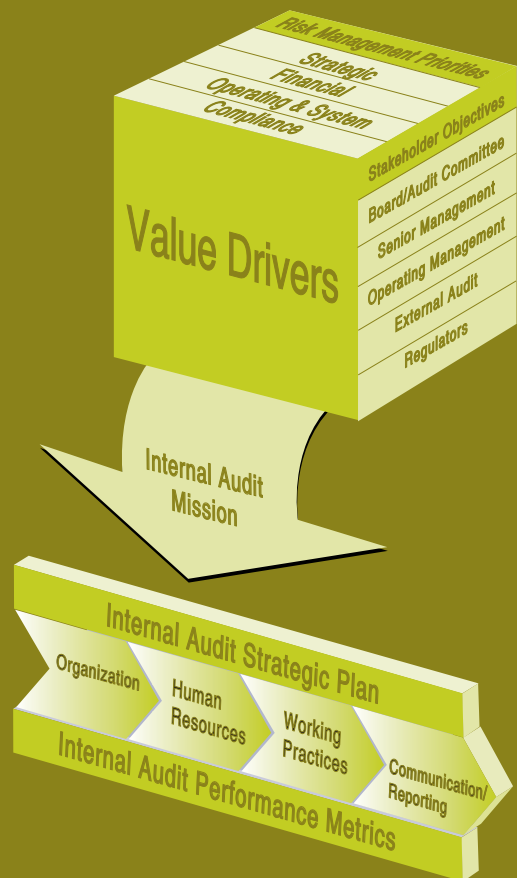


Internal Audit Services

Skills that make the difference

Building an effective Internal Audit function



What is Internal Audit?

Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The role of Internal Audit

Scandals with Enron and Worldcom, changing business practices and markets have re-emphasized the importance of a reliable and transparent system of internal control and introduced new challenges to companies. All these changes are increasing the role of Internal Audit functions and shifting stakeholder expectations from being a purely compliance auditor to becoming a value added management consultant helping management to improve the efficiency and effectiveness of a company's performance.

Common shortcomings in the area of Internal Audit

Among the most frequently encountered issues in the area of internal audit are:

- ✗ Lack of process to align Internal Audit function's work plan and development objectives with corporate strategic goals
- ✗ Lack of qualified staff
- ✗ Ineffective manual processes to document the work done and report the issues identified
- ✗ Inadequate reporting structures impairing independence
- ✗ Wrong understanding of the purpose of the Internal Audit function.

What benefits can effective Internal Audit bring?

- ✓ Improved system of internal controls, corporate governance and risk management procedures
- ✓ Enhanced stakeholder satisfaction and trust
- ✓ Increased transparency, effectiveness and efficiency of business operations
- ✓ Increased reliability of financial and operational information
- ✓ Enhanced business ethics and staff morale.

PwC can help you to establish an Internal Audit function or improve the effectiveness of your existing Internal Audit.

Internal Audit Services

Skills that make the difference



Our Services

PricewaterhouseCoopers has developed the following range of services to assist with the implementation and development of an Internal Audit function as follows:

1. Strategic Performance Reviews

Provide an independent review of your existing internal audit function and strategy:

- ▶ Clarify and validate stakeholders' expectations of internal audit
- ▶ Assess current internal audit structure, methodologies, resources and capabilities in light of value expectations
- ▶ Benchmarking internal audit against a peer group of companies
- ▶ Identify opportunities to improve internal audit capabilities and processes
- ▶ Develop actionable strategic plans to align internal audit with corporate goals.

2. Risk Assessment Workshops

Work with management to:

- ▶ Identify and assess risks using a common methodology across the organisation
- ▶ Quantify the likelihood of the risks happening and the impact if they do
- ▶ Secure ownership of any changes required to improve risk management and control.

3. Strategic partnerships and outsourcing of Internal Audit

An increasing number of companies are recognising the benefits of finding a strategic partner to support an existing internal audit team or to provide a fully outsourced internal audit function.

The principle benefits are:

- ▶ Access to experienced auditors and best practice
- ▶ Access to technical and industry specialists
- ▶ Access to internal audit tools and methodologies
- ▶ Flexibility of costs and budgets.

4. Establishing an Internal Audit Function

- ▶ Work with management in establishing an internal audit function

- ▶ Understand stakeholders' requirements
- ▶ Develop an internal audit mission statement
- ▶ Setting a budget to deliver the mission
- ▶ Perform initial risk assessment
- ▶ Develop manpower/skills plan.

5. Internal Audit Support Software

At PricewaterhouseCoopers we have invested heavily in developing software to support internal audit professionals including:

- ▶ *TeamRisk* – an electronic risk assessment tool
- ▶ *TeamMate* – an audit management software tool
- ▶ *TeamMate Central* – web-based global issues tracking database
- ▶ *TeamSchedule* – a resource planning tool.

6. Training

Improve an existing internal audit function through providing internal audit related training courses:

- ▶ Consult with you to understand your training needs
- ▶ Prepare and deliver classroom training or provide on-the-job training.

Who to contact?

PwC's Internal Audit Services are created by an established team with experience in internal control, risk assessment and process assurance supported by comprehensive practical experience of working in Ukraine

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