

RSM! International

global excellence in audit, tax & consulting



Risk Management Services

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RSM International is a worldwide network of over 70 independently owned and managed professional services firms providing risk management, audit, tax, consultancy and other specialist services to ambitious growing organisations around the globe. Together, RSM member firms create an exceptional global community who are united by a common desire to provide the highest quality of services to their clients. High standards, a common work ethic and a clear focus make our members valuable partners for a varied client base worldwide.

Our member firms provide risk management services that offer a customised and flexible approach based on the client's requirements, including internal audit, regulatory compliance such as Sarbanes-Oxley, information technology assurance, enterprise risk management advisory services, quality assurance and fraud & forensic investigation.

RSM member firms provide a depth and breadth and services for specific industries, different risk models and understand the issues affecting growing internationally active organisations. Our member firms help clients implement structured and effective assurance mechanisms that deliver genuine competitive advantage.

Three regional RSM Risk Management Centres of Excellence support the work of more than 1,000 risk management professionals, and help RSM member firms to work together to provide high quality and consistent risk management services throughout the world.

Why work with RSM?

- **Global coverage**
- **Full range of compliance and advisory services**
- **Regional co-ordination**
- **Industry experience**
- **High quality and consistent service delivery**



Internal Audit

Increased focus on governance and controls has raised the profile and responsibility of internal auditors in both private and public organisations. Consequently, internal auditors are assuming a more strategic role that is linked to the overall assessment of risk. Our member firms provide internal audit services of the highest quality to suit the needs of businesses and their stakeholders worldwide.

Businesses will benefit from experienced, independent professional evaluations on the quality and effectiveness of their organisation's control environment. RSM member firms work with businesses to identify areas for improvement and explore ways to meet their objectives. They can provide either a fully outsourced solution, work in partnership with in-house internal audit teams or supply specialist services. All three of these delivery models give the advantage of scalability and flexibility, especially beneficial in the current economic climate.

Processes are based on a standard methodology available to member firms that embraces the key elements of the Committee of Sponsoring Organisations of the Treadway Commission in the COSO framework.

Core to the risk-based audit methodology is understanding the risk profile of organisations and assessing where internal audit assurance can add the most value.

This approach allows our member firms to:

- Focus internal audit resources on areas critical to the success of the organisation
- Meet all professional standards and requirements
- Provide stakeholders and managers with assurance that key systems and controls are in place and working effectively

and benefits clients by:

- Allowing in-house resources to be used more effectively
- Providing dedicated internal audit professionals without the day-to-day managerial requirements
- Having the ability to monitor key areas of the organisation
- Having access to experts on various subjects
- Providing clear opinions linked back to the risk profile

Internal audit services include:

- Fully outsourced internal audit services
- Provision of specialists in fields such as IT, environmental, project and tax audit
- Partnering with in-house teams
- Helping establish an internal audit function
- Internal audit quality assessments accredited by the IIA Inc
- Corporate governance advice
- Audit committee training

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Enterprise-wide Risk Management Consultancy

In an ever-changing commercial landscape, businesses face an increasing number of uncertainties. These can significantly challenge the best organisations, jeopardising the ability to achieve objectives through material loss or lost opportunity. There is now a much greater priority given to identifying risks facing an entity and managing these risks on an on-going basis.

Our member firms provide specialist enterprise risk management (ERM) consulting and advisory services. Organisations and their stakeholders benefit from expert, practical advice that delivers added value to businesses. These services include:

Establishment of the Enterprise-wide Risk Management Framework

The establishment of a dynamic ERM framework that fits the business needs is critical to ensure an organisation's success. RSM member firms will assess the operating environment and design an ERM framework that integrates with existing business and management processes. As part of the ERM framework, the organisation's risk appetite and maturity will be determined and supported by clearly defined risk management policies and procedures that will safeguard service quality, finances, resources and reputation.

Risk Management Awareness Training

For an ERM framework to be truly successful, organisations must embed the risk management philosophy throughout all levels of the business. Board members, senior management and employees must understand and buy into an organisation's specific risk management approach. As risk management responsibility starts to be devolved and managed throughout the organisation it is imperative that all those involved in the process are fully trained on their part in the ERM framework.

RSM member firms' risk management specialists can provide mentoring, coaching and training that will suit the individual needs of an organisation, from small practical workshops to large company-wide presentations.

Risk Identification and Evaluation

Organisations are increasingly being expected to demonstrate they have effectively identified, assessed and evaluated the risks they are exposed to and have put in place appropriate mitigation measures to try to prevent the 'worse case' scenarios becoming a reality. RSM member firms can provide tailored expert advice to help organisations identify and prioritise these risks.

Assurance Mapping

Board members, investors, regulators and external stakeholders are becoming increasingly concerned that organisations are not able to provide them with the level of comfort they require to be assured that risk mitigation techniques are suitably effective. Without this confidence business opportunities may be reduced. Member firm risk management specialists are experienced in developing controls and assurance frameworks that are proportionate to the needs of the organisation whilst providing that level of comfort to interested parties in the form of stronger corporate governance. This aside the establishment of an effective assurance framework as part of the ERM can also secure efficiency improvements in the use of internal audit.

Risk Management Software

The management of risks can be facilitated by the introduction of specialist IT software that can identify, assess and evaluate risks, map controls, capture assurances and track actions. Implemented as part of the ERM, specialist software can ease reporting and accountability at all levels of the organisation.

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Fraud and Forensic Investigation

Fraud, disputes and professional negligence are growing concerns for all organisations and require experts who can help to minimise a company's exposure and address breaches of security. Such incidences can have serious consequences in terms of financial loss, business performance, staff morale, negative publicity or regulatory infringement. This risk will increase in light of the current economic downturn.

RSM member firms take an integrated approach to risk management, designed to help prevent, detect and/or investigate fraud. Our member firms have forensic consultants and accountants who are actively involved in civil and criminal cases, who utilise accounting, auditing and investigation skills to deliver an independent opinion in clear terms.

Prevention

The first line of defence in fraud prevention is an assessment of the internal controls environment. This is done to identify areas of fraud risk. Focusing resources on critical areas of the infrastructure, RSM member firms first determine areas where exposure is greatest and then assess the existing preventative mechanisms while identifying control gaps or deficiencies. Understanding these deficiencies, allows our members to find cost-effective solutions to address weaknesses and reduce exposures.

Detection

If an act of fraud is suspected, a prompt and comprehensive investigation should be conducted by experienced investigators with a knowledge of the criminal process. RSM member firms have experienced and accredited resources to provide organisations with fraud identification, investigation and insurance claim services, including computer-based forensic consulting.

They will help establish the facts surrounding an incident in order to pursue criminal, civil or internal/disciplinary options.

Quantification

If a fraud has occurred our members can assist in quantifying and documenting the loss to support insurance and/or litigation of the matter.

Fraud prevention services:

- Identify areas of internal and external fraud exposure through a risk assessment
- Report internal control gaps that allow fraud incidents to go undetected
- Develop fraud awareness, whistle blowing and fraud investigation policies and associated guidance

Fraud detection services:

- Perform in depth investigations, including the organisation and categorisation of evidence
- Provide guidance and oversight of the documentation, evidence gathering and interview phases to ensure legal and best practice compliance
- Quantify and summarise the financial losses incurred
- Trace the proceeds of the fraud
- Provide copies of fraud documentation in a format that allows filing of an insurance claim

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Sarbanes-Oxley and Related Services

Compliance with the Sarbanes-Oxley Act ("SOX") is a major concern and high priority for publicly-held organisations. The Act includes a wide range of corporate governance and independent auditor reforms aimed at mitigating the frequency of accounting fraud and deceptive management practices occurring in companies.

SOX requires that audit committees, management and auditors assume responsibility for the implementation of certain processes that assist in the protection of investors. Each public company is affected differently by SOX and compliance necessitates a unique approach in each case. In response to the need for interpretation and implementation of this law, member firms of RSM International offer a range of SOX services.

The complexities of SOX can be attributed, in part, to the level of detail required in stating the internal controls at each stage of the process. The consequential benefits of documentation at this level are opportunities for process improvement, gained efficiencies and, ultimately, increased profits.

Our member firms' SOX consultants have developed an innovative risk-led approach to help organisations to implement a SOX programme and achieve SOX compliance. As a result, management take ownership of processes, risk awareness increases and efficiency is improved to take organisations beyond compliance, by embedding effective risk management.

If a company is new to SOX compliance, our members begin with an initial risk assessment and a plan for executive education and staff training before moving to the development and implementation of a full compliance programme. Drawing on the resources of specialist IT risk professionals, the organisation's technology controls and security processes will be taken into consideration so they are supporting the SOX compliance efforts. The aim of this approach is to establish a framework for future compliance that reduces cost and time to companies.

Whether a company requires outside assistance to simply maintain compliance, or is in a position to drive its SOX programme throughout the organisation, RSM International member firms have the tools, methodologies and staff experience to make a substantial difference in SOX-related outcomes.

Sarbanes-Oxley services are designed to help manage risk and ensure compliance. Specific services include:

- SOX readiness (pre-IPO)
- SOX documentation and testing (Post-IPO)
- SOX optimisation, including best practices
- SOX integration assistance during M&A

Our member firms also have experience in other areas of regulatory compliance, (e.g. SAS 70 reviews) and in relation to regimes similar to SOX that operate in other jurisdictions (e.g. KSox in South Korea and JSox and Japan).

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Quality Assurance

An internal audit function can add value to any organisation. It is a means of safeguarding resources and ensuring reliability, integrity and compliance with policies, regulations and laws.

A quality assurance review (QAR) is an independent peer review that provides senior management with the confidence of knowing the internal audit service is functioning as intended, as well as helping to pinpoint areas for improvement.

QARs not only make good business sense, they are also required by professional standards. The International Standards for the Professional Practice of Internal Auditing, developed by the Institute of Internal Auditors (IIA), requires an independent QAR at least once every five years. Internal audit functions that do not complete an independent QAR once every five years are not permitted to state that their work is compliant with IIA Standards.

RSM International member firms have qualified and accredited independent reviewers who can fulfil external quality assessment obligations. They are able to provide verification for stakeholders that the internal audit processes are serving organisations as required in compliance with IIA Standards.

Review teams obtain an understanding of the internal audit environment and can customise the review to the department's focus, capabilities and resources. Their methodology helps businesses get the most from their investment in internal auditing. Going beyond an evaluation of compliance, a seven part assessment process looks at the factors most important in a successful internal audit service:

- Leadership
- Best practices and continuous improvement
- Risk assessment and audit planning
- Customer satisfaction
- Staff development and training
- Compliance with standards
- Audit results and reporting

For organisations with robust, well documented internal audit processes, our member firms are able to complete a QAR quickly and with minimal disruption to operations. For those with existing Sarbanes-Oxley issues or other risk concerns, they have the depth of internal audit and risk management experience to help identify and address key issues while meeting QAR needs.

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Information Systems Assurance

Information security and business continuity are important and costly concerns for all organisations. Businesses now rely upon electronic data and supporting technology to connect to customers, vendors and the general public. If systems are faulty in design or lack effective controls such as weak configuration settings, failure to apply security patches or poor security management, the impact on business systems and data may have serious financial, legal or reputational implications.

RSM member firms' information systems assurance advisors will gain an understanding of the organisation and the specific risks and opportunities. Applying their experience they will help identify and manage immediate risks, while considering corporate objectives.

Services are aligned with the IT Governance Institute's Control Objectives for Information and related Technology (CobiT) and the Institute of Internal Auditor's Guide to the Assessment of IT General Controls based on risk (GAIT). In addition, staff are experienced in project management, Information Technology Infrastructure Library (ITIL) and business continuity services and therefore able to provide a comprehensive range of information systems assurance services.

IT Risk Management

RSM member firms are able to determine whether IT controls are adequately designed to ensure the confidentiality and integrity of data and the availability of systems. They can also help clients have effective processes to reduce risk through an administrative, operational and technical information security assessment. Services include:

- Information technology risk assessment
- Information systems controls review
- Physical security reviews
- Policy and procedures advice
- Confidential data management
- Data leakage prevention

Regulatory Compliance

The increase in regulation and guidance relating to data and information technology can increase the risk of non-compliance and expose organisations to reputational damage and/or financial penalties.

Our members can provide specific advice and guidance on:

- Payment Card Industry Data Security Standard (PCI-DSS)
- ISO 27001 Compliance Gap Analysis
- Data Protection Act Compliance

Data Analysis / Interrogation

As organisations continue to drive towards cost saving and increasing efficiencies, the effective management of data and use of computer systems is important to achieve a businesses objectives.

Access to accurate and meaningful data makes an important difference to an organisation. Without this, management information may be flawed and bad decisions made. RSM member firms have specially trained data analysis staff with experience in extracting large data sets in any format and using both IDEA and ACL data analysis tools to deliver tangible benefits. They will identify and redress any anomalies and work with businesses to improve the underlying data management processes. Some of the areas and tests that can be covered by data analysis and interrogation include:

- Order and payment analysis; sign off thresholds
- Invalid data
- High value payments and refunds/money laundering
- Gap and duplicate testing
- Numeric stratification and summarisation of data
- Application system segregation of duties
- Modelling for parallel run testing to ensure programme coding is operating as expected
- Effective data migration as part of systems implementation
- Evaluation of audit or internet logs to identify specific non-compliance activities

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Network and Application Security

Enhancing the security of network infrastructure and internal business systems provides cost-effective control improvements. Our member firms use advanced methods to test for configuration errors and network security measures to objectively quantify the depth and degree of information vulnerability present, to strengthen the security of their network and information systems. Reviews and testing include:

- Computer investigations and forensics
- Internal and external intrusion testing
- Internet and firewall security reviews

Business Continuity Advisory

An organisation's survival can be threatened by both natural and technical disasters, however, comprehensive business continuity plans can help mitigate the effects of unpredictable events. Experienced advisors at member firms can develop plans to provide organisations with continuation of essential operations and recovery of critical resources. Services include:

- Business continuity planning, review and testing
- Business impact analysis and incident response planning
- Hot-site and alternative facility selection
- Pandemic programme and mass absenteeism planning

IT Project Services

Whether the project is to select or implement a standard accounting package on existing hardware, or a new enterprise resource planning (ERP) system with dedicated servers and new communication channels, any interruption to the business is costly. Our members can provide services to facilitate successful systems implementations.

Data Management

Data loss incidents are increasing in number and significance each year and can be costly and damaging to an organisation's reputation. The risk of confidential data breaches is growing through the introduction of increasingly mobile technology. Mobile devices such as laptops and removable media are invaluable to modern business working practices but carry an increased risk of data loss.

RSM member firms can help organisations manage the risk of data loss, focusing in particular on the following:

- Data inventory of personal identifiable data held or processed by an organisation
- Risk assessment and management of confidential information
- Data mapping of the primary personal identifiable information flows in an organisation
- Assessment of related access controls of systems that hold personal identifiable information
- Implementation of electronic policies and procedures to facilitate the education and overall governance of confidential information
- Implementation of automated data management solutions that can prevent the transmission of identified confidential information.

Credentials

RSM member firms' professionals hold a range of qualifications, including CISA, CISM, QiCA, and Princell and have experience in a wide range of industry sectors. Our members can also support organisations where there is no or limited dedicated IT assurance resource.

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Profiles

Richard Smith (UK)

Partner, **RSM Bentley Jennison**

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Richard has more than 20 years experience of delivering risk management and governance services to both the public and corporate sectors and has also worked with numerous international and global entities such as the United Nations, the European Union and NATO.

Richard has extensive experience of managing the delivery of specialist internal audit and consultancy services as well as in working closely with clients in the development of their risk management and governance frameworks.

Richard heads up the RSM Centre of Excellence for Europe, Africa and the Middle East (EMEA) and also takes the lead role in our global risk management work which is project managed from London.

Bob Jacobson (US)

Managing Director, **RSM McGladrey**

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As the National Consulting service line strategic leader, Bob oversees a variety of matters related to the growth, profitability and management of the RSM McGladrey Consulting Services practice. He brings 18 years of business consulting experience in the areas of risk management, strategic business planning, business process improvement, business crisis/turnaround management, human resources and financial consulting.

Bob is the Americas coordinator of risk management. He has significant international consulting experience, leading client engagement teams in both large and small projects. He has worked in a number of industries and specializations, including Enterprise Risk Management and compliance-orientated sectors.

Jean-Marc Imbert (Australia)

Partner, **RSM Bird Cameron**

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Jean-Marc is an experienced audit and business assurance partner who specialises in providing risk management services, including internal audit, risk management, compliance audit, market audit and alliance audit.

He brings over 20 years of experience in the public and not-for-profit sectors as well as the corporate sector, including significant experience with public transport, infrastructure industries, energy and mining industries and international groups.

He also chairs the firm's Asia-Pacific Risk Management Partners Committee and acts as the Asia-Pacific liaison partner for the Risk Management Centre of Excellence.

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