

Internal Audit

In a nutshell, Internal Audit:

- provides independent assurance that an organisation's risk management, governance and internal control processes are operating effectively
- deals with issues that are fundamentally important to the survival and prosperity of any organisation
- looks beyond financial risks and statements to consider wider issues such as the organisation's reputation, growth, its impact on the environment and the way it treats its employees

Source: Chartered Institute of Internal Auditors

competent Internal Audit department knows how to effectively capture, assess and respond to business risks, whilst adding value through wealth protection and cost reduction.

In summary, internal auditors help organisations to succeed. However, as business environments become increasingly complex and regulations more onerous, today's Internal Audit departments face many challenges that compromise their ability to be effective and independent.


Resources - Audit functions must ensure that they are adequately staffed and with personnel who have the appropriate business and technical skill sets.

Change - Auditors need to be agile and respond quickly to changing business needs, new products and operations, new regulations and industry events. Continuous monitoring is an integral aspect of auditing to respond to emerging organisational risks.

From this it is very clear that Internal Audit has an important role in every business. To do this effectively, internal auditors must combine assurance with consulting by telling managers and board members how it real is: to speak candidly on how well the systems and processes designed to keep the organisation on track are working. **This is the level of assurance that is always wanted but not always welcome.** As experts on internal controls, the internal audit function is also required to offer consulting help to improve those systems and processes where necessary.

Internal auditors deal with issues that are fundamentally important to the survival and prosperity of any organisation. At a minimum, Internal Audit exists to prevent damage and loss. A





Independence – Internal auditors often face pressure from management to “tone down” reported issues. As auditors increasingly try to model themselves as “business partners” the line between auditor and advisor becomes more blurred.

Audit services

At Kingston Smith Consulting (KSC) we help our clients navigate these challenges through a variety of audit services including: co-sourcing and outsourcing relationships; technical support; knowledge transfer and training; and audit effectiveness reviews.



Outsourced solutions

As companies are being driven to do more with less, the Internal Audit (IA) function has become a prime candidate for strategic sourcing. Achieving effective IA capabilities need not require a significant level of investment in skilled resources, methods, training and technical infrastructure.

In an outsource arrangement, KSC can perform all aspects of internal audit. We will provide input into your risk register, build the audit plan, perform all aspects of testing including continuous monitoring and following up of action plans, attend audit committees, and liaise with external auditors and other third parties.

An outsourced approach to internal audit offers several benefits:

- Access to all the technical skills of a specialist consultancy.
- A strong independence culture as the outsourced supplier is not compromised by their relationship with management.
- The cost flexibility of being able to increase or reduce the level of service quickly and easily.

In addition, the KSC approach eliminates the two major disadvantages of outsourcing:

Our core team is involved in every audit and develops an intimate knowledge of your business. Niche experts supplement the core team rather than dilute it.

We apply a delivery methodology modelled on the most efficient assurance functions in practice. The cost of the service is often less than an in-house function and its productivity almost always higher.


Co-sourcing solutions

This is similar to the outsourcing solution, however we supply highly skilled staff to supplement the client's existing audit team as business needs arise. This could be to meet short term resource requirements, specific industry knowledge or the technical skill set of one of our subject matter experts. Our “experience” model means that we only employ staff who have at least 10 years' experience working in audit.

Whether we are supporting our clients in an outsourced or co-sourced audit capacity, we will ensure that we transfer our knowledge to the client audit team. This is done through regular update meetings with management, coaching and mentoring staff, informal and formal training sessions.

Training solutions

KSC provides training and mentoring to client's staff on all aspects of internal audit including specialist technical areas such as Information Technology audit. We help our clients build their own bespoke audit methodology that best suits the size and type



of organisation – it is certainly not a one size fits all solution!

We also have a number of clients for whom we run regular workshops on subjects such as FCA hot topics, new regulations and emerging industry issues.

Audit effectiveness solutions

We have developed various quantitative and qualitative metrics to measure the effectiveness of your audit department. We then use these metrics to quality assure and benchmark your audit function against industry best practice.

Flexible solutions

We recognise that different organisations have very different needs in both the quantity and style of internal audit work. KSC's Internal Audit solutions can help your organisation achieve a level of flexibility which can be critical in effectively dealing with a range of operational issues, whilst at the same time ensuring best practice methodology.

For further information

To learn more about our Internal Audit service capability, please feel free to contact Paul Fennell, Senior Manager or Nick Alford, Partner on +44 (0)20 7566 3732.

About Kingston Smith Consulting LLP

Kingston Smith Consulting (KSC) is the specialist consulting practice of the top 20 accountancy firm Kingston Smith LLP.

Established in 2009, KSC provides services in all aspects of Technology Risk Management, Governance and Controls Assurance and Legal and Regulatory Compliance. In addition, we have a team skilled at specialist services such as due diligence, supplier selection and third party management. We maintain strong relationships with allied service providers in order to be your “one stop” consulting solution.

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