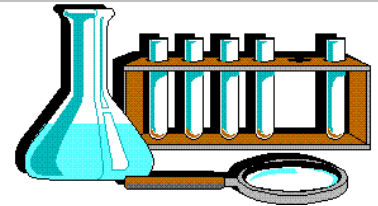


“The Internal Audit Professionals”™



Quality Assurance Review (QAR) Services

By

PRI Audit & Control

For the past several years, much of the attention of the world’s CEO’s, CFO’s, and internal and external auditors has been centered on ensuring compliance with Sarbanes-Oxley (“SOX”) requirements. Since 2006, much of the internal auditing focus has been on completing internal self-assessments with independent validation (“SA-IV”) or external Quality Assurance Reviews (“QAR’s”). PRI’s trained and accredited internal audit professionals can help your internal audit department complete either of these reviews, ensuring your continued compliance with The Institute of Internal Auditors standards.

Successful completion of a QAR will allow your internal audit department to continue to state its operations are in compliance with the *Standards* and *Code of Ethics* of the professional practice of internal auditing as overseen by the IIA, our governing body. Non-compliance with this Standard will prevent your firm from stating that your internal audit department is in compliance with the Professional Standards of Internal Auditing, possibly increasing your external audit fees.

The IIA requires that the firm or individuals completing the QAR be “qualified” under Practice Advisory 1312-1. This Advisory requires that the firm or individuals completing the QAR be completely independent, therefore, your external audit firm cannot complete the QAR. There are two reasons: first, because your external auditors are required by generally accepted auditing standards to make an assessment of the internal audit work completed for reliance thereon with respect to both financial statement certification and SOX 404 audit work, they would be certifying their own work and not be independent under Practice Advisory 1312-1, if they were to complete a QAR and secondly, a QAR is considered by the Public Company Accounting Oversight Board (“PCAOB”) to be a “non-audit service” that your external auditor is precluded from completing under both SOX legislation and PCAOB rules.

The benefits of a properly completed QAR are significant. In addition to allowing your internal audit department to state that it continues to be in compliance with professional standards (you cannot state this if a QAR is not completed), there are more important direct benefits. First, SOX legislation, and more recent direction from the PCAOB, provides for your external auditors to rely on the work of competent internal auditors. Completion of a QAR is a tangible way to demonstrate this professional competence and potentially reduce your external audit fees. Additionally, it provides you with an independent assessment of the work completed by your internal audit department and also benchmarking against industry best practices. The purpose of a QAR is not punitive in nature. It is forward-looking and improvement-oriented, designed to enhance the overall value and professionalism of your internal audit department.

PRI Audit & Control is uniquely qualified to complete an external QAR of your internal audit department or to validate the work you do internally through a self-assessment. We are an independent, professional internal auditing firm, committed to upholding the standards of the internal auditing profession. We are not a public accounting firm, and never do any attestation work, so we are not a threat to your external auditors. Our principals have directed internal audit departments in Fortune 500 companies and are also CPA's/CIA's with public accounting backgrounds.

Our Quality Assurance review team-members are professional internal auditors who have been trained by the IIA's certified training staff, received their IIA accreditations, and have experience in completing internal audits for a variety of companies, as well as supervising and/or managing internal audit departments in a corporate environment.

PRI's reputation is best summed up with the following comments by Hans Spoel, Corporate Executive Director of Alcatel Group Audit Services and Past Chairman of the Board of The Institute of Internal Auditors: "The work performed...at Alcatel has been an example of "best practice" in customer orientation and satisfaction. The total experience was both very professional and also of added value for my company. Rest assured that based on this experience, when my needs next call for internal audit services I will remember PRI."

In addition to Alcatel and others, PRI has also validated the internal assessments for The Institute of Internal Auditors and Northwestern University, who's CAE is another Past Chairman of the Board of The Institute of Internal Auditors.

For more information about PRI's QAR or our many other audit services, please contact Robert Rohweder at 574-237-0877 or Greg Mitchell at 317-573-1600 or send an e-mail to RHRohweder@priauditandcontrol.com.