



OFFER OF INTERNAL AUDIT



OUR COMPANY PROFILE

TOPIA SRL is a company from Sibiu, Romania, made up of a team of 7 persons with wide and relevant professional background and our mission is to provide **financial services** of high professional expertise to Romanian and multinational companies.

PROFESSIONAL CERTIFICATIONS: The company is certified, directly or through its staff, to:

- The UK Association of Certified and Chartered Accountants (**ACCA**)
- The Chamber of Financial **Auditors** of Romania (CAFR) and the Authority for Statutory Audits (ASPAAAS)
- The Association of **Valuers** of Romania (ANEVAR) – valuer of property, business and equipment
- The Chamber of **Tax** Consultants (CCF)
- The Chamber of **Insolvency** (UNPIR)
- TüV** Rheinland (the German certification authority, on audit of ISO 9001)
- Lecturers** on Audit, Valuation, Feasibility, Business Plan, Financial Analysis to the Chamber of Accountants

CLIENT PORTFOLIO

Experience since 1997 with multinational clients and international standards in the **Audit** profession.

- Financial Audit of Production companies:** Eurofoam (chemical ind., Austria), DesleeClama (textiles, Belgium); Brandl-Ro (automotive, Germany); Transylvania Pack and Print SA (cardboard, Austria); Bramac (roof tiles, Austria); Steinel Electronic (electronics, Germany), ODU Romania Manufacturing (electronics, Germany-USA), Guehring (tooling, Germany), Polycontact (connectors, Germany), Dekorame (Furniture, Sweden), Satrotec (electronics, Switzerland)
- Financial audit of Distribution & Services companies:** Biomin (animal food, Austria), Dutchmed (medical, Netherlands), Alpha Aftermarket Services (IT, Switzerland), Tradisa (transportation, Spain), Kadra (automated gates, Romania)
- Internal Audit:** Kromberg&Schubert (automotive cabling, Germany), Retrasib (electric, Germany), HPT Humbel (Automotive, Switzerland), Swoboda (automotive, Germany), G&G Manufacturing (industrial equipment, USA), Kendrion (automotive, Germany)
- Non-audit services:**
 - **valuation** for Scolopax (forestry, USA), Ambient (construction supermarket, Romania), IRI Forest Assets (forestry, part of Ikea, Sweden), Intelligent IT (software, Ro), Ecorom (distribution, RO), Jarex (distribution, RO), Metasib (real estate, RO), Greengold Value Forest (forestry, Sweden)
 - **trainings** for CECCAR (the Accountants Chamber)
 - **IFRS/ USGAAP/ managerial reporting** for General Motors Romania (USA, automotive), Greiner Packaging (plastic injection, Austria), Greengold (forestry, Sweden), Trans Euro Textile (Lacoste, France)
 - **due diligence** of Recticel (textiles, Belgium), Flaro (plastic ind.), CDI Company (real estate, Belgium), BekaertDeslee (Belgium, textiles)

QUALITY AND EXPERIENCE

- The Managing Partner has professional experience since 1997, including within one of the Big Four audit and accounting firms.
- We communicate fluently and report professionally in **English**. We can report in **German / French** languages.
- We are experienced in **reporting internationally IFRS/USGAAP/HGB/UGB** Group consolidation packages
- Our Audit approach is based on ability to extract data from various **software**, and we have experience in dealing from basic local to high level software (**SAP**). We are professionally in line with the evolution of the **IT**, we use computer assisted audit techniques in data extraction, processing and reporting.
- During our work with multinationals, we are used to report interoffice to **reputable auditors** of Head Office (PWC, KPMG, Deloitte, Ernst&Young, Moore Stephens, Grant Thornton, BDO) according to their systems.
- We are appreciated based on our constructive, **helpful** approach and **flexible local presence**.
- The **quality control review** performed by the Chamber of Auditors in 2017 gave us the maximum score (class A with 96 points of 100)
- What represents us best is the **midsize culture** meaning **international quality at local prices**.



LEGAL BASIS ON INTERNAL AUDIT

- ❑ The notion **Internal** Audit refers to the objective of this function, which unlike the Financial audit (focused on financial reporting figures), is dealing with **processes**, internal **procedures**, **systems** of organizing, documents and data **flows**, monitoring **efficiency** and deviations, **antifraud** and optimizations.
- ❑ Starting with July 2017, the updated legislation related to auditing (law 162/2017) specifies that the internal audit function becomes **mandatory** for the companies where the external financial audit is also mandatory (article 65 (7)). The same law specifies that internal audit must be performed by **certified auditors** (art 86.3.e) therefore the controlling function of the multinational Groups is no longer accepted as a **substitute** for the proper internal audit function.
- ❑ There is a **penalty** of 50'000 RON (around 10'700 EUR) specified in the auditing law (art 44 (1) b and (2) b) for not applying the rules on internal audit .
- ❑ The internal audit is regulated by the Chamber of Auditors, which in 2017 adopted in Romania the **International Standards** on Internal Auditing, and performs regular monitoring and quality reviews on its members. The Standards, resulted from solid international best practice, are designed to represent a true support for the companies, in identifying risks, organizing procedures to mitigate the risks, achieving optimizations of internal processes and organizational strength.

Therefore the work and responsibility of the internal auditor must be taken seriously. The work of the internal auditor is throughout the whole year and the benefits are real and accumulating in time.

OFFER

The Internal Audit function may be run in different ways as follows:

- ❑ Volumes of data (**intensity**): Internal Audit may be of high intensity (checking the entire population of transactions, which is usually the case in financial institutions), medium intensity (a statistical sample of transactions) or low intensity (a structural analysis of data, stratification, identify major types and exceptions, and check to detail for a low sample to understand the system, the controls, and recommend improvements where needed).
- ❑ Functions (**scope**): the scope can be high (all processes checked in a year, usually companies with full time internal audit), medium (3 processes per year as the rotation covers everything in 2 years) or low (one or two processes per year, as the rotation covers everything in 6, respectively 3 years).

We propose a **minimal approach**, a low intensity Internal Audit package (50 hours per process), which is in accordance with the Standards and local regulations, and represent genuine support for the company in developing and refining its processes, that covers **2 processes per year** for a price of **5000 EUR/year** (3 years rotation) or absolute minimal **1 process per year** for a price of **2800 EUR/year** (6 years rotation).

Within 3 or 6 years, our work will go through the company's processes, approaching **processes** in an order agreed with the client (e.g. purchases , HR , production , sales , Investments-equipment, Treasury-Finance-administration), splitting the process into its sub-processes, performing the risk assessments, interviews, check on internal controls and procedures, information flows, documents and reports used, incidents, reports on findings, and propose processes corrections , development, optimizations.

Work will be planned in non-busy seasons (usually in May-July and September -October). Starting 2020 our method evolved as to achieve paperless and contactless work, based on electronic data and online interviews.

We have a portfolio of multinational clients and our conclusions will be issued in RO-EN languages.

Best regards,

Cosmin Popa
ACCA, Managing Partner
Sibiu, 23 September 2020



AUDIT INTERN – FOAIE DE PARCURS

SIBIU ROMANIA



**CARTA
DE
AUDIT
INTERN**

1. Dispoziții generale
2. Misiunea și obiectivele auditului intern
3. Principiile auditului intern
4. Tipuri de audit și servicii de consultanță/consiliere
5. Atribuții și responsabilități
6. Metodologia auditului intern
7. Organizarea și liniile de raportare
8. Asigurarea calității
9. Dispoziții finale

**COMITETUL
DE AUDIT**

**PLAN
MULTIANUAL
DE AUDIT
INTERN**

- Tabel simplu de planificare multianuala a proceselor
1. Aria de cuprindere
 2. Identificarea proceselor / activitatilor / structurilor
 3. Identificarea si evaluarea riscurilor. Criterii. Punctaje
 4. Prioritizarea misiunilor de consiliere / evaluare / audit pe procese
 5. Stabilirea resurselor de audit

**PLAN
DE AUDIT
INTERN**

Domeniul / activitatea auditabila

Defalcarea pe subprocese. Obiectivele si Procedurile de audit intern aferente:

- Intelegerea modului de lucru, procedurilor, fluxurilor de date si documente
- Evaluarea si managementul riscurilor
- Evaluarea controalelor interne si procedurilor
- Auditul guvernantei corporative: Adeccvarea, conformitatea, fiabilitatea datelor

FORMALISM

- Notificare privind fundamentarea planului de audit intern
- Ordin de misiune
- Declaratie de independenta
- Notificare privind declansarea misiunii de audit intern
- Minuta sedintei de deschidere si de inchidere
- Analiza obiective, activitati si riscuri
- Fisa de urmarire a implementarii

**PROGRAMUL
DE AUDIT
INTERN
ANUAL**

- Buget de timp
- Pregatirea misiunii
- Elaborarea procedurilor chestionarelor interviurilor adaptate organizatiei
- Sedinte. Interviuri. Culegeri de date. IT. Analiza reglementari interne
- Analiza. Prelucrare. Testari. Foi de lucru documentate
- Discutare concluzii

**MANUALUL
DE
PROCEDURI
INTERNE**

**RAPORTUL
DE AUDIT
INTERN**

- Perioada, Domeniul, obiectivele
- Metodologia, constatarile
- Semafor concluzii pe subprocese
- Recomandarile
- Discutarea recomandarilor, estimare costuri implementari, decizii
- Urmarirea implementarii recomandarilor

INTERNAL AUDIT - ROADMAP

INTERNAL AUDIT CHART

1. General statements
2. Mission and objectives
3. Principles
4. Types of internal audit and counselling
5. Tasks and responsibilities
6. Methodology
7. Organization and reporting lines
8. Quality of internal audit
9. Other

INTERNAL AUDIT MULTIYEAR PLANNING

- Table
1. Processes / activities / structures
 2. Risks. Criteria. Score
 3. Priorities by processes
 4. Resources

INTERNAL AUDIT PLAN

- Activity audited.
Split by subprocesses. Objectives and internal audit procedures by subprocesses.
- Understanding the procedures, data and document flows
 - Risk assessment
 - Evaluation of internal controls and procedures
 - Corporate governance audit. Adequacy, compliance, data reliability, optimizations

FORMALISM

- Notification on audit plan
- Mission order
- Statement of independence
- Notification on internal audit mission start
- Minutes of meeting at beginning and end of mission
- Analysis of objectives, activities, risks
- Monitoring of implementations

INTERNAL AUDIT YEARLY PROGRAMME

- Time buudgt
- Preparation
- Tailoring of procedures, questionnaires, interviews
- Meetings. Interviews. Data collecting. IT. Gathering of internal procedures.
- Documented Analysis, Processing, Testing
- Discuss conclusions

INTERNAL AUDIT REPORT

- Period, area, objectives
- Methodology, findings
- Traffic lights scoring per sub-processes
- Recommendations
- Discuss recommendations, assess costs, decisions
- Monitoring of implementation

AUDIT COMMITTEE

INTERNAL PROCEDURES MANUAL