



## INTERNAL CONTROLS ASSESSMENT AND IMPROVEMENT

*No headaches allowed*

Today's CFO faces a difficult reporting environment. Complicated revenue models, transaction complexity, the proliferation of new accounting pronouncements and other challenges expose the risks of accounting irregularities, restatements and even fraud.

Whether public or private, companies continue to invest a lot into strengthening internal controls. For some it's a single goal—regulatory compliance. For others it's an opportunity to streamline their internal control structure, to strengthen enterprise risk management and financial reporting processes. Regardless of the motivation, a sensible approach to ensure the effectiveness of internal controls saves time, money and a whole lot of headaches.

### LESSONS LEARNED: AVOID A CHECK-THE-BOX APPROACH

An over-engineered or rigid controls assessment and remediation program can result in staff burn out, higher fees, and the diversion of resources from other strategic projects or value-driving initiatives. The culprit is often a check-the-box methodology that puts too much emphasis and reliance on accounting firm standardized methodologies and inexperienced consultants.

MorganFranklin designs and implements simplified compliance and internal controls programs. Our methodology is flexible, not rigid. It is based on collaboration and the rational assessment of the cost/benefit relation in each control. Our goal is to help you extract maximum value from your investment. We also work well with your external auditors to ensure a smooth audit.

We know public accounting and bring knowledge of common and industry-specific processes, risk and control frameworks, and IT audit and security. We do not resell software and therefore offer an unbiased view on assessment, monitoring, and documentation tools. Our services for Sarbanes-Oxley compliance and overall controls enhancement include:

- Rational scoping and materiality
- Risk and control environment evaluation
- Fraud risk assessment
- Control gap identification and remediation
- Enhanced and continuous monitoring solutions
- Technology evaluation and implementation
- Project management support
- Liaise with auditors

### CHOOSE MORGANFRANKLIN

For a decade, MorganFranklin has worked with financial executives to tackle critical accounting, reporting and risk management objectives. Our teams roll up their sleeves to lead clients through their SOX compliance efforts and internal audit initiatives. When it comes to technically intensive, time-sensitive, high-risk, and high-reward financial and risk management needs, we have earned accolades as a get-it-done partner.

Visit [www.morganfranklin.com](http://www.morganfranklin.com) for more information about our capabilities.

### Challenges:

- Monitor changes in the business
- Limit business disruptions
- Avoid staff burn out
- Find skilled and cost-effective resources
- Define materiality rationally
- Reduce number of key controls
- Prioritize remediation efforts
- Keep strong auditor relationships

*“Our client’s external auditor had a matrix with over 3,000 combinations of risks and controls. We reduced this to 130 key controls without jeopardizing the effectiveness of the company’s efforts. In the end we simplified our client’s internal controls program (financial reporting), freeing valuable time to invest in other areas of business improvement.”*

Whitney Vickrey  
Director, Risk Management Services