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# *Managing risks and enhancing value*

## Internal Audit Services





## Message



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*According to the PwC Global CEO Survey 2012, most CEOs still consider India as one of the promising countries for future growth. The respondents of the annual survey displayed a gratifying level of confidence in India. A need to grow in emerging markets, adopt innovative technologies and respond in a rapidly changing regulatory environment are key to succeeding in today's competitive business environment. These also underpin the critical risks facing businesses worldwide.*

*As organisations and their CEOs take centre stage, internal auditors need to be prepared to provide adequate support. While companies continue to redefine and enlarge their boundaries, it would be prudent for internal auditors to expand their reach and encompass a more diverse set of risks and engage stakeholders on the need for support in non-traditional areas.*

*Today's environment highlights the need for specialised technical skills in accordance with the diverse amount of risks involved with a rapidly expanding environment and management expectations. Internal audit leaders can help audit committees and management understand an extraordinarily dynamic and complex risk environment making it easier for them to adapt to a rapidly changing world.*

*We at PwC have a dedicated group of internal audit and risk and business advisory professionals who can partner with you in your efforts to achieve higher standards of governance, manage risks and strengthen controls in your organisation. We invite you to know more about us and how we can help you with your diverse business needs.*

# Evolving business landscape

Today, stakeholders are increasingly demanding a higher degree of transparency and ethical behaviour. The focus on risk management and compliance mechanisms is also very high with regulators and audit committees taking active interest in their effectiveness. There is a clear shift in how organisations view their corporate governance and control environment. Internal Audit, as always, will be expected to bring necessary expertise to help organisations attain desired standards in governance, risk and compliance. Expectations are high and challenges are manifold.

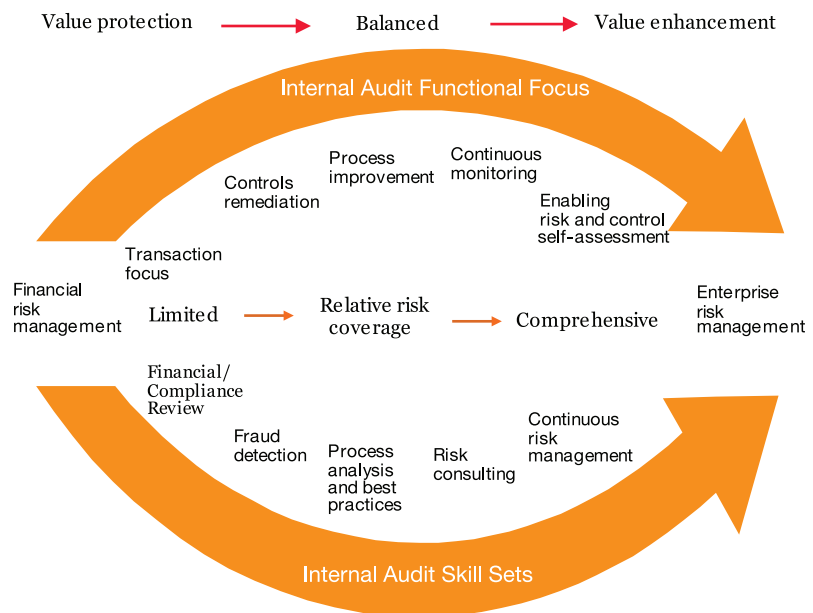
## Recalibration of Value

- How have internal audit stakeholder expectations changed?
- Is the focus of internal audit still appropriate?
- Are the right resources and skill sets available and deployed effectively?
- Will working practices facilitate the achievement of desired stakeholder outcomes?
- How can the value of internal audit be measured?

It also underlines its impact on the evolving internal audit skill sets. As the value focus moves from value protection to value enhancement, there is a shift in the role from financial risk management to enterprise risk management, necessitating a corresponding change in internal audit skill sets.

Even internal audit departments adept at adjusting to changing business needs must recalibrate and reconfirm value expectations periodically.

The diagram below reflects the increasing maturity of companies and stakeholders with respect to the changing expectations of the internal audit functional focus.



# Internal Audit Services

## How can we help you?

We can help companies enhance value and meet stakeholder expectations by systematically assisting them in the following:

- Better manage and mitigate business risks including fraud risks
- Establish robust internal control and regulatory and compliance mechanisms
- Provide independent risk and control assurance
- Meet standards of corporate governance set by regulators and the industry

We use the hub-and-spoke client service model to meet client requirements by providing flexibility. Whether you need assistance in improving the effectiveness of your internal audit function or formalising your governance, risk management and compliance systems, we at PwC provide an in-depth knowledge of business risks, internal controls and internal audit, along with subject matter specialists who provide a perspective on industry-specific risks and business practices.

## Our people, our expertise

We are one of the leading Internal Audit service providers across the globe. We have a longstanding commitment to develop and promote this practice and are recognised as thought leaders within this field.

As a global organisation, PwC employs over 180,000 people in more than 776 cities in 158 countries around the world.

Our global Internal Audit practice network comprises 2,500 internal audit specialists and 4,500 members of staff who work on internal audit assignments.

PwC India has over 6400 employees operating across eight locations in India. The India Risk Advisory Services practice has over 350 skilled employees providing internal audit and other risk related services. People with various skills such as chartered accountants, engineers, management graduates, certified internal auditors, cost accountants, and certified systems auditors work towards adding value to our clients.

Our Internal Audit practice is structured as a single global practice, located in each of the significant business centres of the world. Therefore, we are able to tailor-make teams to meet your specific needs, thus creating the most appropriate mix of resources, as and when required. Since our Internal Audit practice works as a global business unit, our people, across the globe, approach projects using the same methodology, knowledge management and shared technology platform. This is coordinated through a client's local engagement team. Also, our global approach means that we can offer you seamless service, wherever you are located.





## *Internal Audit Services*

### **Internal Audit Sourcing service**

#### **Strategic Sourcing**

Our Internal Audit practice offers strategic sourcing solutions to strengthen the risk management capabilities of an in-house internal audit function. We work with enterprises that require sourcing in selected territories or need specialised skills in areas such as treasury, data security and privacy, information segregation, software asset management, and legal and regulatory compliance by developing programmes that provide the best solution. Through strategic sourcing, companies can re-dedicate internal audit resources to meet other corporate objectives while we work to identify, monitor and manage the ever-changing risks of their business.

#### **Staff Augmentation Services**

This refers to the deputation of skilled PwC professionals at the client-end for an agreed duration. Organisations sometimes face a temporary resource crunch in the internal audit function and to assist them, we have a unique solution to supplement the client's internal audit resources for a short term. Secondment is beneficial, as trained professionals are available for short periods without any long-term commitment and clients can save on recruitment and training costs.

#### **Responsible Supply Chain Monitoring**

Our services ensure that organisations meet the ethical, legal, commercial and public expectations that society demands. Our responsible supply chain monitoring services have been designed to help vendor and supplier concerned companies correct violations, improve workplace conditions and ensure compliance with legal and industrial regulations as well as detect and correct any violations.

#### **Outsourcing/ Co-sourcing**

We offer value-added outsourcing solutions using the proprietary 'hub-and-spoke' model, designed to deliver the right mix of skills into the internal audit function.

### **Internal Audit Services**

#### **Training: IA skills, Risk Assessment, CAAT tools, Soft Skills**

We can help the client's internal audit departments fulfil their training needs by preparing and delivering specific and relevant training programmes. The development and delivery of these programmes is carried out by a team of experienced internal audit professionals.

#### **Quality Assurance Reviews (QAR+)**

QAR+ is designed to help the internal audit function as well as the management meet defined expectations. Reviews are designed to help the internal audit function benchmark their procedures and work practices against similar functions across the industry as well as against professional standards issued by the Institute of Internal Auditors, Florida. Such reviews often start with establishing a clear vision for internal audit. Then, the ability of the department to fulfil the vision is evaluated, including the need to amend internal audit strategies, staff resources, technology and working practices. Adoption of best practices and continuous improvement aspects are also included in the review. We use our proprietary tool, Profiler, to benchmark existing internal audit practices against demonstrated best practices of high-performing internal audit functions.

# Delivering Excellence

## Knowledge Gateway

Knowledge Gateway helps us to bring the deepest and most advanced knowledge of business risks, internal controls and internal audit from our global counterparts to our clients. It provides robust search features to our partners and staff and the ability to utilise an extensive range of information and experience across the globe.

## Profiler

It is our proprietary internal audit tool designed to benchmark the effectiveness of an entity's internal audit processes against other high-performing internal audit organisations.

## PwC Benchmarking Knowledge Repository

It is a knowledge portal containing information on more than 150

standard business processes. Provides benchmarking tools to identify gaps and best practices to gain insights for improving the quality of work.

## Audit Issue Tracker\*

This is a tool to help management track the implementation status of audit recommendations

*\* This is an exclusive 3rd party tool provided to PwC.*

## TeamMate\*\*

This is a powerful electronic work-paper package that generates and processes global issue tracking, which has revolutionised the internal audit documentation process. More than 14,000 internal auditors from over 275 organisations worldwide are using TeamMate to increase the efficiency and productivity of the entire audit process,

including preparation, review and report. We use TeamMate extensively as a part of our Internal Audit service delivery.

*\*\* This is a 3rd party tool provided to PwC.*

*We continuously invest in technology and knowledge management to provide our professionals with the necessary tools to deliver unparalleled service*

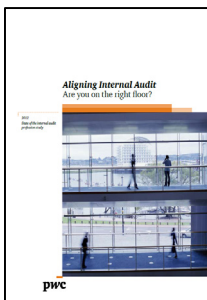
# Our Insights

## 8th Annual State of the Internal Audit Profession Study (2012)

In this year's annual examination of the internal audit profession, we focus on the rising importance of risk management and the increasing expectations of internal audit's contribution to the effort.

While previous studies surveyed only chief audit executives (CAEs), this year's survey expanded to include other executives, audit committee chairs, and board members

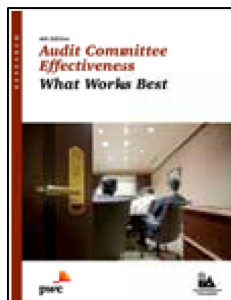
*Focus on the rising importance of risk management and the increasing expectations of internal audit's contribution to the effort*



## Audit committee effectiveness: What works best, 4th edition (2011)

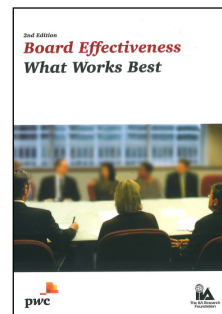
The economic crisis that started in 2008 increased the focus on the role of the audit committee and the information disclosed by companies.

In this fourth edition of our joint publication with the Institute of Internal Auditors, we highlight the global practices and provide insights and viewpoints of audit committee chairs, financial reporting experts, governance specialists, and internal audit directors.



## Board effectiveness: What works best, 2nd edition (2011)

In this second edition of our joint publication with the Institute of Internal Auditors, we provide insights and points of view from corporate directors and governance specialists. It incorporates survey trends and data that highlight how directors are handling their responsibilities.



# About PwC

PwC firms help organizations and individuals create the value they are looking for. We're a network of firms in 158 countries with close to 169,000 people who are committed to delivering quality in assurance, tax and advisory services. Tell us what matters to you and find out more by visiting us at [www.pwc.com](http://www.pwc.com).

In India, PwC ([www.pwc.com/India](http://www.pwc.com/India)) offers a comprehensive portfolio of Advisory and Tax & Regulatory services; each, in turn, presents a basket of finely defined deliverables. Network firms of PwC in India also provide services in Assurance as per the relevant rules and regulations in India.

Providing organizations with the advice they need, wherever they may be located, our highly qualified, experienced professionals, who have sound knowledge of the Indian business environment, listen to different points of view to help organizations solve their business issues and identify and maximise the opportunities they seek. Our industry specialization allows us to help co-create solutions with our clients for their sector of interest.

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\* National Practice Leader

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