

# Internal Audit for SEC Filers

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Accounting, Compliance, and  
Internal Control solutions for  
current and prospective SEC Filers

Our Risk Advisory Services practice helps organizations comply with SEC financial reporting, internal control, and corporate governance requirements to deliver value and build resilience through effective Internal Audit services.

## Expert Accounting, Internal Control, and Governance Services Get You Ready and Keep You Compliant

We specialize in Internal Audit solutions tailored to the unique needs of both large and small publicly traded companies, those preparing for an initial public offering, and private companies merging into an existing public company. We provide Internal Audit services that help you comply with SEC financial reporting and disclosure requirements including Sarbanes-Oxley Act ("SOX") Section 404 and US GAAP accounting standards.

We understand public company needs including the delicate balance between growth and control. We help companies manage compliance risk, financial reporting risk, and operational risk to help protect company assets, drive compliance, and increase stakeholder confidence.

## How Cherry Bekaert Can Help

We know you have a business. Our Internal Audit services are designed to provide turn-key guidance to SEC compliance.

### Smaller Reporting Companies & 404(a) Compliance

Smaller reporting companies ("SRC") are subject to Disclosure controls and procedures under Reg S-K Item 307 and annual assessment of internal controls over financial reporting ("ICFR") under Reg S-K Item 308. We have a proven, cost effective approach to support management's annual ICFR assessment which includes the use of streamlined risk and internal control diagnostics and jump-start internal control libraries to quickly assess risks and evaluate control maturity to meet 404(a) disclosure requirements.

### SOX 404(b) Compliance

For accelerated and large accelerated filers, we offer a full suite of turn-key SOX services including ICFR planning and scoping, risk assessments, control testing, external auditor coordination, board reporting, and project management.

### Accounting Advisory

We provide on-demand technical and specialized accounting to our clients, ranging from companies moving to GAAP accounting to multinational Fortune 500 clients. We offer solutions on complex accounting including revenue recognition, leases, derivatives, VIE, inventory costing, impairment, debt/equity, consolidation, and financial reporting.

## Internal Audit Staffing

- ▶ Internal Audit Co-Sourcing
- ▶ Internal Audit Outsourcing
- ▶ Internal Audit Staff Augmentation

## Sarbanes-Oxley ("SOX") Section 404 Compliance

- ▶ System of Internal Control Implementation
- ▶ Control Rationalization and Optimization
- ▶ SOX Compliance Readiness
- ▶ SOX 404(a) Compliance (DCPs and ICFR Assessment)
- ▶ SOX 404(b) Compliance
- ▶ Control Deficiency Remediation

## Control Testing & Audit Performance

- ▶ Control Testing (Design and Operating Effectiveness)
- ▶ Audit Performance (Compliance, Financial, Operational, Fraud)
- ▶ IT Audit (ITGC Testing and Advisory, IT Governance)
- ▶ System Implementation Assurance
- ▶ Process Narrative and Flowchart Development

## Risk Assessments & Strategy

- ▶ Risk & Internal Control Diagnostics
- ▶ Advanced Analytics and Automation Solutions
- ▶ Enterprise Risk Management ("ERM")
- ▶ Risk Data Reporting, KPI/KRI, and Dashboards
- ▶ Fraud Risk Assessment Design, and Implementation
- ▶ Cybersecurity Advisory and Assurance Services
- ▶ Internal Audit Strategy, Department Design and Development
- ▶ Risk & Internal Controls Training

## Accounting Advisory

- ▶ Technical Accounting
- ▶ Events & Transaction Accounting
- ▶ Accounting Operations, Period Close Optimization, and Business Intelligence



## Cherry Bekaert's Distinguishing Difference

Our team brings a systematic approach to evaluating and improving the effectiveness of risk management, control, and governance processes through customized risk management solutions, industry insights, and methodologies tailored to your organization's objectives. We offer:

- ▶ Competitive rates for internal audit co-sourcing and outsourcing
- ▶ Cost-effective, scalable internal audit staffing model designed to mitigate and manage key risks for second and third lines of defense
- ▶ Dedicated, hands-on partner and director involvement through duration of engagement
- ▶ Industry-aligned technology and alliance partners to transform audit and risk management through integrated software solutions
- ▶ Strategic positioning of Internal Audit to support effective risk management and overall compliance for even the most complex companies

## Success Stories and Tailored Solutions

### Successfully Right-Sizing System of Internal Control

**Challenge:** Over time, the Company's system of internal control became cumbersome and over-controlled while budget limitations required a more effective and efficient approach to their control environment.

**Our Solution:** Cherry Bekaert refined management's existing controls through rationalization and optimization while ensuring that risks of misstatement were sufficiently and efficiently addressed and not over-controlled. This resulted in a reduction of key controls by over 40% which lowered compliance costs significantly.

### Strategic Outsourcing of Internal Audit Function

**Challenge:** The Company lacked an internal audit function to drive compliance requirements, resulting in uncertainty over the Board's confidence in the organization's internal control structure.

**Our Solution:** Cherry Bekaert provided a full-service internal audit team that reported to senior management and the Audit Committee. We developed an internal audit plan and provided turn-key, tailored services for ICFR compliance and other audit needs while allowing management to focus on running their business.

### Efficient ICFR Compliance for Smaller Reporting Companies

**Challenge:** The Company, a smaller reporting company subject to SOX 404(a) requirements, was unsure of their responsibilities for management's annual assessment of ICFR and lacked a comprehensive understanding of Company risk necessary to properly align its resources and focus on key risk areas.

**Our Solution:** Through our proven and cost-effective approach, Cherry Bekaert facilitated risk and internal control self-assessment workshops and diagnostics to quickly assess risk and evaluate control maturity to meet 404(a) disclosure requirements, which allowed the Company to efficiently focus on high risk areas.

## Let Us Be Your Guide Forward

Our Risk Advisory team can assist you with SEC compliance requirements, development of mature risk assessment and risk management methodologies, completion of special projects, and other internal audit solutions relevant to publicly traded companies, all in a cost-effective manner.



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## About Cherry Bekaert

Ranked among the U.S. largest accounting firms, Cherry Bekaert offers assurance, tax, risk, digital, transaction advisory, benefits consulting, and wealth management solutions. With clients in across the U.S. and internationally, we have industry knowledge in technology, healthcare and life sciences, industrial manufacturing, private equity, real estate and construction, professional services, hospitality and retail, government and not-for-profit. We exercise a deliberate curiosity to know our clients' industries and work collaboratively as one team to guide them forward.

Cherry Bekaert LLP is a founding, independent member of Baker Tilly International, a top-ten global accountancy and business advisory network.

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