

Internal Audit



Potential Benefits to You

- ▶ Enhance your operational efficiency
- ▶ Benefit from a flexible, scalable approach
- ▶ Identify areas of risk
- ▶ Learn how to reduce & manage risk

Solutions from BKD Financial Services Group

Rapid change, growth and competition have added complexity to the operations, organizational structure and risk management of financial institutions. As a result, greater demands are placed on the internal audit function to identify risks, develop risk management protocols and analyze internal processes for greater efficiency.

Discover the BKD Solution

BKD Financial Services Group can help. By outsourcing or co-sourcing your internal audit activities, you gain specialized experience to handle the emerging complexities of your industry. In addition to expanding the scope of your audit activities and/or refocusing those efforts to operational controls, you gain the objectivity needed to help you identify and manage the risks inherent in your operations.

You benefit from an internal audit philosophy that focuses not only on helping you manage your key risks but also on enhancing operational efficiency. Serving as a resource to management, BKD Financial Services Group gives you proven alternatives and profit-enhancing suggestions to help you improve your bottom line.

Our Solutions

- ACH self-audit (NACHA required)
- Agreed-upon procedures
- Corporate governance training
- Due diligence acquisition assistance
- Floor plan audits
- FFIEC IT examinations
- Freddie Mac and Fannie Mae quality control
- GLB risk assessments
- Human resources compliance
- Information security reviews
- Information systems network controls reviews
- Internal audit outsourcing and co-sourcing

- Internal audit quality control assessments
- Internal audit training, coaching and mentoring
- Internal audit risk assessments
- Quality control programs
- Regulatory compliance audits
- Section 404 compliance testing
- Trust audits

A Billion \$ Bank Selects BKD for its Internal Audit

A billion-dollar public bank could no longer use its external financial statement auditor for its internal audit.

Since BKD had been in touch with the bank for many years, it was natural for the bank to include BKD in the bidding process along with another regional firm, a national firm and two Big Four firms.

A team of BKD Financial Services Group professionals spent time with the bank's audit committee and management, presenting "the BKD difference."

The result: the bank selected BKD for the internal audit engagement and told us we were selected because we consistently took the high road by discussing BKD's capabilities as opposed to discussing the other firms' shortcomings.



“ Their [BKD] internal audit professionals have elevated our understanding of risk and controls within the bank. BKD auditors pointed out things that we used to take for granted, things we walked around everyday, and provided us with specific action items for us to improve our operations and internal controls.”

—Eric Stable, CFO, Merchants Bank and Trust
West Harrison, Indiana

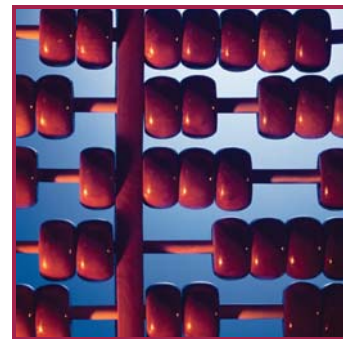
Designed Around You

Whether its outsourcing or co-sourcing, the correct strategy depends on your needs and resources.

Some institutions prefer to outsource only specific audit projects, allowing internal staff to concentrate on the areas they know best. Others out-

source all or a majority of the internal audit process. Still others choose to co-source, performing the internal audit function internally and relying on BKD to assist with retention, training and development.

We design solutions around you, tailoring them to your needs and price expectations.



About BKD Financial Services Group & Unmatched Client Service

BKD Financial Services Group, a division of **BKD, LLP**, is the advisor of choice for more than 1,200

community banks, savings institutions, holding companies, credit unions, investment firms and other financial and lending organizations. Clients range in size from de novo banks to large multibillion-dollar institutions.

Our Group includes some 150 advisors with industry experience in tax, accounting, regulatory compliance, technology, growth planning, loan review, internal audit, operations and outsourcing. We publish **Financial Alert**, a newsletter of management, regulatory and operations information, and issue interim **Alerts** about changes affecting



financial organizations.

When it comes to service, BKD believes in *unmatched* client service. That's a tall order but a goal we strive to meet.

As it turns out, our clients highly rate our service and refer business to us. In fact, **BKD clients are significantly more satisfied with our service than clients of other top U.S. accounting and advisory firms included in a recent comparison by an independent research firm. Our overall results are higher than those of any other CPA firm the researcher has surveyed in the past 25 years.**

We're proud of these results, as they reinforce our commitment to provide the **BKD Experience** of unmatched client service. We hope to have the opportunity to do the same for you.

Beyond Your Numbers

BKD Financial Services Group would like to take you beyond your numbers by applying our technical expertise, unmatched client service and disciplined delivery of solutions to your management and financial needs. We are committed to delivering results with integrity: solutions that are ethical, timely and affordable. Let us take you beyond your numbers.



For a complete list of our offices and subsidiaries and their contacts, visit:

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