VALUEONSHORE

CASE STUDY

SOX Annual Testing

ABOUT THE CLIENT

- The company enables financial inclusion for underserved communities world-wide by providing innovative financial services.
- It is headquartered in Tokyo, with subsidiaries in Sri Lanka, Myanmar, Cambodia, India, Pakistan, and Bangladesh. Its mission is to expand financial access to 100 million people across 50+ countries by 2030.

BUSINESS CHALLENGE

The organization was gearing up to list on the stock exchanges and therefore wanted all the processes to be SOX compliant.

The specific requirement from the client was as under:

- Understanding of the business and existing controls
- Formulating and assessing Test of Design
- Conducting Test of Effectiveness
- Reporting with Remediation plan

OUR APPROACH

1 Understanding of the business and existing controls

- Understanding the company's control environment, including the financial reporting process, key business cycles and related controls.
- Review existing RCMs and assess control accuracy and completeness
- Perform process walkthrough and identify the changes in process and update the control in the RCMs

2 Test of Design (TOD) and Test of Effectiveness (TOE)

Assessing Control Design (TOD)

- Evaluate whether controls effectively address risks
- Identify control gaps and recommend remediation
- Support implementation of agreed corrective actions

Assessing Control Effectiveness (TOE)

- Determining the sample of control instances (transactions, events, or data) that will be tested for each key control.
- Collect evidence to confirm controls were properly executed and effective, including review of documentation, approvals, system logs, and related records.
- Assess whether controls operate as intended and provide reasonable assurance against material misstatements.
- Execute controls as documented and follow defined steps to assess their effectiveness.
- Documenting the testing of controls in agreed Test Scripts.
- If any control deficiencies are identified, working with process owners to develop and implement remediation plans to strengthen controls.

3 Reporting

- Document test results, including control weaknesses, deficiencies, and failures.
- Issue SOX readiness report covering key aspects of remediation, test of operating effectiveness

VALUE CREATION

Valueonshore Advisors assisted the Company in compliance to the SECrequirements. This enhanced the overall integrity of the financial reporting anddisclosures, as well as the company’s corporate governance framework.

Our teams conducted test of design and test of effectiveness which are essential components of the internal control assessment process thereby ensuring that the company's internal controls were designed effectively and operated as intended to prevent financial misstatement and fraud.

BUSINESS IMPACT DELIVERED

- Streamlining of the controls and processes resulted in controlled costs and helped regulating the overall working methodology of the various companies associated with the CPA firm.
- Enhanced the overall integrity of the company's financial reporting and disclosure, as well as its corporate governance thereby enabling a smooth and seamless filing of IPOs for the companies associated with the CPA firm

ABOUT US

Valueonshore (“VOS”) Advisors is a global business advisory firm of Big 4 alumni and industry leaders, supporting financial executives on complex, high-impact matters across accounting, M&A, risk, and managed services. Founded in 2009, the firm has grown to ~400 professionals across the U.S., India, and the UAE, serving mid-cap and high-growth companies as a trusted partner in navigating complexity and driving value.

Krupa Ruparel
Vice President
krupa.ruparel@valueonshore.com

Shashank Agarwal
Vice President
shashank.agarwal@valueonshore.com