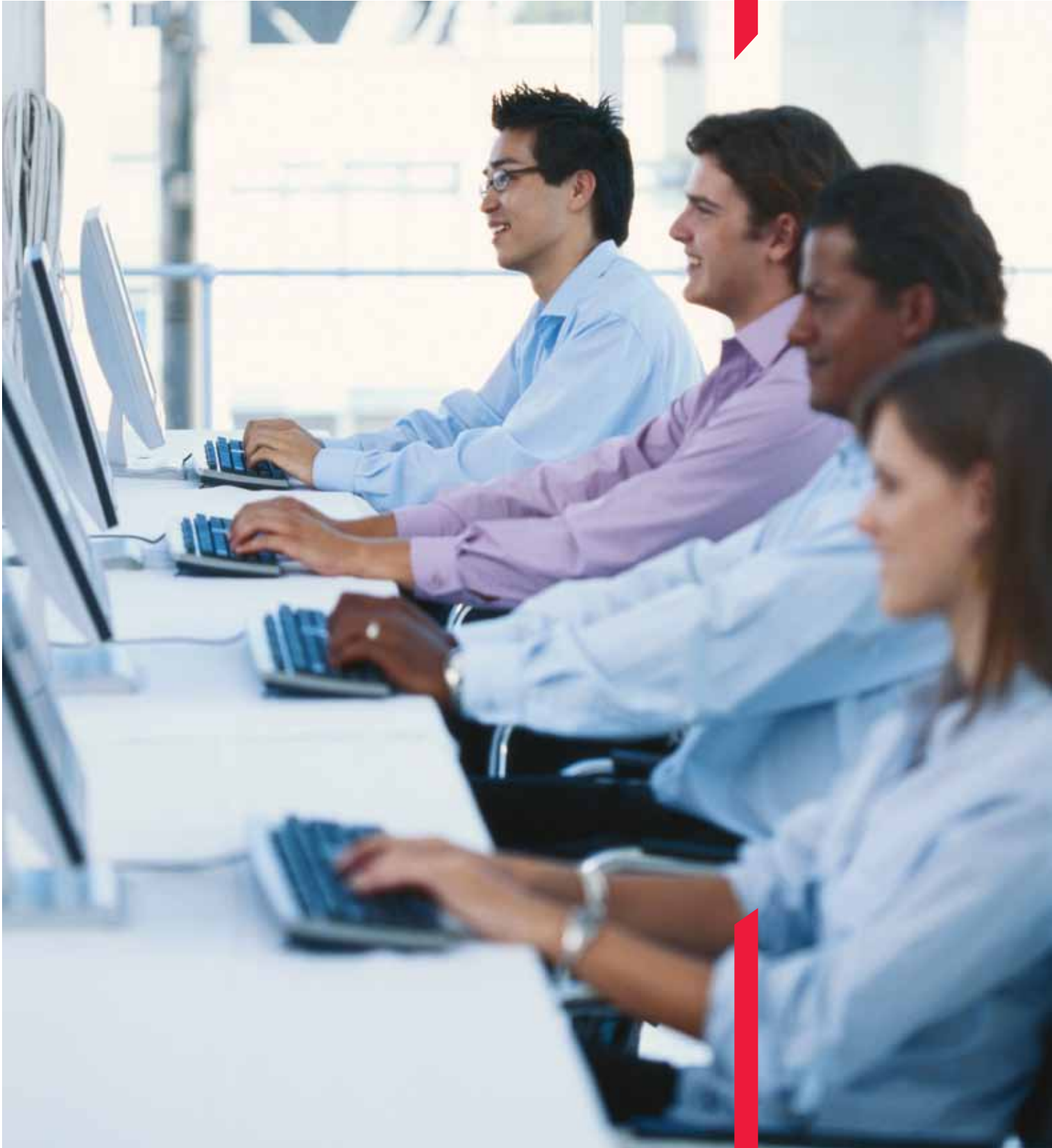




ADVISORY SERVICES

EFFECTIVE ASSURANCE

Internal Audit



An internal audit 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, internal controls, and governance processes.

All organisations face new corporate governance concerns, as well as intense internal and external scrutiny. A compliance-based, reactive approach to internal audit is no longer acceptable; there can be no surprises when it comes to managing the risks and opportunities in your business. The King Report on Governance for South Africa 2009 (King III) calls for a more risk-based approach to internal audit, and requires that every year the internal auditors furnish an assessment to the board on the system of internal controls, and to the audit committee specifically on the effectiveness of internal financial controls. The audit committee is then required to report fully to the board on its conclusions arising from the internal audit assessment.

The internal audit function plays a critical role in an organisation's management control structure; it helps to ensure the legitimacy of the entity's fiscal practices.

Traditional, compliance-driven methodologies, which only provide management or the audit committee with proof that controls in place are working to achieve regulatory and financial goals, are now outdated. The nature of the internal audit function has evolved, taking a more dynamic or, 'value added' approach. Risk assessment consultations on the risks inherent to the organisation are provided, as well as assistance with process improvement or process re-engineering procedures. This is done in addition to providing basic assurances stipulating that current controls are effective and efficient.

How we can help

An effective internal audit function adds value by offering independent and objective assurance and consulting services to an organisation's management. We have developed a suite of services designed to help clients develop and implement an internal audit function or, transform a standard, compliance driven internal audit function into one that is proactive and risk-oriented. We can help you align your internal audit function with the overall objectives of your organisation.

Our Risk Advisory Services (RAS) team can assist you with the following:

- Establishing an effective internal audit function
- Strategic partnering and co-sourcing
- Managing the internal audit function
- Capital projects assessment
- Sarbanes-Oxley readiness and implementation
- Internal control evaluation
- PFMA/MFMA compliance

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Why BDO?

- Our insights into a rapidly changing business environment will help us to help you to improve your performance and competitiveness.
- Exposure to areas such as finance, risk management, compliance, information technology, operations and human resources means we can identify and assist management in implementing initiatives to save costs in the operations, improve management control and performance, manage risk and deliver enhanced financial effectiveness.
- All our services are aimed at enhancing the effectiveness of, and strengthening a company's corporate governance processes.
- Our deliverables are practical, value-adding recommendations to improve processes and procedures when benchmarked against international best practice.
- Our approach combines talent, experience and an exceptionally motivated team to provide you with cost-effective and value-added services.
- We have the expertise, know-how and forward-thinking strategies to help you make the right decision at the right time.

For further information, contact:

Willem du Preez
+27 11 488 1795
+27 82 664 1974
wdupreez@bdo.co.za

James Roberts
+27 11 488 1887
+27 83 675 0815
jaroberts@bdo.co.za

www.bdo.co.za

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