



CASE STUDY: S-Ox TESTING AND COMPLIANCE INTERNATIONAL PUBLIC SOFTWARE FIRM

General Ledger Resources provides cost reducing option by offering a team of audit professionals to travel internationally and work with in-house audit team to complete S-Ox 404 testing and compliance.

SITUATION

As part of a continued objective to reduce the amount spent annually on outsourced S-Ox testing and compliance resources, this international publicly traded software firm looks to several options as a solution. The goal was to have an option that could work in conjunction with their in-house team and reduce the annual spend by over \$1.5 Million over a three year period.

The annual project would take place over the course of approximately 8000 consulting hours and a six month period in order to meet deadlines for the external auditors. The project would encompass two U.S. locations along with international locations in over 10 countries.

The decision is made to reach out to General Ledger Resources for a more flexible and cost effective solution, knowing the technical resources provided by General Ledger Resources will be available to work hand-in-hand with the in-house team.

SOLUTION

After meeting with the Vice President of Internal Audit to scope the engagement, General Ledger Resources assembles a delivery team of five former Big 4 professionals to travel internationally and help accomplish the stated goals. The rate offered was a blended rate to assist with the ultimate goal of reducing and managing costs.

General Ledger Resources' consultants would engage on a Test of Design and a two, perhaps three, phase Test of Effectiveness which encompassed the following:

- Assess both the design and operating effectiveness of selected internal controls related to significant accounts and relevant assertions, in the context of material misstatement risks.
- Test the flow of transactions, including IT aspects, sufficient enough to identify points at which a misstatement could arise. Prepare narratives accordingly.
- Evaluate company-level (entity-level) controls including management override of controls, which correspond to the components of the COSO framework.
- Evaluate controls designed to prevent or detect fraud, including management override of controls.
- Evaluate controls over the period-end financial reporting process.
- Conclude on the adequacy of internal control over financial.

IMPACT

The proposal set forth by General Ledger Resources reinforced what our client already knew—they were paying too much through their current Big 4 firm for these outsourced services. This set the stage for General Ledger Resources to continue to act as a talent acquisition and consulting solutions partner for this company as they further expand.

“We used a scorecard with some 20-30 attributes to evaluate all proposals in order to put all parties on an equal playing field. General Ledger Resources scored highly on experience and cost, which were two of our most important criteria.”

—Vice President of Internal Audit

General Ledger Resources

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General Ledger Resources is a finance and accounting professional services firm with practice areas in search & placement and consulting resources. With over 50 years of combined experience in the San Diego market, our growth has been nationally recognized by Inc. Magazine as one of the fastest growing privately held companies in the United States.