

Running the Modern Audit Function

Sarah N. Flanagan
Senior Antitrust Compliance Counsel
Intel Corp.



COMPLIANCE WEEK 2012

Intel Corporation

The World's Largest Semiconductor Manufacturer

- Leading manufacturer of computer, networking & communications products
- 168 sites in 63 countries
- \$54B in annual revenues from customers in 120 countries
- More than 100,000 employees



Audits at Intel



Legal Compliance Audit Inputs



Extended Enterprise/Challenges

New Businesses and Markets

Subsidiaries

Suppliers

Distributors

Contingent Workers



Running the Modern Audit Function

Mark Monday

*Vice President – Internal Audit
Hasbro Inc.*



COMPLIANCE WEEK 2012

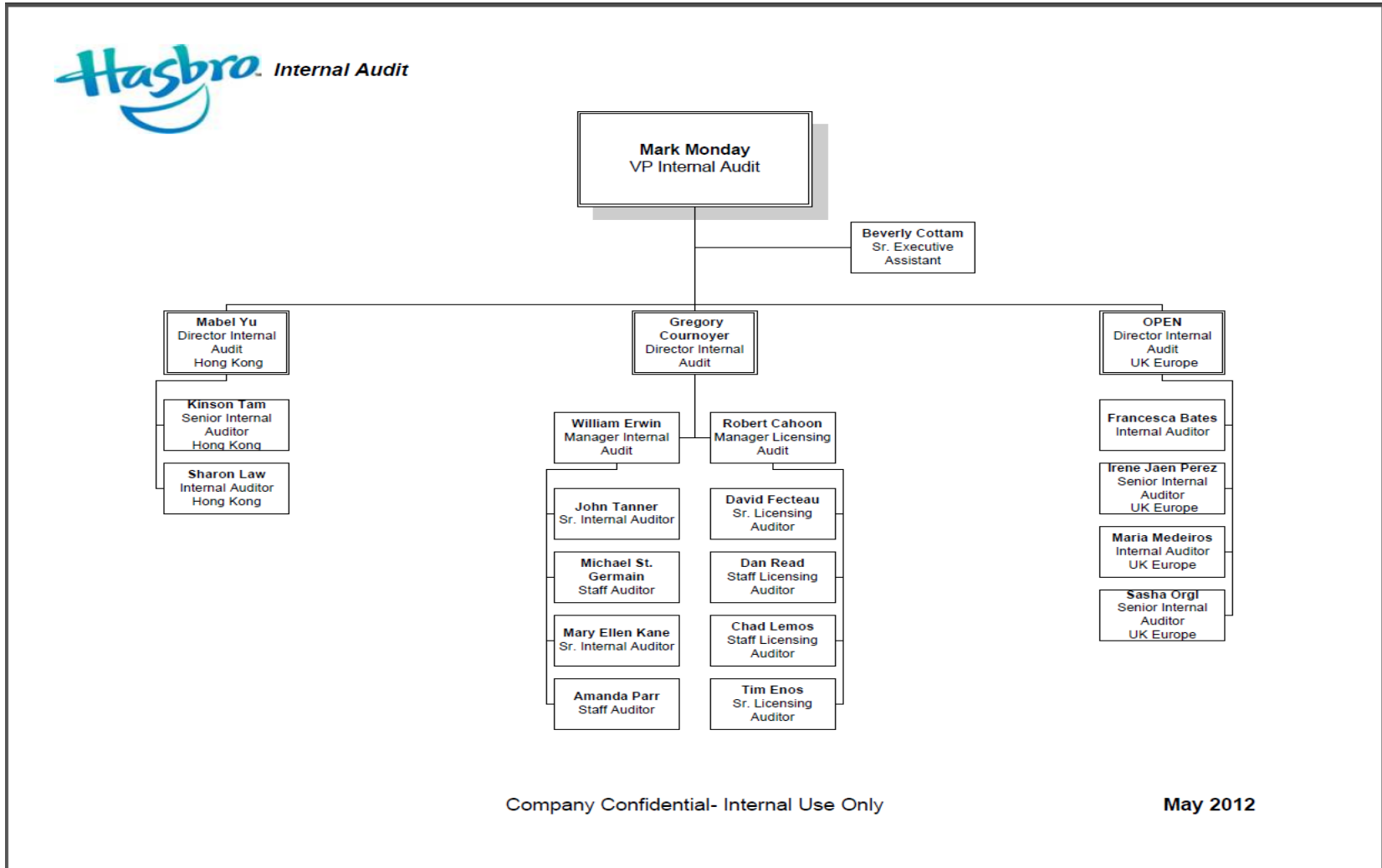
Running the Modern Audit Function

Oversee All Internal Audit Activity including:

- Independent SOX 404 Control Testing
- Operational Process Evaluation Audits
- Contract Compliance Audits (Licensee/distributor)
- Regulatory Compliance Audits (FCPA, Tax structure)
- External Auditor Assistance (Interim & YE)
- Information Technology Audits
- Fraud Investigations
- Other Special Requests



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Senior management made a conscious decision that management would own their testing of controls over financial reporting, leaving Internal Audit completely independent of this self assessment process.

Reporting of self-assessment testing results to the Audit Committee started leading to questions about the results and their reliability.



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Listening to the questions made it clear there was concern about were we really as good as reported and did we really believe the “test owners” understood and executed properly.

Internal Audit responded by designing a management self testing compliance review which is part of our annual audit plan and results are reported at AC meetings resulting in a significantly higher level of confidence placed on testing results by the AC members.



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Sanjay Singh

vice president of Internal Audit

Starbucks



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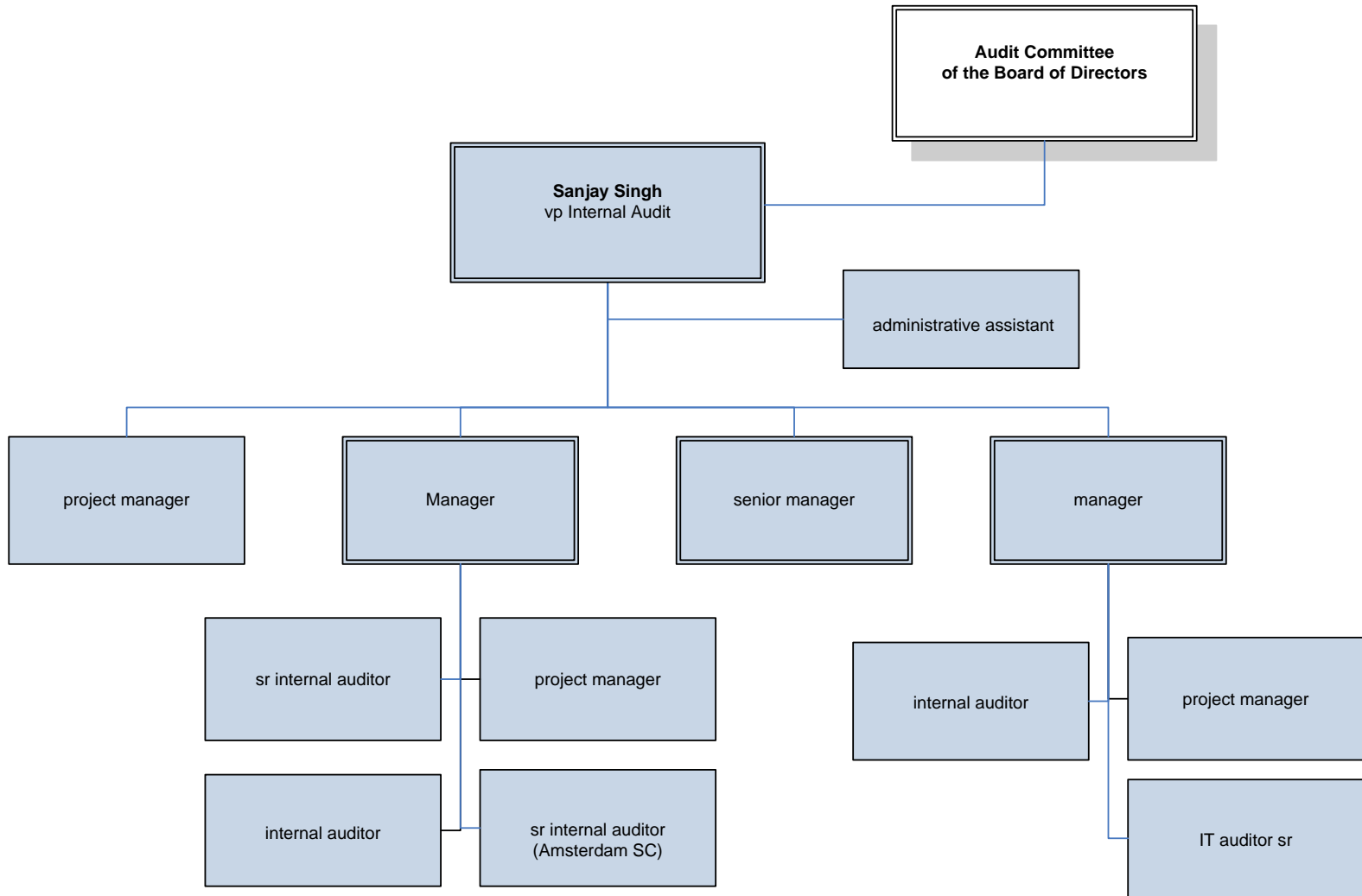
About Starbucks Coffee Company

Company Information

- Annual Sales of \$11.7 billion
- 127,250 partners
- 17,420 worldwide retail stores
- 58 countries
- Multi-channel, multi-brand
- Intricate and textured vendor & licensee relationships
- Multiple legal entities



Starbucks Internal Audit



Audit Strategy

