

'Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes'

IIA Inc. definition

'Governing bodies and senior management rely on internal auditing for objective assurance and insight on the effectiveness and efficiency of governance, risk management and internal control processes'

www.financialexecutives.org

Reducing institutional risk and increasing value

The KCG internal audit focuses on strategic, operational and financial risks while ensuring comfort on core systems and processes. We work with you to create a shared view of the risk exposures within the institution and of the actions necessary to implement improvements.

Within Higher Education institutions Internal Audit's role is to provide the Governing body, through its Audit Committee, with an objective evaluation and opinion on the overall adequacy and effectiveness of the institution's framework of governance, risk management and control. Our role is also to provide expert internal management consultancy capability to provide support and advice during period of organisational change and rationalisation.

Our modern, risk-focused internal audit service looks beyond core financial systems and controls. We systematically review all key processes, including strategic and business planning, operational business processes such as sales or service delivery, human resources, estates management, procurement, and ICT. We also provide assurance that your corporate governance arrangements and risk management functions are *fit for purpose* and substantively comply with recognised best practice standards and regulatory requirements.

The key stages to delivering a tailored internal audit programme that meets your needs are as follows:

- Develop a thorough understanding of the institution and its strategic objectives, through discussion and review of relevant documentation
- Assessing your approach to risk management and whether it will support the development of a strategic, risk-based internal audit plan
- Identify and assess, with you, the key risks that could significantly impact on the achievement of corporate and departmental objectives
- Develop the internal audit plan from the information gathered and assessments made, and obtain agreement from you that the plan is focussed in the right areas before approval by the audit committee
- Regular re-appraisal of your risk profile and the impact of emerging risks that affect the scope and direction of the internal audit plan.

Contact:

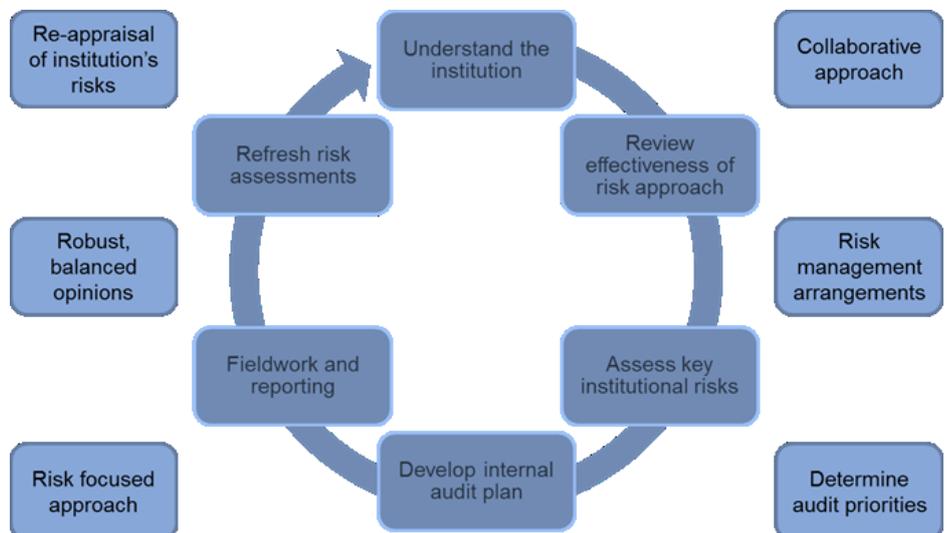


Alan Lees
KCG Managing Director

T: 020 8417 5378

M: 07836 271313

E: a.lees@kcgaudit.co.uk



All work delivered in accordance with the plan will be timetabled in agreement with you. When we report at the conclusion of fieldwork we always do so within your business context. We highlight areas of good practice as well as recommendations for improvement. We provide robust opinion on both the design and operation of controls, so that you are clear about the overall strengths and weaknesses in the area being reported on.

Effective Internal Audit in Higher Education

KCG approach is to provide an internal audit service to HEIs under a shared service consortium arrangement.

We become established as an integral part of our member institutions, identifying and assisting with the development of risk mitigation strategies, and supporting management by identifying opportunities for efficiencies and performance improvement, cost reduction, and revenue and customer service optimisation. Maintaining close contact through regular dialogue with member institutions is important for us as it enables us to absorb institutional culture and we obtain a deep understanding of risk priorities.

KCG helps institutions respond to challenges in the sector, moving away from the traditional transaction-based and compliance role to being more proactive and strategic, making a more positive and demonstrable contribution to the achievement of institutional strategic objectives. The KCG Internal Audit approach involves working at board/governing body level, engaging regularly with audit committees as well as with executive management, linking clearly the audit programme with institutional strategic risk. In this way, Internal Audit can genuinely 'add value' and assist in promoting institutional performance improvement.

In carrying out our work, we are required to comply at all times with the OfS Terms and Conditions of Funding, Audit Code of Practice - Annex C, the Public Sector Internal Audit Standards (PSIAS), and other industry best practice and professional standards, including the Chartered Institute of Internal Auditors' (IIA) International Professional Practices Framework (IPPF).

Whilst we work extensively with institutions regulated by the OfS, the KCG consortium model of internal audit is also available to alternative providers. These institutions receive an internal audit service that is comparable to that delivered to HEIs, which is therefore fully compliant with the requirements and standards defined by the OfS.

Our internal audit services

In addition to our consortium membership model of internal audit delivery, we also work with non-members. The following are the key internal audit services we provide:

Outsourced internal audit – In place of an in-house function, and on a fully commercial basis, we offer a range of solutions, including:

- Generating the internal audit strategy
- Assessment of audit needs and audit planning
- Performing all internal audit work on your behalf
- Acting as your head of internal audit

Co-sourced internal audit – We supplement your in-house team where additional or specialist skills are needed, specifically: project management expertise and ICT. We also work with institutions to help build audit methodologies and standards, develop internal audit plans, and training of staff.

Effectiveness and improvement - Our internal audit effectiveness reviews are designed to assess whether the in-house function is meeting the needs of the business, and to identify key improvement actions. Key aspects of our effectiveness reviews are:

- Benchmarking against best practice
- Assessing alignment to the strategic and operational imperatives of the business
- Advising on internal audit methodologies and approach
- Providing assurance that internal audit is managed effectively and delivers value for money.

What you can expect

The KCG internal audit team is highly experienced in working in collaboration with member institutions to implement best practice internal audit solutions. We tailor our approach to the specific needs of our members to ensure they receive optimum value from their investment in internal audit.

Our audit report contains a robust overall opinion, and we also include a balanced summary of good practice we identified through our work, and key findings where improvements are required. There is also commentary on how the institution compares to other institutions in the sector and to consortium members, and we highlight value for money issues as necessary.

References

Terms and conditions of funding for higher education institutions for the period to 31 July 2019	https://www.officeforstudents.org.uk/media/1286/ofs-rfip-b3_ofs-terms-and-conditions-of-ofs-funding-for-heis-to-31-july-2019.pdf
Public Sector Internal Audit Standards (PSIAS)	http://www.cipfa.org/policy-and-guidance/standards/public-sector-internal-audit-standards
International Professional Practice Framework (IPPF)	https://www.iaa.org.uk/resources/ippf/