



**KPMG can help you supplement your internal audit staff and broaden your capabilities in a cost-efficient manner through cosourcing.**

## Cosourcing with KPMG

# Strengthening Internal Audit Through Cosourcing

**Perhaps your internal audit department staff members lack specific skills and experience. Perhaps you need support or technical know-how when special projects arise. Or perhaps you want to refocus the internal audit function on critical business risks and transform it from a “cost center” into an “operations improvement center.” KPMG can help.**

As a recent KPMG survey of senior executives and internal audit directors reveals, many internal audit departments simply do not have professionals with all of the required skills and experience to meet management’s increasing demands for value from the internal audit function. Other departments do not have a large enough staff to handle all of their projects.

In response, many leading organizations cosource internal audit work. Recognizing that internal audit is not a core process, they turn to firms such as KPMG to supplement their own internal audit staff and broaden their capabilities in a cost-efficient manner.

### **Benefits of Cosourcing**

Through cosourcing, KPMG’s Management Assurance Services (MAS) practice can help you augment your internal audit staff and help you shore up specific areas of your internal audit function. We can also help you jump-start specific projects and improve the overall

effectiveness of your internal audit function. And we can do so in much less time and for significantly less money than it would take for you to develop the needed resources internally.

### **KPMG: Delivering the Right Resources**

In cosourcing with KPMG’s MAS practice, you will get the right resources for your needs. To match our resources to your specific internal audit needs and objectives, we will first sit down with you to precisely determine your needs and expectations. We will then:

- ▲ Provide you with not only internal audit professionals but also other KPMG professionals skilled in such key areas as e-commerce, procurement, supply chain management, or IT, depending on your specific requirements
- ▲ Provide KPMG professionals who know your industry and the types of risks and issues facing your organization

▲ Select resources not just from around the block but from around the globe, when appropriate, to help you get people with the right skills and experience at the right time.

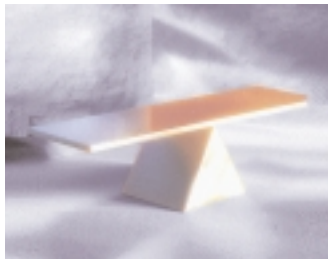
### Some Recent Success Stories

KPMG conducted a comprehensive business risk assessment for a Fortune 500 communications company—identifying and ranking risks, formulating a risk-based internal audit plan, and aligning internal audit's focus with the company's strategic objectives and the needs of senior management. The initial process audit from the risk-based plan focused on forecasting and inventory management. KPMG's internal audit professionals worked in tandem with our information systems and supply chain consultants to evaluate demand and supply projections to capitalize on future scheduled price reductions. Recommendations resulted in \$3.25 million in immediate cash savings to the company, combined with significant process and control enhancements.

KPMG performed a postimplementation control assessment of a new billing and customer care system for a leading telecommunications company. The assessment included the evaluation of

the business processes and system controls surrounding the revenue cycle. As part of the project, KPMG identified control weaknesses and developed alternative processes and controls to enhance risk mitigation. As a result of the review, the company was able to modify business processes and system controls to better leverage the capabilities of the billing and customer care package.

The internal audit department of an international manufacturer engaged KPMG to perform a supply chain management review at 14 foreign subsidiaries. The scope included customer order and fulfillment, inventory management, logistics, and a postimplementation review of the new customer order entry system. This review identified process improvements in the inventory management and logistics areas. In addition, the review supported structural changes to enhance these processes by establishing accountability and ownership.



### To Learn More

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