

EXTERNAL QUALITY ASSESSMENT OUTCOMES

RSM'S CONFORMANCE WITH THE IIA STANDARDS AND CODES OF PRACTICE

RSM UK Risk Assurance Services LLP

January 2022

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RSM UK Risk Assurance Services LLP commissioned an external quality assessment (EQA) of its internal audit services in 2021. An EQA is required every five years, in line with the requirements of the International Professional Practices Framework (IPPF) and the Standards set by the Global Institute of Internal Auditors (IIA). Our independent EQA reviewed our conformance with the IPPF Standards, the Public Sector Internal Audit Standards (PSIAS), Internal Audit Code of Practice on effective internal audit in the Private and Third sectors, and the Internal Audit Financial Services Code of Practice. We provide below our summary of the results for your information.

Review approach

Our independent EQA assessor, Grant Thornton has utilised its established assessment framework to review RSM's internal audit services in relation to vision and strategy, planning and prioritisation, people and culture, working practices, tools, quality and deliverables, and role and mandate.

Our EQA involved a review of a sample of 10 audit files and audit reports shared with audit committees as well as a review of our working papers. Our own internal audit methodology has been reviewed against both the Standards and Codes of Practice.

The review process also involved interviewing RSM partners, directors and managers, and to gather client views, our independent assessor set up and ran a client survey, enabling broader reach and to obtain input from a larger pool of organisations we work with. Thank you to everyone that took the time to share their thoughts and insights.

Key strengths observed in our EQA

From the assessment, the following key strengths were noted.

- A well developed methodology with good conformance with standards, supported by manuals and policies, which is 'well understood and applied consistently' across clients and regions. 'Audit engagements follow a clear structure, are well executed with adequate supervision.'
- 'Audit strategy, charter and plans are well developed for each client.'
- 'The audit reports reviewed were clear, concise and well written for the needs of RSM IA's clients.'
- 'RSM IA provides useful, value add thought leadership and benchmarking for its clients.'
- 'There is a strong focus in RSM IA on training and capability, resulting in good levels of competence and technical knowledge, supported by Subject Matter Experts and the Technical Team.'

EQA outcomes



We are pleased to confirm that based on the work undertaken and the sample of files reviewed by our independent EQA assessor, RSM UK Risk Assurance Services LLP 'generally conforms to the requirements of the IIA Standards' and that 'RSM IA also generally conforms with the other Professional Standards set out above and the IIA Code of Ethics. There were no instances of non-conformance with any of the Professional Standards.'

The rating of 'generally conforms' is the highest rating that can be achieved, in line with the IIA's EQA assessment model.

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Survey outcomes

In total 160 surveys were shared with a representative cross section of our clients, in terms of sector and region. 67 responses to the survey were received from public and third sector organisations, corporate businesses and financial services clients.

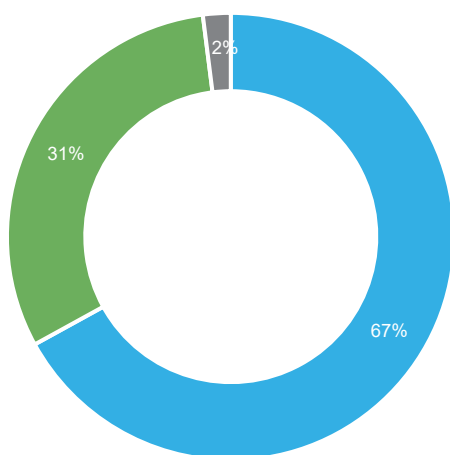
We very much value the feedback received from our survey participants. We are committed to providing an excellent client service and from both the survey feedback and overall EQA outcomes, the 'areas identified for improvement from the EQA will be taken forward as part of a continuous improvement plan.'

Overall, the responses to the survey were very positive, with 91 per cent either agreeing or agreeing strongly with the survey questions.

EQA survey results

RSM builds strong relationships with our organisation so that audit work is aligned to our key risks, strategy and priorities.

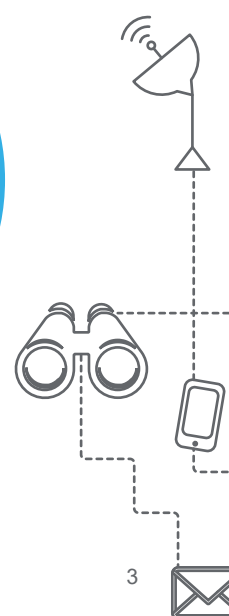
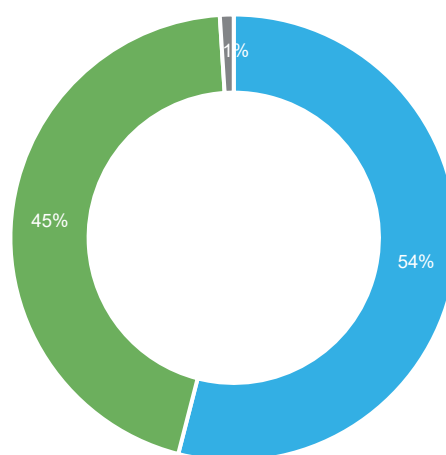
■ Strongly agree ■ Agree ■ Neither agree or disagree



High level survey findings

- Internal audit's role is well-understood, with 'teams well respected for their audit expertise, collaborative approach and sector guidance provided.'
- 'IA teams show a good understanding of client needs and sector requirements', with audits focussed on the right areas.
- 'Audit planning and prioritisation is seen as collaborative', with audit work carried out efficiently and to a good standard.
- The internal audit team has been 'very proactive and flexible' in how it has responded to the challenges of auditing during the pandemic.
- Audit reports reviewed were well written and the style and format clear and concise.

RSM audit work helps improve our control environment to support organisation objectives, governance or regulatory compliance and external requirements.

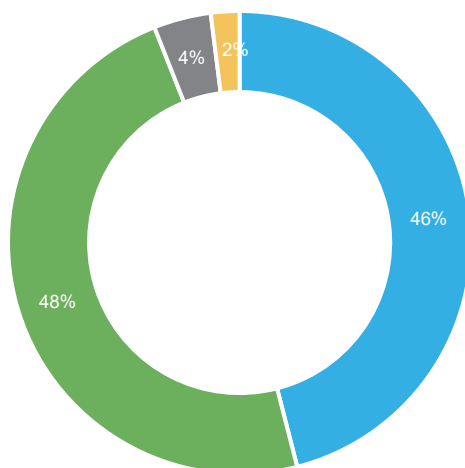


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EQA survey results continued

The risk assessment activity helps to focus the audit plan on the key risks and priorities for our organisation and takes account of our risk appetite.

- Strongly agree
- Agree
- Neither agree or disagree
- Not applicable or I can't judge



Client survey quotes:

'RSM provide an efficient and effective internal audit service, and make a contribution which is highly valued.'

'RSM staff have a real breadth of experience which they can tap into to provide advice, guidance and best practice.'

'RSM meets all requirements of a professionally run internal audit team.'

What does this mean for our clients?

You can be assured that your internal audit services continue to conform with internationally recognised Standards and the Codes of Practices. The internal audit services you receive follow an established and embedded methodology, that facilitates audit work that is both effective and responsive to you, as our clients', assurance needs.

RSM UK Risk Assurance Services LLP is pleased to confirm the outcomes of our EQA. If you require any further information, please contact your RSM client manager or engagement partner.



FOR FURTHER INFORMATION CONTACT

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