



Policies and Procedures Manuals

Several highly publicized cases of inadequate internal controls and weaknesses in operating policies and procedures have resulted in significant losses and damaging publicity to the organizations concerned. Clear policies and procedures are the cornerstone of a controls system and need to be in place if deficiencies in internal controls are to be adequately redressed.

Both regulated industries and non-regulated industries require adequate policies and procedures so that organizations can be run effectively and efficiently.

I. Regulated industries

The key issues are:

- increasing regulation;
- regulators' expectations for adequate policies and procedures manuals for all significant activities; and
- the management of compliance and operating risks, in which clear and detailed policies and procedures manuals play a key role.

II. Non-regulated industries

Even where an organization is not in a heavily regulated industry, policies and procedures manuals can be invaluable, for example:

- newly established internal audit departments may need guidance in the form of internal audit manuals; and
- joint ventures, distant subsidiaries and branches need to have an agreed set of policies and procedures to ensure consistency with head office requirements.

Why have policies and procedures manuals?

- Manuals are necessary to satisfy regulators' expectations.
- Quality manuals are a robust method of clearly communicating standards to employees and of helping staff to carry out their duties.
- Manuals can be developed to cover all areas of activity, both of the processes themselves and of the support functions, in order to manage the associated risks.

How KPMG can help

The preparation of policies and procedures manuals is no small task and must be well planned and executed.

KPMG can work in partnership with an organization, providing assistance where needed.

Benefits

We can offer constructive and up-to-date advice on regulatory and compliance issues, given the range of industry-trained professionals and partners at KPMG.

We can offer advice on potential efficiencies and the need for additional controls or changes to policies and procedures where these may be of benefit.

Our approach comprises the following steps:

- review the objectives of the organization and formulate its high level strategic model;
- map the core processes and make recommendations;
- produce a pro-forma outline of the policies and procedures manual; and
- prepare and deliver the policies and procedures manual.

Why choose KPMG?

By choosing KPMG, you can access:

- our experience in helping organizations in many industries to draft policies and procedures manuals;
- our experience in helping management to identify the key issues;
- our professionals, who have experience in many industries;
- our technical advice professionals for guidance on regulatory and compliance issues; and
- resources that complement your own resources.



Contact us

For more information on how KPMG can help your organization, please contact us at mas@kpmg.com.hk, or

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