep knowledge of professional standards with an understanding of the expectations placed on internal audit functions in regulated, risk-sensitive and stakeholder-driven environments.

We provide clear, proportionate and insightful assessments that help internal audit functions demonstrate conformance, strengthen governance, enhance stakeholder confidence and continue to improve the value they deliver.

Why an EQA matters in financial services

Internal audit functions within the financial services sector face heightened expectations. They must demonstrate independence, professional competence, effective stakeholder engagement and the ability to provide assurance over complex and emerging risks.

An EQA from the Chartered IIA will provide valuable insight into whether internal audit within your organisation is:

- Appropriately positioned and independent
- Aligned to the expectations of the board, audit committee and senior management
- Focused on the organisation's most significant risks
- Delivering assurance that is timely, relevant and impactful
- Able to respond to emerging risks and regulatory expectations

- Operating in line with the Global Internal Audit Standards and the Internal Audit Code of Practice
- Demonstrating effective quality assurance and continuous improvement

Our EQA approach is designed to provide assurance, but also to add value. We identify what is working well, where practice can be strengthened, and how internal audit can continue to improve its influence, impact and credibility.

Our growing reputation in financial services EQA

The Chartered IIA is building a strong and growing reputation for delivering high-quality EQAs across the financial services sector.
Financial services internal audit functions are often operating in mature, highly scrutinised environments. They may also be managing complex operating models, including in-house teams, co-sourced arrangements, specialist subject matter support and group-wide assurance structures.
Our experience means we can provide a review that is robust and challenging, while remaining practical and proportionate to the organisation's size, business model, risk profile and internal audit maturity.

Assessing conformance with the Global Internal Audit Standards

Our EQA methodology is aligned to the Global Internal Audit Standards and considers the full scope of internal audit activity. We assess whether internal audit is positioned, managed and delivered in a way that supports effective assurance, advice, insight and foresight.

GIAS Domain	What we assess
Purpose of Internal Auditing	How clearly internal audit's purpose is understood and how it supports the organisation in creating, protecting and sustaining value.
Ethics and Professionalism	How integrity, objectivity, confidentiality, competency and due professional care are embedded within the function.
Governing the Internal Audit Function	Mandate, charter, independence, reporting lines, board and audit committee engagement, and senior management support.
Managing the Internal Audit Function	Strategy, planning, resourcing, methodology, stakeholder communication, performance monitoring and continuous improvement.
Performing Internal Audit Services	Engagement planning, fieldwork, reporting, issue follow-up, stakeholder engagement and quality of assurance outputs.

Reviewing the Essential Conditions

The Essential Conditions within the Global Internal Audit Standards are particularly important in financial services because they clarify the conditions needed for internal audit to operate effectively.

These conditions relate to the role of the board and senior management in supporting the internal audit function. They include expectations around the internal audit mandate, positioning, access, independence, resources, support and oversight.

Our EQA considers whether the Essential Conditions are present in practice and whether internal audit has the authority, access and support it needs to fulfil its mandate.

Essential Condition area	Financial services review focus
Mandate and charter	Whether the internal audit mandate is clearly defined, approved and understood.
Access and reporting lines	Whether internal audit has appropriate access to the board, audit committee and senior management.
Independence and objectivity	Whether reporting lines, escalation routes and practical arrangements support independent assurance and challenge.
Resources and capability	Whether internal audit has sufficient skills, capacity and specialist access to deliver its plan.
Oversight and support	Whether the board and audit committee provide effective oversight and senior management supports internal audit's work.

Benchmarking against the Internal Audit Code of Practice

The Internal Audit Code of Practice provides a benchmark for effective internal audit across financial services, private and third sector organisations. It is principles-based and should be applied proportionately, taking account of the size, risk profile, internal organisation, nature, scope and complexity of each entity.

As part of our EQA, we assess how the internal audit function aligns with relevant Code principles and how far it has progressed towards recognised good practice. Our approach recognises that organisations may be at different stages of maturity, so we provide a balanced assessment that identifies strong practice, areas for development and practical improvement actions.

Code area	EQA review focus
Internal audit purpose, mandate and strategy	Whether the function has a clear role, direction and alignment with stakeholder expectations.
Scope and priorities of internal audit work	Whether the audit universe and plan reflect the organisation's most significant risks.
Independence, authority and access	Whether internal audit has sufficient standing, reporting lines and access to operate effectively.
Relationships with the board and senior management	Whether internal audit provides insight, challenge and assurance that supports effective governance.
Interaction with risk, compliance and control functions	Whether internal audit co-ordinates effectively while retaining its independence.
Resources, skills and subject matter expertise	Whether the function has sufficient capability to respond to specialist and emerging risk areas.
Quality assurance and improvement	Whether quality is monitored, evidenced and improved over time.

Considering relevant topical requirements

The International Professional Practices Framework includes Global Internal Audit Standards, Topical Requirements and Global Guidance. Topical Requirements are designed to enhance the consistency and quality of internal audit services for specific risk topics.

For financial services organisations, Topical Requirements are particularly relevant because they support consistent assurance over high-priority risk areas. The Cybersecurity Topical Requirement is especially relevant given the importance of technology resilience, cyber security, data, third-party risk and operational resilience across the sector.

Our EQAs consider whether the internal audit function is ready to respond to relevant Topical Requirements and whether methodology, planning, scoping, documentation and quality review processes are capable of evidencing a consistent approach.

- Methodology and planning processes identify where Topical Requirements apply
- Internal audit teams understand the requirements and related evidence expectations
- Cybersecurity assurance work is appropriately scoped and documented
- Assurance over technology, digital and cyber risk is proportionate to the organisation's risk profile
- The function can respond to future Topical Requirements as they are issued

A review tailored to financial services operating models

Financial services internal audit functions vary significantly. Some operate as large group functions, while others are smaller specialist teams supported by co-source partners or subject matter experts. Our reviews are tailored to the organisation's structure and operating model.

Operating model area	What we consider
Internal audit strategy	Whether the strategy is aligned to business objectives, risk priorities and stakeholder expectations.
Audit universe and risk assessment	Whether planning reflects the organisation's business model, risk profile and emerging risks.
Capability and capacity	Whether the team has the skills, specialist access and capacity needed to deliver the plan.
Co-source or outsourced arrangements	Whether external support is effective, well governed and integrated into the quality framework.
Audit committee reporting	Whether reporting provides clear insight, challenge, themes and escalation.
Quality assurance arrangements	Whether quality review, methodology and performance monitoring support consistent delivery.

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Why choose the Chartered Institute of Internal Auditors?

Genuine independence

Independence is fundamental to a credible EQA. The Chartered IIA does not provide outsourced internal audit services. Our assessment is not influenced by an interest in replacing your provider, selling co-source support or expanding a consulting relationship.

Who you see is who you get

Our expert panel comprises accomplished Heads of Internal Audit with extensive experience across a wide range of sectors. Many of our reviewers also hold, or have held, Non-Executive and Audit Committee positions, bringing additional governance and oversight expertise to every review. The reviewers introduced during the proposal stage remain involved throughout the engagement and personally deliver the review. We never rely on junior reviewers, ensuring our clients benefit from senior-level insight, challenge and judgement at every stage of the assessment.

Financial services insight

We understand the expectations placed on internal audit functions operating in financial services. Our reviewers bring experience of governance, risk management, regulation, assurance, methodology and stakeholder engagement across complex environments.

Practical and proportionate recommendations

Our reviews are not designed to create unnecessary process or bureaucracy. We provide recommendations that are clear, prioritised and realistic, aligned to maturity, resources, operating model and stakeholder expectations.

Credibility with senior stakeholders

Our reports are designed to be suitable for audit committees, boards, executive management and, where appropriate, external stakeholders. We provide clear conclusions, evidence-based findings and recommendations that support informed discussion and action.

Specialist knowledge of internal audit standards

We are the professional body for internal auditing in the UK and Ireland. Our reviews are grounded in the Global Internal Audit Standards, the Internal Audit Code of Practice, Topical Requirements and recognised good practice.

What you will receive

- An independent EQA opinion
- Assessment against the Global Internal Audit Standards
- Benchmarking against the Internal Audit Code of Practice
- Consideration of relevant Essential Conditions
- Assessment of readiness for relevant Topical Requirements
- Review of internal audit governance, strategy and methodology

- Assessment of stakeholder engagement and audit committee reporting
- Identification of strengths and recognised good practice
- Practical and prioritised recommendations
- A clear action plan to support continuous improvement
- A report suitable for audit committees, boards and senior stakeholders