

Bulletin Jan 2017

By now most companies would be aware of what IFCs are (Internal Financial Controls /Internal Controls over Financial Reporting)

The last year has been full of activity, starting with the Finance heads getting along with the new (but not so new) concept and getting it implemented, the Management certifying the operating effectiveness of the IFCs, and eventually the Auditors auditing and giving their opinion.

The new year has begun, the current financial year is on the verge of closure. Audits will soon start again.

So time to gear-up, gear-up timely!



Finance Head

- Documentation & Implementation, Risk Control Matrices



Management / Directors

- Overall review & comment on operating effectiveness in Director's Report



Auditor

- Comment on adequacy & operating effectiveness in Auditor's Report

<p>Category 1</p>	<p>Companies, who got their IFC documentation in place, got the management testing done and obtained a favourable opinion from the auditors last year.</p> <ul style="list-style-type: none"> • To do- Analyse if any material changes have taken place during the year which may require modifications in the current documentation • Continue with management testing to gain assurance of the key controls operating effectively.
<p>Category 2</p>	<p>Companies who got their IFC documentation in place, got the management testing done and but got a disclaimer of opinion or qualification from the auditors last year.</p> <ul style="list-style-type: none"> • Analyse the reasons for the adverse opinion of the auditors • Have a discussion with the Auditors to understand their perspective and necessary resolutions • Understand the gaps and remediate them before the end of the financial year • Make changes to the existing documentation if required. • Continue with management testing to gain assurance of the key controls operating effectively. • Gear up for the audit with better controls this time.
<p>Category 3</p>	<p>IFC documentation not yet started, managed to get a liberal view with the auditors giving the plea of last year being the First year. (yes, such companies are there and it may not be an understatement if I say they are in majority)</p> <p>For them we would just like to say:</p> <p>“The best preparation for tomorrow is doing your best today.” - H. Jackson Brown, Jr.</p> <p>Take the lead and get Compliant!</p>

IFCs should not be taken merely as compliance. They should be taken as an opportunity to look within the organisation, introspect, assign responsibilities review the risks and be confident with a better control environment.

For your queries relating to IFCs, please feel free to contact us at communications@krayman.com