We have extensive practical experience in IA quality assessment projects, IA function implementation, and conducting internal audits in companies from various industries. KPMG professionals who are involved in performing the above mentioned assessments are all IIA members and are CIA (Certified Internal Auditor) qualified.

KPMG has wide-ranging IA experience and understands the specifics of how IA functions are organised within Russian companies. We collaborate extensively with the IIA, including conducting joint research in the area of IA and holding meetings and discussions with IIA members on a wide range of IA-related issues.

The IA Standards and the Code of Ethics were developed by the International Institute of Internal Auditors (IIA), and they set out the principles and basic requirements for professional activity in the sphere of internal audit. Under the IA Standards the Chief Audit Executive must develop and maintain a quality assurance and improvement programme that covers all aspects of the IA activity. The programme must also include external assessments “which must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organization.”

1 IA Standard 1312
Independent quality assessment of the IA function allows a company to obtain:

- An understanding of the current IA status, non-compliance with the IA Standards, and existing issues and areas for improvement.
- An independent opinion on whether the IA function meets all the requirements and expectations of the Board and senior management of the company.
- A professional assessment of knowledge, experience and qualifications of IA staff and quality assessment of techniques and methods used during the performance of audits.
- An independent opinion on how well the IA function is integrated into the corporate governance process and how interaction with IA stakeholders can be improved.
- Practical recommendations on enhancing audit effectiveness, including in terms of the IA planning process for specific periods, planning and conducting of audits, and reporting the results of IA activity.

KPMG professionals will prepare a detailed report on the compliance of the client’s IA function with the IA Standards and will outline appropriate recommendations aimed at bridging any identified gaps. The report is agreed with the Head of the IA function and, if necessary, is presented for all interested stakeholders (senior management / Audit Committee).
Performing a comprehensive analysis allows us to assess objectively all the positive and negative aspects of the IA function in a company, and includes:

- Analysis of documents governing IA activities (charter, organizational structure, IA methodology, internal IA policies and procedures).

- Interviews with: users of IA services (including the Audit Committee); representatives of the company’s senior management; Heads of business units where audits are carried out (sample basis); and Head and staff of IA function (sample basis).

- Conducting an anonymous survey of senior management and IA employees. Survey results are summarised and presented by KPMG in a report.

- Analysis of project documentation relating to completed internal audits (sample basis), including audit plans, working papers, IA reports, communications and correspondence.

KPMG professionals have wide-ranging practical experience in assessment of IA function effectiveness, both in Russia and abroad. We are able to draw on an extensive knowledge and understanding of applicable standards, guidelines and methodologies, including:

- International Standards for the Professional Practice of Internal Auditing
- Practice Advisory – guidance for internal auditors in applying the Definition of Internal Auditing, the Code of Ethics, the IA Standards, and promoting best practice
- Quality Assessment Manual – a methodology for organising and implementing IA quality assurance and improvement programme
- K’SPRint – a KPMG methodology used to analyse and assess IA function effectiveness

Follow up of deficiencies remediation

The KPMG team can also perform a follow-up review after the implementation of our recommendations. We provide sufficient time for deficiencies to be corrected and, when they are remediated, we can help assess how successfully any correcting actions have been carried out. As a result, the final report will include a status of deficiency remediation. Such an approach allows clients to obtain the maximum benefit from our cooperation.
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