

Case Study

One of the leading distributors of LASIK equipment and eye health products

Service(s) offered: **Audit Support**

Sector/Industry: **Healthcare**



Provided Audit support to one of the leading Healthcare Companies

The client is a part of a recent global acquisition having the erstwhile group's accounting centralized at Singapore. Post-acquisition, while the client was still in the process of setting up its own local F&A team and obtaining hand-over from the Singapore team, they had to comply with the year end closing and statutory audit under the prevailing local laws.

Challenge

- The company had to initiate its statutory audit but lacked a strong F&A team to prepare the accounts and coordinate with the auditors. Meanwhile, the accounting team was planned to be dissolved.
- Further, the client was maintaining their yearly accounts aligned to the US-GAAP applicable to its Group company. Accounts for the local year-end closure were prepared through an adjustment trial balance to arrive at the local GAAP figures. This exercise was performed at the financial year-end.
- The accounting team set up in Singapore was well versed with the company's requirements for group reporting; however, they relied heavily on auditors to guide them through the local accounting and statutory positions. Due to recent changes in auditors and unavailability of the former accounting team, there were cases where the company did not have supporting information of the balances lying in its books of accounts.

- The client had a history of filing for an extension with the statutory authorities to delay the reporting of its audited financial statements required under the local laws. However, for the current year, it wanted to ensure that the audit was completed within the statutory due dates.

Case Highlights

- In-depth understanding and review of the company's accounts.
- Timely completion and submission of statutory audit
- Advising the client on accounting implications for its complex customer contracts.
- Identifying legacy issues and assisting the F&A team to resolve them.

Solution

Preparation of accounts and financial statements compliant to local GAAP

Our team studied the company's past data and method of maintenance of the two sets of accounts i.e. for group reporting and local reporting. Based on the historical data available, our team prepared the accounts compliant with local laws, and advising the company on the non-compliances pertaining to the local accounting standards.

Preparation and collation of working papers required by the auditors

Our team prepared all the necessary workings to support financial statements. Further, the team coordinated with various departments for arranging documents related to secretarial compliances, direct taxes, indirect taxes, etc. acting as the single point of contact for the auditors. We ensured that the auditors received appropriate support in the form of documents or calculations, as required to conclude the audit.

Speedy resolution to audit queries

Our team ensured immediate redressal to all the queries raised by the auditors to avoid any delay in meeting the stringent timelines.

Identifying the legacy issues

In the process of working on the financial balances, our team also identified the issues related to fixed assets, intercompany balances, revenue recognition for complex customer contracts, etc. that were carried over past years under the previous management of the company. These errors were instantly escalated for the current management's knowledge and action.

Result

While the company was still under the process of building its F&A team, we guaranteed the completion of its yearly statutory audit functions within the due date. With our support, the auditors, as well as the F&A lead, had better comfort over the figures of the financial statement.

Impact

The audit was completed within a stipulated time. During the process of the audit, the Nexdigm team had gathered complete knowledge of all balances in the company's books of accounts. Our team, thus, guided the newly appointed F&A team, helping them gain control over its financial balances faster.

The F&A team was made aware of the legacy issues identified by the Nexdigm during the audit, and the same were highlighted to their Global management. The group realized that such issues prevailed across the acquired concerns and launched a remedial scheme.

The client appreciated our diligence and steadfastness. It requested our continued involvement in the mentioned remedial scheme whereby the accounts were cleaned from both group reporting and statutory compliance perspective.

For more information on this case study, please write to us at:

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You can also visit our website to know how our services resulted in tangible business benefits:

www.nexdigm.com