

A photograph of three business professionals (two women and one man) in a meeting, looking down at a document. The image is partially obscured by a semi-transparent blue box containing the title and 'ADVISORY' text.

Enhancing the value of internal auditing

ADVISORY

With a view to applying key success factors real business situations, many organizations are increasingly relying on their internal auditing systems, including the efficiency of human resources and business processes as well as strategic positioning. However, until the company is completely aware of its own human resources, processes and positioning with regard to internal auditing as well as the contribution made by this function to achieving the company's objectives (strategic value), the internal audit organization will be considerably hampered in operating successfully. In the future, internal audit functions that are fully aware of their own value and are capable of enhancing it will make the greatest contribution to the work of senior management.

How can KPMG help?

One of the services provided by our Internal Audit services department is KPMG's Strategic Performance Review for Internal Audit, "K'SPRint". By harnessing the advantages of K'SPRint, we help you in strengthening the strategic value of your internal auditing. K'SPRint deploys key assets crucial for business success – human resources, processes as well as position within the company – in real business situations.

Strategic value

When using K'SPRint we examine the human resources and processes linked to internal auditing, integrating the broad international expertise of KPMG's global network of member firms. In the given company we work closely with other organizational units who rely on internal auditing in order to draw up a dynamic, quality-based evaluation of the internal audit function. By means of a clear, profound and strategic analysis of the internal audit function K'SPRint offers assistance in:

- Evaluating the contribution made by internal auditing to the company
- Exploring opportunities to improve internal auditing
- Harmonizing the operations of the internal audit function with the company's strategic objectives
- Comparing internal auditing with best practice
- Elaborating an action plan to develop and improve internal auditing.

K'SPRint focuses on internal auditing's the three key success factors:

- Human resources – does the internal audit function have sufficient human resources to complete the set tasks?
- Processes – are internal audit processes efficient, are they in line with the company's strategic objectives?
- Position within the company – is internal audit considered valuable towards contributing to the firm's strategy and performance, creating value?

K'SPRint can assist enterprises in responding to these and other critical issues in an extremely effective manner.

Flexible model

K'SPRint gathers, analyzes and illustrates the results of the internal audit due diligence in a structured yet flexible framework.

By comparing the status of internal auditing at a given time with the expectations of its users, the K'SPRint automatic modeling system is able to measure performance

and identify deviations from the set requirements. Displaying the results graphically provides a clearer picture of the current and possible future value of the internal audit function.

KPMG methodology

Our specialists engaged in various fields form a team which makes full use of industry-specific knowledge and audit methodologies, thus promoting the efficient assessment and development of internal audit performance.

Great emphasis is also placed on adopting a suitably collaborative approach in reviewing the internal audit function. Regardless of whether we are working with senior management or directly with internal audit staff, our aim is to provide you with strategic advice in order to squeeze as much efficiency out of your internal auditing as possible.

The next step

KPMG draws on its global background as part of a network of professional services firms in providing internal auditing services

that are extremely diverse. More information is available on the outsourcing or co-sourcing of internal auditing, contract compliance reviews as well as on the details of the Enterprise Risk Management (ERM) service.

We would also be pleased to meet you in person, to tell you more about what we do.

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KPMG's Internal Audit practice

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Organizations go through substantial change: senior management and internal audit directors find themselves faced with increasingly complex and new challenges, such as:

- Increased risks derived from organizational and sectoral changes
- Changes in governmental requirements (legal, supervisory regulations)
- Adaptation of functions so that they make a contribution to achieving the goals of the entire organization
- Rising need for them to prove the organization is being managed correctly and controlled properly.

Below we have summarized some general questions which internal audit directors and senior managers raise in the

event they wish to be convinced of the compliance and efficiency of their internal audit function:

Internal audit managers

- How can I achieve better results at lower cost if the requirements made of my department become ever more complex?
- How can I conduct effective reviews which the managing director and the board of directors will assess?
- How can I perform advisory-oriented services without the financial control audits expected of my function losing its "independent" nature?
- How can I meet the various requirements made of me?
- What is the price of success in respect to my organization?

Senior management – directors, Supervisory Board members

- What is the proper role for internal auditing within my organization?
- How does the current function fit this role?
- What area should internal auditing focus on?
- Does internal audit have the required capacities to achieve the above goals?
- How does the internal audit function link in to the organization's broader system of management (for example, the participation of the internal audit function in risk management)?

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