

PROVIDING OBSERVATIONS AND RECOMMENDATIONS

As an integral part of our review, we will provide the Internal Audit Department with a comprehensive report of our observations and practical recommendations for improvement. The deliverable from the Quality Assurance Review will include a report summarizing our activities, observations and improvement opportunities, benchmarking evaluation, observations regarding the compliance with the IIA Standards, and leading internal audit practices. We will discuss our observations and potential action plans with you before we render our report. We will work hard to make sure we have a complete understanding of the facts and that XYZ Company understands and is committed to any suggested actions.

At the conclusion of our work, we will issue a report providing our assessment of the Internal Audit Department's business practices as they relate to:

- ▶ Compliance to the IIA Standards;
- ▶ The XYZ Company's objectives for audit;
- ▶ Alignment with XYZ Company's strategic objectives;
- ▶ The XYZ Company's Internal Audit Charter and Mission Statement;
- ▶ Ability to achieve overall XYZ Company and Internal Audit Department objectives;
- ▶ Management and Audit Committee expectations and perceptions regarding corporate governance, level of service, and on-going relationships;
- ▶ Coordination between Internal and External Audit activities;
- ▶ Successful practices for risk assessment process, audit universe and audit methodologies, and ability to be flexible in this changing business, regulatory, competitive, and cultural environment;
- ▶ Organizational structure, people skills/qualifications, staff mix, training, and development programs;
- ▶ Processes regarding audit scheduling, resources allocation, use of technology, audit execution, working paper standards, customer reporting, and communication;
- ▶ Reporting of Internal Audit Department productivity, efficiency, and quality of service;
- ▶ Internal audit procedures; and
- ▶ Ability to deliver value and actionable business advice.