



The PwC Internal Audit. Expect More.

*Enhancing the Internal Audit function
to build trust within your organisation*



As a business that's going places, we believe you can and should expect more from Internal Audit and leveraging a service provider can help you achieve this. Your own function will, almost certainly, have moved on and evolved over the years. So too, has the wider profession. It's time to consider the opportunities available for Internal Audit to deliver against its objectives and meet stakeholder expectations, whether it be insight and experience, specialist resources, particular skills gaps or where you need to respond to digital or transformational disruption.

What's on your mind

How can an Internal Audit service provider help meet the growing demands of stakeholders in an expanding risk landscape?

Leveraging experience and insights from the wider market will help you respond to calls for increased and embedded risk management and control.

How do I get a view on what Internal Audit should do?

You see an opportunity to align and possibly redefine the monitoring and control environments of each line of defence, and its benefits, but don't know where to begin to quantify these.

How do I get my stakeholders to understand and agree on the role and remit of Internal Audit?

There isn't a common view across the organisation as to how Internal Audit provides assurance over key risks, and you need help to achieve consistency and consensus.

How do I incorporate technology to improve upon the effectiveness and efficiency of Internal Audit?

You have a desire to leverage the latest tools and technology as part of Internal Audit to align and possibly redefine your assessment of the control environment.

How responsive will my service provider be? Will they really be there when I need them?

It's important to feel confident in your service provider's ability to respond immediately to any crisis that happens. You need them to demonstrate that they have appropriate resources, and skills, as and when required.

How do I best evaluate the type of service I need to understand if it's cost effective and can add value to my organisation?

If this is your first time, you may require some support and advice as you explore your options.

“The risk landscape has changed and Internal Audit needs to be agile in the face of these market challenges. Let us support you with your development of a broader perspective which will go above and beyond meeting your stakeholder expectations.”

Brendan Deegan
Global Internal Audit Leader

Our point of view

Expect more

Internal Audit is a significant investment and needs clear objectives, targets and measures. Internal Audit should be credible in the organisation; therefore it is important to understand your stakeholders' expectations and work with them to meet these.

One size does not fit all

Be clear on what you want the Internal Audit function to achieve. The size, shape and skills of the team must reflect the needs of the business; from assuring the basics to driving value. You need to agree the style of the function you want before you embark upon change or improvement. Where on the spectrum between a minimum contributor and trusted advisor will the Internal Audit function be expected to operate?

Be brave

Do a thorough evaluation of the service required. If it's not right for you, you will have a fact based story to back up your decision and justify it to key stakeholders. You will also have a better understanding of what the alternative options are for a progressive Internal Audit function.

Focus on what matters

Don't overplay the need for your provider to get up to speed with your business at the cost of embracing the power of an external perspective. Their insights can be a catalyst for encouraging fresh thinking on current and emerging risks in your organisation as well as on Internal Audit practices and ways of working.

Align your stakeholders

Think about how to get key stakeholders on board if you are seeking to invest in Internal Audit. It can be hard to articulate a case for change. Focus on how the investment will improve performance and enhance value, thus meeting Corporate Governance requirements and protecting the organisation from harm.

Give Internal Audit a seat at the top table

The team is the eyes and ears of the organisation so why wouldn't you invest in the best and then listen to what they say? Issues are more likely to be resolved and remediated or, where appropriate, escalated where there is trust and respect for Internal Audit and it feels like it has a seat at the table.

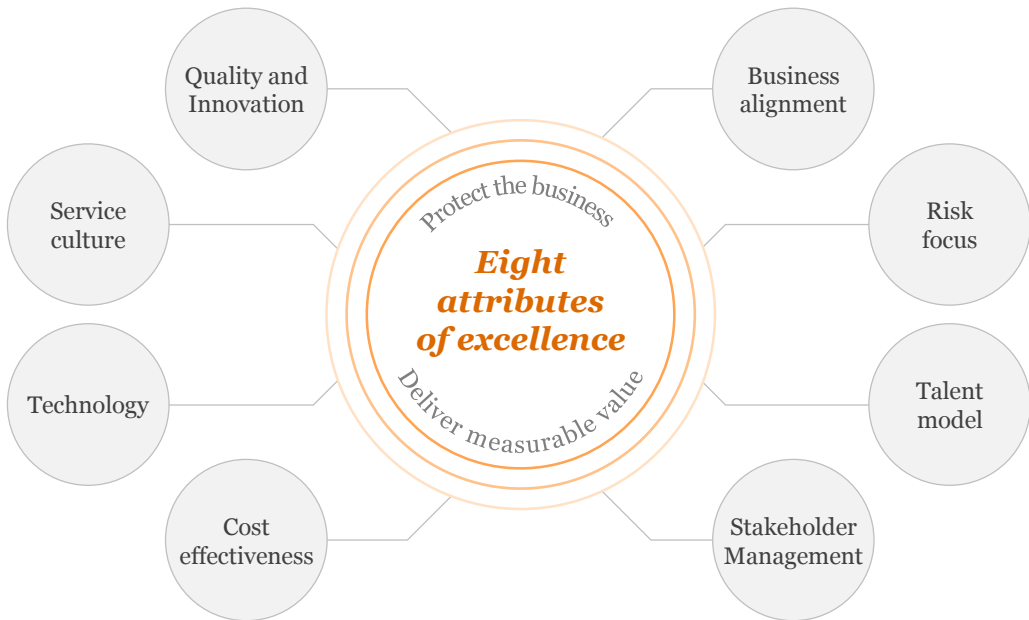
Trust

You need to trust in your provider's competence to deliver, leveraging their experience and values which are aligned to your best interests. You need to make sure these elements are considered in making your decision.



What does good look like?

From our experience and research, we have identified eight foundational attributes that characterise a successful internal audit function



Working with a service provider to reach your aspirations across each of the eight attributes, enabling access to the skills and experience you need, and bringing broader industry and Internal Audit profession insights and expertise

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| <p>Internal Audit has a clear vision, remit and action plan, aligning its objectives to the strategic objectives of the organisation as well as the development of its capabilities now and in the future.</p> | <p>You have an Internal Audit function focusing on the risks that matter to your organisation, both current and emerging.</p> | <p>You always have access to individuals with the skills needed to deliver credible and relevant assurance, with deployment of the right specialist resource in the right place and at the right time.</p> |
| <p>Internal Audit has a strong, objective and credible voice within the organisation and in particular at Board level, working collaboratively with all key stakeholders, both internal and external.</p> | <p>Your Internal Audit function is efficient and cost effective. Through the flexibility this model provides, you only pay for the skills you need, eliminating recruitment, training and employment costs of specialist resource, which can be challenging for your organisation.</p> | <p>Your Internal Audit function has access to innovative and evolving technology to remain relevant, and enabling you to move faster and take advantage of opportunities presented in today's changing risk landscape.</p> |
| <p>You are provided with relevant service and valuable insights by specialists with a range of experience and knowledge supporting businesses facing similar issues, and with access to extensive networks inside and outside the business, and the Internal Audit profession.</p> | <p>You have a capable partner to support or lead your Internal Audit function with a suite of tools and techniques, and the appropriate metrics to evaluate and measure the execution, quality, engagement and insight of this partner.</p> | |

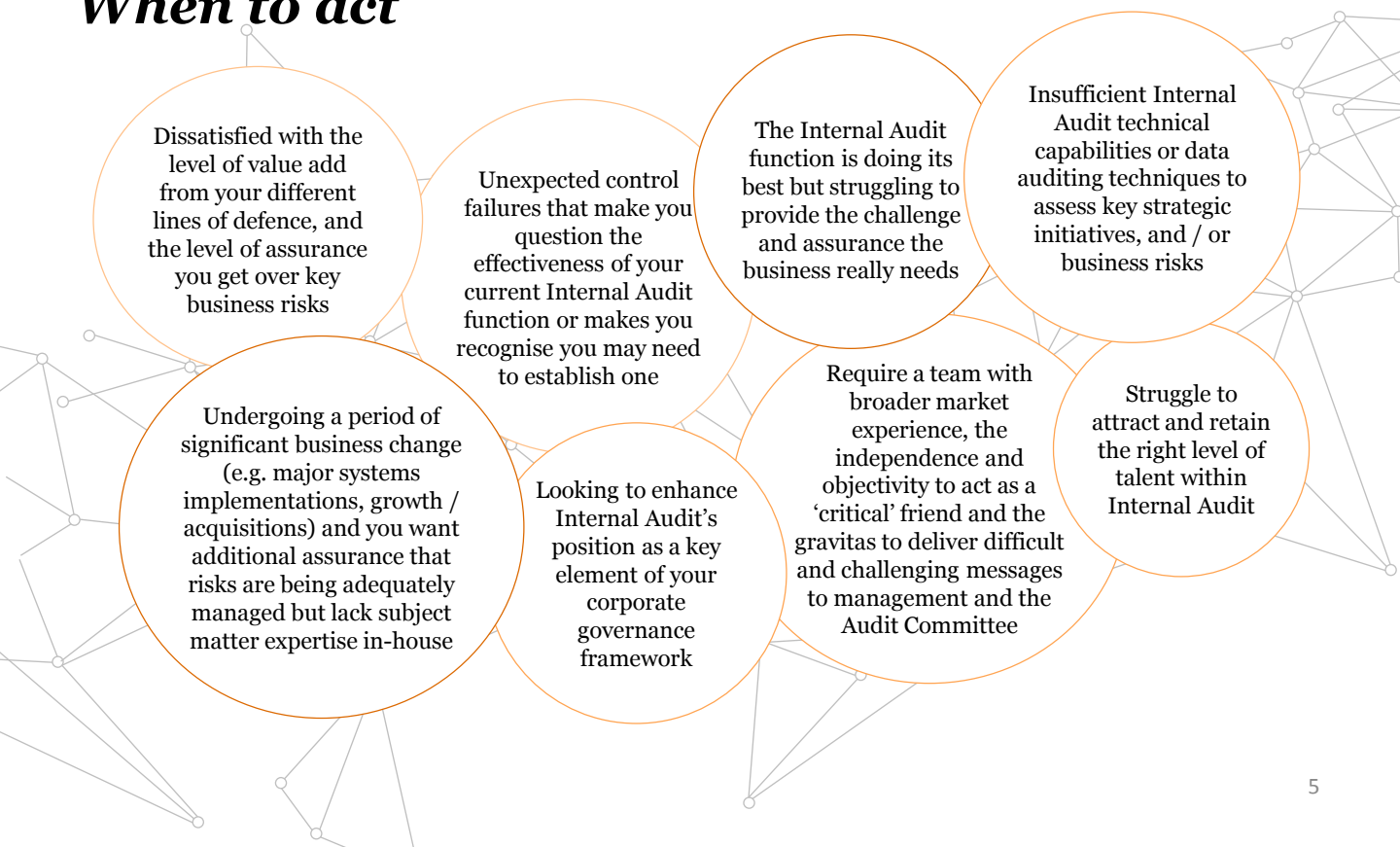
How can we help?

We are proud of the fact that we have the broadest base of Internal Audit practitioners with access to deep subject matter and industry experts. These skills together with the investment we are making in leading edge tools and techniques mean we can provide an unparalleled, innovative Internal Audit.



- ▶ **Evaluate** what the right Internal Audit model is for you
- ▶ **Create the case for change** to broader stakeholders
- ▶ **Understand** your regulatory commitments and support you in developing a framework to demonstrate compliance
- ▶ **Support you through the transition** of the Internal Audit function depending on your needs, whether it be:
 - ▷ **Setting up** your internal audit function
 - ▷ **Augmenting** your staff, with our professionals or providing SMEs through co-sourcing
 - ▷ **Delivering** your Internal Audit program through outsourcing
 - ▷ **Assessing** methodology and delivery quality of your Internal Audit functions
 - ▷ **Training** your internal audit staff on methodology or technical subject matter
- ▶ **Tailored Internal Audit function** to meet your specific needs, bringing:
 - ▷ **A multi-competency team with global reach** that can be mobilised when and where you need them
 - ▷ **A 'flexible not fixed' approach** that gives us the agility to adapt our way of working to fit with yours, addressing complex processes in an expanding risk landscape
 - ▷ **Access to advanced IT and data analysis tools** including Risk Radar, EnForce and the Chief Audit Executive toolkit to optimise internal audit planning and testing
 - ▷ **A 'critical' friend to increase your credibility with key stakeholders**, who can step back bringing you the objective perspective, market experience and seniority necessary to support you and provide a broader, comparative view
 - ▷ **Access to the latest thinking and market insight** through a suite of thought leadership offering industry and specialist perspectives

When to act



What you gain

You will have support with the right skills and experience to help you identify, prioritise and gain assurance over the current and emerging risks that matter most to your organisation.

Relevance



You have an Internal Audit team with a forward-looking approach, with a provider that continuously invests in the very latest tools and technology, and is informed by leading thinking, which generates deep insight.

Alignment



Innovation



There will be greater clarity on where Internal Audit is able to make the most valued contribution. Your team will be aligned to stakeholder needs and expectations, and strategic priorities of the organisation, responding with agility, flexibility, and cost-effectiveness to changes in your business strategy.

Confidence



You have an Internal Audit team with an enhanced and credible combination of skills, subject matter experience and knowledge of the business. You can trust them to give you and your stakeholders the level of assurance needed to grow sustainably whilst exploiting the opportunities presented by an expanding risk landscape.

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