



Mandatory Internal Audit Quality Assurance Reviews

Elevating the value of internal audit

Demands on internal audit departments have never been greater or more complex. Corporate governance, risk management and internal controls are all under increased scrutiny by regulators and stakeholders alike. Along with ensuring internal auditor proficiency aligns with the technical drivers behind value-creating business objectives, internal auditors are often relied upon to develop a consolidated view of risk within the organisation. This includes aligning people, process, controls and systems with business strategy and helping to mitigate emerging risks against an ever-evolving business model.

The Institute of Internal Auditor's International Standards (IIA Standards) have prescribed mandatory requirements for the professional practice of internal auditing and for evaluating the effectiveness of an internal audit department's performance. An external QAR is required to be performed every five years.

In addition to assessing the level of conformance with the IIA Standards, KPMG can work with your organisation to assess the efficiency and effectiveness of the internal audit activity and the extent to which stakeholders' expectations are being met. As part of KPMG's approach, we always look to identify opportunities for continuous improvement and offer practical bespoke advice.

KPMG methodology

KPMG's QAR methodology, K'SPRint, is aligned with the IIA's Standards. Our methodology involves a combination of interviews with internal audit employees, executive leadership, senior management, and the Board and Audit Committee. We review your internal audit documentation including a sample of internal audit engagements, and we also host workshops and conduct surveys.

KPMG can help

We will tailor our service offering to reflect the nature, scale, and complexity of your organisation. When conducting the QAR, our objective is to share our view of leading internal audit practices which reflect your industry, business, size, structure, and most importantly, your goals.



The right team: Our team brings together substantial experience working with and in internal audit departments. We have had the client-side experience of being subject to a QAR and understand what it means to go through an external review. We have also worked in and with numerous internal audit departments both as internal auditors and performing these reviews. Our team has strong industry knowledge along with deep experience with QARs and internal audit services.



The right approach: Our approach is based on a practical, structured yet scalable methodology, K'SPRint. KPMG's proprietary methodology provides for the required assessment against the IIA Standards, while also facilitating the ability to identify areas for improved internal audit efficiency and effectiveness. We use an experienced locally based team, supplemented with additional subject matter experts from across the KPMG network as needed.



The right experience: We have established QAR experience and an effective, tested approach. We have teamed with and assisted many organisations' internal audit departments, allowing us to refine our QAR approach to consistently deliver a value-adding service. We understand the focus of the QAR is to ensure the IIA Standards are being met. It is our also view that it is equally important to share our knowledge and experience with you and provide fresh perspectives on ways to add value and deliver audit quality. Our approach allows us to accomplish both of these objectives.



Positioning

How well is internal audit strategically positioned to contribute to business performance?



People

Does internal audit possess the right skillsets and resource strategies needed to effectively challenge the business?



Process

How effective are internal audit's processes in enabling the success of its objectives, and being responsive to changing business needs?

Mandate

Nature of work

Structure

Relationship management

Funding

Staffing strategy

Resource development

Competencies

Culture

Reward and appraisal

Planning and risk assessment

Audit delivery

Structure

Issues management

Function management and development

K'SPRint advantages

- Assessment against the Standards of the Institute of Internal Auditors
- Structured, but a flexible framework
- Assessment of internal audit's role within the corporate governance, risk management, and compliance structure
- Optimal utilisation of resources to support key objectives
- Addresses stakeholders' expectations and building their confidence
- Alignment of internal audit's objectives with those of the larger organisation
- High-impact observations that have meaning and add-value to internal audit
- Benchmarking and evaluation of key performance indicators

Contact us

KPMG goes beyond the traditional quality assurance compliance review to identify high-impact improvement opportunities. We benchmark our clients' businesses against peers and best practice, and provide meaningful feedback to all stakeholders. Our approach is efficient in delivering a quality, robust QAR with helpful challenge, forward thinking, and meaningful insights.

Let us help you elevate the value of internal audit.



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