WOOLSTREET
INTERIM OPERATIONAL FINANCE

CORPORATE GOVERNANCE

Sarbanes-Oxley (SOX)
- implementation
- management
- transformation

ORGANISATION

Global Industrial Battery Producer - $2Bn revenue, 9000 FTEs

Private Equity BACKED

SCOPE

Company just started to be quoted on NYSE and therefore SOX implementation was required.:
- full implementation in production entities EMEA & APAC
- transformation form project to process (YEAR 2)

GEOGRAPHY

EMEA:
   UK, FRANCE, GERMANY, ITALY, POLAND
APAC:
   CHINA, SINGAPORE, JAPAN, AUSTRALIA

FINDINGS

- no SOX methodology,
- weak corporate governance culture
- non standardized and weak internal control systems
- lack of control risk management:
  - documentation
  - testing
  - analysis

CHALLENGES

- project complexity (6 entities full scope + 30 entities limited scope in EMEA)
- lack of understanding by both staff and management
- time constraints, delay on starting point
- resistance to change
- SCOPE extended in the middle of the process (APAC - 3 entities full scope)

ACTIONS

- planning (incl. roadmap)
- top management involvement
- consulting approach with global accounting firms/certifier (EY)
- collecting data, understanding of processes, walk-throughs, testing
- documentation and evidence
- hiring local testers to speed up the process
- communication management
- transition of SOX from project to process after 1st year

DELIVERABLES

1. SOX implemented & assessed - efficient
SOX properly implemented without material discrepancies found by EY (certifier)

2. SOX transformation into process
Project transformed onto standarised SOX process, ensuring sustainability of the regulatory compliance

3. $500k/y - cost reduction
Reduction of the key controls number (from avg 300 to avg 100 only) and therefore reduction of projects costs (-$500k) per year

4. Efficient ICM dep't (Internal Controls)
Perfectly functioning and efficient ICM department, smoothly managing SOX process, but also used to permanent improvement of controls environment

EXPERTISE applied

Internal controls & processes
- internal controls (design, implementation, monitoring)
- frameworks standards (PCAOB, COSO, COBIT)
- SOX/RCM (Risk Controls Matrix): implementation, management, transition
- business process: (assessment, streamlining, simplification, permanent monitoring)
- process documentation (narratives, workflows, walkthroughs, testing): O2C, P2P, R2R, others

Risk management
- risk identification and evaluation
- promoting risk approach culture

Audit & assurance
- audit procedures (sampling, sampling, testing, walk-through, documentation, investigation)
- IT audit procedures (general IT controls)