

5 STEPS TO MANAGING YOUR GLOBAL STATUTORY AUDIT CHALLENGES

Statutory audits are vital to your global compliance efforts. Give statutory audits the proactive attention they deserve, and you can gain real benefits for your company.

1

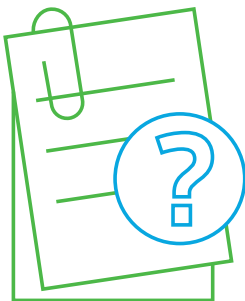
Perform statutory audits everywhere they are required



Centrally document the statutory audit thresholds, rules and deadlines in every country where you have operations. Establish a plan to ensure you are conducting all required audits on time and in accordance with local regulations. Conduct an annual review of all local operations against local requirements to ensure your approach is up to date.

2

Understand what is needed in each jurisdiction



Some countries allow foreign subsidiaries to opt out of a local audit if they are below certain thresholds. Under this scenario, conducting limited, agreed-upon procedures focused on key areas can be a more effective and less expensive way to manage risk as compared to doing a full audit. Your provider should be proactively assessing your audit needs and communicating any significant upcoming changes as a part of their overall service approach.

3

Know when to re-evaluate your compliance requirements



Different jurisdictions can have vastly different statutory audit rules for newly acquired or newly formed businesses. You may be able to opt out of an audit or extend the audit period beyond 12 months. Understanding the rules allows management to balance the costs and benefits of all options.

4

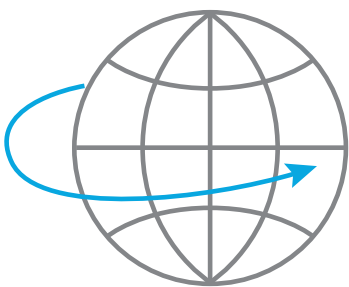
Analyze locations that are audited twice



Working with your auditor to combine consolidated and statutory audit work can yield significant savings. A U.S. company may be able to streamline its reporting if the European country allows a business to use its U.S. consolidated report in place of the European report. It means, however, that its U.S. financial statements may become publicly available in Europe.

5

Analyze your global audit provider network



Engaging a single firm to perform audits for all locals worldwide may not be the most cost-effective approach to compliance. Striking the right balance of service with the needs of each location is critical to ensuring local statutory audits get the attention they require—and at the appropriate cost. The right provider will also develop a proactive approach to addressing anticipated changes in local laws.