



Risk Assurance and Internal Audit Services

An independent member firm
of Moore Global Network Limited  **MOORE**



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Introduction

Your business faces a host of risks that can affect profitability and present operational inefficiencies. Business interruption, changes in legislation and regulation such as those relating to Environmental, Social and Governance (ESG), the FCA's Consumer Duty and HMRC's Senior Accounting Officer regime can have an impact. Furthermore, recruitment shortages and macro-economic downturns can negatively affect the viability of businesses. When crystallised, these risks can have an impact across numerous parts of your business. Whilst total control against every risk is impossible, businesses can strive to proactively identify and implement controls to mitigate against current known and emerging risks.

The implementation of effective internal controls and governance arrangements can help your business navigate around emerging risks and provide resilience against unexpected headwinds. Good internal controls are essential to supporting the achievement of business goals and objectives and increases stakeholder confidence in external reporting. Furthermore, effective risk management strategies can help facilitate change and improve the success of your business.

At JC, our Risk Assurance and Internal Audit team provides assurance and advisory services aimed at identifying and maximising opportunities, protecting business reputation by designing and implementing an optimised risk and governance framework in alignment with your regulatory responsibilities and governance strategy. Our aim is to provide you with independent and objective assurance which adds value to improve your organisation's operations.

We are fully aware that one size does not fit all and therefore we will work with you to tailor our approach to supporting you develop a robust control environment through the provision of actionable and proportionate solutions.

Our team is part of the Moore Global Risk Assurance network which means that we are able to benefit from the wealth of knowledge and experience of the international firm of almost 34,000 people working in 111 countries.

Our services

Our services



Our Risk Assurance and Internal Audit team covers all the major areas of risk management including Internal Audit Services, Process and Controls Reviews, Corporate Governance Services, Technology Assurance Services, Third Party Risk Assurance and Environmental, Social & Governance (ESG). We take a proportionate approach to all engagements and look to improve stakeholder value. Given our global reach, we are able to work with our network of firms to deliver for clients on both a local and international level.

Process and Controls Reviews

Assisting firms in documenting and evaluating internal controls. Creation/review of standard operating procedures and process flows.



- Internal controls reviews
- Reviews of risk and control matrices
- Creation and enhancement of policies and procedures
- Identifying risks in significant business areas

Internal Audit

Performing complete reviews of business areas, finding improvement opportunities and reporting recommendations to clients.



- Provision of fully outsourced and co-sourced internal audit
- Resourcing support to your internal audit team
- Subject Matter Resources to provide technical input to your function
- Support with establishing an internal audit function
- Secondments to support with medium term resourcing challenges

Third Party Risk Assurance

Supporting clients by performing a review of their existing/new third party partners and providing detailed insights about the potential impact of their relationships.



- Third Party Due Diligence
- Third Party Risk Management

Corporate Governance

Helping organisations ensure that they have a strong governance framework.



- Compliance reviews
- Business Continuity Plan (BCP)
- Board Effectiveness Reviews
- Training resources
- Enterprise Risk Management (ERM) framework creation
- Legal/regulatory services
- Tax governance assurance

Technology Assurance Services

Review of all the risks pertaining to IT systems, access rights and third party software requirements.



- IT Audit Services
- IT General Controls reviews

ESG

Utilising our ESG platform which has been developed with the Moore Global network



- Creating an ESG framework
- Review ESG reporting
- Reporting against ESG standards such as the Global Reporting Initiative (GRI) and Taskforce on climate-related financial disclosures (TCFD).
- Data analytics services

Process and Controls Reviews

Process and Controls Reviews

A review of an organisation's internal control program may not only identify areas requiring control enhancements in response to changes in the business and regulatory environment, but also suggest ways to improve the efficiency, for example as part of Internal Control over Financial Reporting (ICFR). Management teams are responsible for determining, managing, and supervising all risks and for designing an appropriate control environment.

Our Risk Assurance team can help you develop a governance structure which will support the control maturity of your organisation and we can also produce process maps for specific areas of your business, setting out information flows and the controls implemented. Our awareness of the differences in organisational needs and structure helps us to support a risk management framework which aligns with your objectives.

How we can help:

With deep awareness of the unique needs and structures of different organisations, we can support you implement or strengthen an integrated controls framework to reduce the risk of errors.

Our team is able to undertake the following:

- Review and Recommend - review the processes and controls in place for any activity or department at the firm. We will identify areas for improvement and provide pragmatic, workable solutions.
- Risk and controls review and process mapping – performing mapping for specific business areas. This may include support with the documentation of your internal procedures or process flows.
- Periodic Internal Control Effectiveness (ICE) review – review of the robustness and relevance of your control environment against strategic objectives.
- ERM framework creation – support your senior leadership and Board to understand their responsibilities within the Enterprise Risk Management (ERM) framework.
- Business Continuity Plan (BCP) – identify areas of high risk within your organisation which will impact service, people retention and processes.
- Implement and review risk registers to identify areas for improvement.
- Service Organisation Control (SOC) Audits - undertake both SOC 1 and SOC 2 reviews

Some solutions to support a robust control framework

Review and recommend

We are able to tailor an assurance review covering any aspect of your governance arrangements, processes or controls to meet your needs. This approach gives us the flexibility to work with any area of your firm to provide management with clear feedback and actionable, practical and proportionate solutions.

Prior to commencing, we will agree with you the structure of our review and nature of our feedback so that all stakeholders get the output they are looking for.

Assurance with Three Lines of Defence model

The objective of the Three Lines of Defence model is to establish a framework for examining the entire system of managing risk and implementing control measures within an organisation. This was devised in response to concerns that many firms lacked a structured framework, which created gaps in risk management.

We can offer assurance and assistance in enhancing or constructing your Three Lines of Defence model which will help with which will help with strengthening your control environment.

Supporting with SOX/ICFR reviews

Establishing a robust SOX/ICFR (Sarbanes-Oxley/Internal Controls over Financial Reporting) framework offers significant advantages to organisations, such as improving the standard of corporate reporting and governance, reducing process gaps and fostering a controls-oriented culture.

The benefits of a strong SOX/ICFR framework are:

1. Credible reporting
2. Provide safeguarding of shareholder value
3. Enhance fraud prevention and detection
4. Improved management information

Internal Audit Services

Internal Audit Services

Our team of experienced Internal Auditors understand how an effective internal team can help provide assurance to your Board, Governing Committees, management and other stakeholders. It is important that firms are able to demonstrate their corporate responsibility and approach to risk management and having a strong control environment supports in achieving this.

Our team is able to provide an independent, objective assurance and consulting service designed to add value and support you deliver the long-term success of your organisation. Our Internal Audit methodology looks at more than just financial risks to consider the wider issues that help your business navigate the potential minefield of challenges your firm may be facing. We provide assurance over the robustness of your internal controls to reduce the risk of fraud, manage strategic and operational risks, promote business continuity and help you remain compliant with relevant regulation.

How we can help:

Our multi-industry knowledge helps us meet your organisation's needs by working in partnership with you to create the right Internal Audit solution by reviewing and reporting on the current risks, advising on emerging risks and reviewing policy and governance frameworks. Every engagement is Partner-led and we only use senior, experienced staff who will take the time to understand your goals and objectives and assess the effectiveness of any strategy in achieving them.

We are able to support you with the following:

- Providing fully outsourced or co-sourced Internal Audit services.
- Providing experienced resources to carry out individual audits or help you deliver specific reviews.
- Carrying out Audit Committee reporting and helping with strategic direction.
- Helping through the use of data analytics.
- Supporting your Internal Audit teams with subject matter resources to undertake individual audits or support in delivery. We can provide staff who can provide technical input such as with IT reviews.
- Undertaking Quality Assurance (QA) reviews.

Internal Audit Lifecycle



Corporate Governance Reviews

Corporate Governance Reviews

Corporate Governance issues can range from strategic topics like ineffective corporate strategy, inadequate IT oversight and innovation, Board composition and risk oversight to topics such as crisis management, the Senior Accounting Officer regime and adherence to the UK Corporate Governance code.

Our team will help you answer challenging questions facing your organisation such as how well it is complying with good practice and regulatory expectations. We are able to provide you with practical advice and support the design and implementation of a corporate governance framework for your business.

How we can help:

- Board effectiveness review on your governance and oversight committees.
- Create and implement a bespoke governance framework which works for your organisation.
- Review of the tax controls at your firm to provide feedback on adherence to the HMRC's Senior Accounting Officer (SAO) and Corporate Criminal Offence (CCO) regimes.
- Provide an independent evaluation on the performance of your Board and sub-committees.
- Creation of an organisational policy framework around strategy, people, internal controls framework, data etc.
- Review the progress of your corporate strategy and provide strategic governance advice to the Audit Committee.
- Board and governance training to directors and non-executives.
- Support the Audit and Risk Committee with advice on strategic direction and emerging risks.
- Statutory Compliance Reviews, for example against the UK Corporate governance code or Stewardship code.

Tax Governance – an overview

Numerous tax-centric regulations and codes have been established by HMRC, imposing compliance obligations on many firms and may result in financial penalties for non-compliance. This necessitates strict adherence to these regulations to ensure proper tax governance and mitigate potential risks. Among the notable regulations are the following:



Business Risk Review+ (BRR+):

BRR+ is the process through which HMRC assesses tax risks for businesses. Typically, it applies to businesses with a UK turnover over £200 million, or gross balance sheet assets exceeding £2 billion. The aim is to evaluate tax risk exposure and the effectiveness of controls. The resulting risk rating shapes the business' relationship with HMRC and level of scrutiny.



Senior Accounting Officer (SAO) regime:

Under the SAO regime, organisations must appoint a Senior Accounting Officer responsible for financial accounting arrangements. This applies to entities with a total UK turnover exceeding £200 million and/or a relevant balance sheet total above £2 billion. SAOs are tasked with establishing suitable tax accounting arrangements and providing HMRC with timely certification. Failure to comply may result in financial penalties to the SAO.



Corporate Criminal Offence (CCO):

Implemented in September 2017, the CCO legislation holds businesses accountable if an “associated person” facilitates criminal tax evasion and reasonable prevention procedures were found to be inadequate. The legislation aims to promote corporate oversight and voluntary disclosure of unlawful conduct. CCO applies to companies, LLPs and partnerships of all sizes. Non-compliance may result in penalties or ancillary orders such as confiscation or serious crime prevention orders.

ESG Services

ESG Services

In today's rapidly evolving business landscape, considering Environmental, Social, and Governance (ESG) factors and pursuing sustainable growth is no longer just a choice; it is a necessity. Organisations across industries are increasingly recognising the value and importance of incorporating ESG principles into their operations. ESG reporting is concerned with how an organisation conducts its business in relation to the environment, as well as to employees, suppliers, customers, and the wider community. Embracing sustainable growth practices not only aligns businesses with the expectations of stakeholders, but it also unlocks a multitude of benefits. As the demand for reliability and accuracy in ESG disclosures is growing, our ESG experts will provide you with ESG assurance that serves your stakeholders and enhances your credibility regarding sustainability information disclosed.

The increasing significance of ESG in Corporate Governance:

It is becoming more important for organisations operating in the UK to stay updated with the latest regulatory requirements and reporting frameworks related to ESG. It is important to stay informed about the most recent updates in regulations and the codes of conduct, which include:

- Streamlined Energy and Carbon Reporting (SECR) requires disclosure of energy consumption and emissions.
- UK endorsed Task Force on Climate-related Financial Disclosures (TCFD).
- Companies Act 2006 requires disclosure of non-financial information in strategic reports.
- UK Stewardship Code promotes effective stewardship of investments, including consideration of ESG factors.
- Modern Slavery Act 2015 mandates disclosure of steps taken to address slavery and human trafficking risk.

How we can help:

- **ESG Advisory Services:** We can develop comprehensive ESG reports aligned with recognised frameworks (TCFD, GRI) tailored to your needs. Covering environmental development, emissions reporting, ESG governance, and future objectives. Benefit from a well-documented ESG policy to support financing efforts and stakeholder engagement.
- **ESG Assurance Services:** Leverage our expertise as part of the Moore Global network to provide assurance aligned with ISAE 3000 and future ISSA 5000 standards. Ensure the credibility of your ESG disclosures and reports.
- **Review and Recommend:** Gain valuable insights into your ESG processes, controls, and disclosures. Identify areas for improvement and receive pragmatic and proportionate recommendations. Enhance governance arrangements, ESG strategy, and reporting methodology.
- **Agreed-upon Procedures:** Using the ISRS 4400 Agreed-upon-procedures framework, we perform focused reviews to identify areas for remediation.

How can an organisation benefit from ESG?



Risk Management:

ESG analysis helps identify potential risks and opportunities that can impact financial performance. It enables proactive risk mitigation and safeguards against reputational damage.



Regulatory Compliance:

ESG considerations are becoming embedded in regulatory frameworks worldwide. By adopting ESG practices, your company can stay ahead of evolving compliance requirements.



Responsible Investing:

Investors increasingly prioritise companies with strong ESG profiles. Embracing ESG can attract capital and foster long-term partnerships, driving growth and resilience.



Social Impact:

Integrating ESG values demonstrates a commitment to addressing global challenges such as climate change, social inequality, and corporate transparency. It fosters trust among stakeholders and helps build a positive brand image.

Third Party Risk Assurance

Third Party Risk Assurance

As the UK marketplace grows increasingly complex and competitive, third party relationships have become critical to cost reduction and increasing capability and scalability opportunities for firms. Our third party risk management (TPRM) assurance focuses on identifying and reducing risks relating to the use of third parties including Outsourced Service Providers (OSP) i.e. vendors, suppliers, partners and contractors. The global pandemic highlighted the huge strategic impact of third party failures and organisations are encouraged to assess their third party relationships in order to improve resiliency over vendor relationships and outsourced operations.

Our team will support your organisation implement and embed the key aspects of Third Party Relationship Management to increase operational efficiencies within your firm. We can support you with designing robust controls for risk assessment for both pre and post onboarding, and provide recommendations to management to improve oversight to ensure you work with your third party providers in the most effective manner.

How we can help:

- Review your business relationships and map the assurance options available to the value chain.
- Review your current state of readiness and identify any potential challenges to manage third parties within your organisation.
- Perform a risk assessment to understand the risk profile of suppliers. Devise KPIs to support monitoring.
- Provide a framework for firms to continuously monitor and manage their current and emerging risks.
- Develop a consistent TPRM monitoring model.
- Undertake a regulatory gap analysis, for example considering intra-group arrangements, cloud service providers and oversight “down the chain”.

The third party lifecycle and key parts of the value chain

	Sourcing and due diligence	Risk assessment and onboarding	Continuous monitoring	Offboarding/exit strategy
Key Activities	<ul style="list-style-type: none"> • Verify requisition case • Review and issue any request for proposal • Undertake a review of third party submissions • Perform risk assessments • Choose successful partner 	<ul style="list-style-type: none"> • Review of the vendor KYC and verification process • Verification of the contract terms and supply of service documents • Review of contract terms and SLA • Review of contract terms and onboarding 	<ul style="list-style-type: none"> • Review of controls around partner performance in line with KPIs • Complaints management • Review of controls around partners use of fourth parties • Continuous review of the vendor risk assessment 	<ul style="list-style-type: none"> • Review of controls around the process of terminating contracts • Exposure strategy • Review of business continuity when contract is terminated • Legal reviews

Technology Assurance Services

Technology Assurance Services

The success of most business revolves around customer trust, public and investor confidence, and meeting regulatory expectation. Here at Johnston Carmichael, our clients rely on us to help manage and remediate IT-related risks. The rise of automation and machine learning and natural language processing automate tasks that require minimal manual intervention. To remain compliant, firms must demonstrate compliance with regulatory expectation and adherence to General Data Protection Regulation (GDPR) guidance to address known and unknown IT-related risks.

Our Technology Assurance team will assist your organisation by taking a risk based approach to managing financial, technology and business risks. This approach helps our clients to focus on their areas of increased risk, bridge silos and provide you with the level assurance you can place in a given technology. Some of the key areas we provide assurance over include data privacy controls, cyber-security controls, cloud implementation and third party assurance, along with sustainability and scalability of ageing IT infrastructure and applications. We provide well-designed ITGCs and IT APPs controls to help you minimise the risk of regulatory failures, negative reputational impact, financial losses and loss of critical services.

How we can help:

- Advising management to develop practical internal IT controls that enhance the control environment and reduce risk.
- Implementing a strategy and overarching cyber program that allows for rigorous, structured decision-making and a financial analysis of cyber risks.
- Providing advice on how to implement an effective and secure internal IT control environment.
- Advising on how to manage key IT risks, especially those related to the reliability of IT infrastructures, and technologies used by clients.
- Using data analytics and visualisation tools to perform reviews and provide insights about the processes.
- Undertaking SOC audits and compliance reviews.
- Carrying out cyber security and data protection reviews.
- Reviewing IT governance frameworks.

Get in touch

Our Risk Assurance and Internal Audit team has a wealth of experience across a wide variety of sectors. Our in-depth knowledge allows us to provide technical and commercial insight to help your business succeed.

To find out more about our Risk Assurance and Internal Audit Services, or for an initial discussion about your requirements, get in touch with our team now.



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