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Report on Blick Rothenberg Limited's International Outsourcing
Department's Description of the Outsourced Accounting
Solutions System and the Suitability of the Design and
Operating Effectiveness of Controls for the Period
October 1, 2021 through September 30, 2022

Prepared pursuant to Statement on Standards for Attestation Engagements No. 18:
*AT-C Section 320, Reporting on an Examination of Controls at a Service
Organization Relevant to User Entities' Internal Control over Financial Reporting*



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I. INDEPENDENT SERVICE AUDITOR'S REPORT

To the Management of Blick Rothenberg Limited's International Outsourcing Department:

Scope

We have examined Blick Rothenberg Limited's International Outsourcing Department's ("Blick Rothenberg") description of its outsourced accounting solutions system for user entities of the system throughout the period October 1, 2021 through September 30, 2022 and the suitability of design and operating effectiveness of controls to achieve the related control objectives stated in the description, based on the criteria identified in Blick Rothenberg's assertion. The controls and control objectives included in the description are those that management of Blick Rothenberg believes are likely to be relevant to user entities' internal control over financial reporting, and the description does not include those aspects of the outsourced accounting solutions system that are not likely to be relevant to user entities' internal control over financial reporting.

Blick Rothenberg uses subservice organizations to help support its outsourced accounting solutions system, including certain activities such as email backup, working paper files and storage, and a hosted environment for Active Directory. The description includes only the control objectives and related controls of Blick Rothenberg and excludes the control objectives and related controls of the subservice organizations. The description also indicates that certain control objectives specified by Blick Rothenberg can be achieved only if complementary subservice organization controls assumed in the design of Blick Rothenberg's controls are suitably designed and operating effectively, along with the related controls at Blick Rothenberg. Our examination did not extend to controls of the subservice organizations, and we have not evaluated the suitability of the design or operating effectiveness of such complementary subservice organization controls.

The description indicates that certain control objectives specified in the description can be achieved only if complementary user entity controls assumed in the design of Blick Rothenberg's controls are suitably designed and operating effectively, along with related controls at the service organization. Our examination did not extend to such complementary user entity controls, and we have not evaluated the suitability of the design or operating effectiveness of such complementary user entity controls.

Service Organization's Responsibilities

In section II of this report, Blick Rothenberg has provided an assertion about the fair presentation of the description and the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description. Blick Rothenberg is responsible for preparing the description and for the assertion, including the completeness, accuracy, and method of presentation of the description and the assertion, providing the services covered by the description, specifying the control objectives and stating them in the description, identifying the risks that threaten the achievement of the control objectives,



selecting the criteria, and designing, implementing, and documenting controls to achieve the related control objectives stated in the description.

Service Auditor's Responsibilities

Our responsibility is to express an opinion on the fairness of the description and the suitability of the design and operating effectiveness of the controls to achieve the control objectives stated in the description, based on our examination. We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our examination to obtain reasonable assurance about whether, in all material respects, the description is fairly presented, and the controls were suitably designed and operating effectively to achieve the related control objectives stated in the description during the period October 1, 2021 through September 30, 2022. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

An examination of a description of a service organization's system and the suitability of the design and operating effectiveness of the service organization's controls involves:

- performing procedures to obtain evidence about the fairness of presentation of the description of the system and the suitability of the design and operating effectiveness of those controls to achieve the related control objectives stated in the description.
- assessing the risks that the description is not fairly presented and that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the description.
- testing the operating effectiveness of those controls that we consider necessary to provide reasonable assurance that the related control objectives stated in the description were achieved.
- evaluating the overall presentation of the description, suitability of the control objectives stated in the description, and suitability of the criteria specified by the service organization in its assertion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Inherent Limitations

The description is prepared to meet the common needs of a broad range of user entities and their auditors who audit and report on user entities' financial statements and may not, therefore, include every aspect of the system that each individual user entity may consider important in its own particular environment. Because of their nature, controls at a service organization may not prevent, or detect and correct, all errors or omissions in processing or reporting transactions. Also, the projection to the future of any evaluation of the fairness of the presentation of the description, or conclusions about the suitability of design or operating effectiveness of the controls to achieve the related control objectives, is subject to the risk that controls at a service organization may become ineffective.



Description of Tests of Controls

The specific controls tested and the nature, timing, and results of those tests are listed in section IV of this report.

Opinion

In our opinion, in all material respects, based on the criteria described in Blick Rothenberg’s assertion in section II of this report,

- a. The description fairly presents the outsourced accounting solutions system that was designed and implemented during the period October 1, 2021 through September 30, 2022.
- b. The controls related to the control objectives stated in the description were suitably designed to provide reasonable assurance that the control objectives would be achieved if the controls operated effectively throughout the period October 1, 2021 through September 30, 2022, and if subservice organizations and user entities applied the complementary controls assumed in the design of Blick Rothenberg’s controls throughout the period October 1, 2021 through September 30, 2022.
- c. The controls operated effectively to provide reasonable assurance that the control objectives stated in the description were achieved throughout the period October 1, 2021 through September 30, 2022, if complementary subservice organization and user entity controls assumed in the design of Blick Rothenberg’s controls operated effectively throughout the period October 1, 2021 through September 30, 2022.

Restricted Use

This report and the description of tests of controls and results thereof in section IV of this report are intended solely for the information and use of management of Blick Rothenberg, user entities of Blick Rothenberg’s outsourced accounting solutions system during some or all of the period October 1, 2021 through September 30, 2022, and the independent auditors of such user entities, who have a sufficient understanding to consider it, along with other information, including information about the controls implemented by user entities themselves, when assessing the risks of material misstatements of user entities’ financial statements. This report is not intended to be and should not be used by anyone other than those specified parties.

IS Partners, LLC
Dresher, Pennsylvania
December 19, 2022



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II. SERVICE ORGANIZATION'S ASSERTION

We have prepared the description of Blick Rothenberg's outsourced accounting solutions system for user entities of the system during some or all of the period October 1, 2021 through September 30, 2022, and their user auditors who have a sufficient understanding to consider it, along with other information, including information about controls implemented by subservice organizations and user entities of the system themselves, when assessing the risks of material misstatement of user entities' financial statements.

Blick Rothenberg uses subservice organizations to help support its outsourced accounting solutions system, including certain activities such as email backup, working paper files and storage, and a hosted environment for Active Directory. The description includes only the control objectives and related controls of Blick Rothenberg and excludes the control objectives and related controls of these subservice organizations. The description also indicates that certain control objectives specified by Blick Rothenberg can be achieved only if complementary subservice organization controls assumed in the design of our controls are suitably designed and operating effectively, along with the related controls at Blick Rothenberg. The description does not extend to controls of the subservice organizations.

The description indicates that certain control objectives specified in the description can be achieved only if complementary user entity controls assumed in the design of our controls are suitably designed and operating effectively, along with the related controls at Blick Rothenberg. The description does not extend to controls of the user entities.

We confirm, to the best of our knowledge and belief, that:

- a. The description fairly presents the outsourced accounting solutions system made available to user entities of the system during some or all of the period October 1, 2021 through September 30, 2022 for processing their transactions as they relate to controls that are likely to be relevant to user entities' internal control over financial reporting. The criteria we used in making this assertion were that the description:
 1. presents how the system made available to user entities of the system was designed and implemented to process relevant transactions, including, if applicable:
 - the types of services provided including, as appropriate, the classes of transactions processed.
 - the procedures, within both automated and manual systems, by which those transactions are initiated, authorized, recorded, processed, corrected as necessary, and transferred to the reports presented to user entities of the system.
 - the related records, supporting information, and specific accounts that are used to initiate, authorize, record, process and report transactions; this includes the correction of incorrect information and how information is transferred to the reports and other information prepared for user entities.

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- how the system captures and addresses significant events and conditions, other than transactions.
 - the process used to prepare reports and other information for user entities.
 - services performed by a subservice organization, if any, including whether the carve-out method or the inclusive method has been used in relation to them.
 - the specified control objectives and controls designed to achieve those objectives, including, as applicable, complementary user entity controls and complementary subservice organization controls assumed in the design of the service organization's controls.
 - other aspects of our control environment, risk assessment process, information and communication systems (including related business processes), control activities and monitoring controls that are relevant to processing and reporting transactions of user entities of the system.
2. includes relevant details of changes to the outsourced accounting solutions system during the period covered by the description.
 3. does not omit or distort information relevant to the scope of the outsourced accounting solutions system, while acknowledging that the description is prepared to meet the common needs of a broad range of user entities of the system and the independent auditors of those user entities, and may not therefore, include every aspect of the outsourced accounting solutions system that each individual user entity of the system and its auditor may consider important in its own particular environment.
- b. The controls related to the control objectives stated in the description were suitably designed and operating effectively throughout the period October 1, 2021 through September 30, 2022 to achieve those control objectives, if subservice organizations and user entities applied the complementary controls assumed in the design of Blick Rothenberg's controls throughout the period October 1, 2021 through September 30, 2022. The criteria we used in making this assertion were that
1. the risks that threaten the achievement of the control objectives stated in the description have been identified by the service organization;
 2. the controls identified in the description would, if operating as described, provide reasonable assurance that those risks would not prevent the control objectives stated in the description from being achieved; and
 3. the controls were consistently applied as designed, including whether manual controls were applied by individuals who have the appropriate competence and authority.

III. DESCRIPTION OF SERVICE ORGANIZATION’S SYSTEM

A) Overview of the Organization

Blick Rothenberg Limited (“Blick Rothenberg,” “BR,” or “the Company”) has been providing outsourced accounting services to overseas companies setting up in the UK since 1984. The company culture is built upon the wider Blick Rothenberg group, who have operated since 1945, and is built on traditional values of providing high-quality, truly excellent personal services. Blick Rothenberg is now part of the Azets group with over 6,500 people operating across eight countries and more than 160 offices. Being a part of such a larger organization is allowing the Company to invest in technology to assist both efficiencies and the client experience.

Since 1985, Blick Rothenberg has helped well over 3,000 entities ranging from owner managed businesses to subsidiaries of public companies. The Blick Rothenberg outsourcing team comprises around 60 specialized, UK-based staff focusing on entities who are operating across multiple jurisdictions. These staff are supported by over 50 individuals dedicated to Blick Rothenberg working out of locations in central Europe and Asia. This combined team focusses on the services detailed below and operates under separate management and controls from the teams providing wider services across the group.

Services

Blick Rothenberg has developed its outsourced accounting services in line with client requirements. The Company’s range of services is menu driven and includes sales invoicing, receivables management, payables management including arranging vendor payments, bookkeeping and monthly financial reporting, VAT registration and compliance, payroll administration, and other accounting functions that clients may need.

Blick Rothenberg systems and procedures are designed to allow clients to remain in control of the business without having to worry about the day to day transactional matters. Because of the Company’s highly skilled, multilingual teams, standardized processes, comprehensive internal controls and smart systems, clients receive the service they would expect and yet retain the ownership of key management decisions.

Mission Statement

“Provide companies that are expanding internationally, through personal relationships, the expertise and experience they require to make managing their international operations as simple as possible. Our prompt, efficient and technically excellent customer focused outsourced accounting solutions are driven by on-going investment in our people, technology and processes.”

Prompt

Blick Rothenberg’s focus is on producing the information that clients expect when they require it. Blick’s staff is split between Administrators and Accountants to ensure that they are able to promptly deal with the clients’ queries without this interfering with the production of accounts to deadlines. All staff are monitored by a Manager, who is qualified to provide clients with the assurance they would expect.

Blick Rothenberg monitors the deadlines they have set with clients (the Partners and Directors each review their portfolios with the relevant Managers) to ensure that clients are receiving what they would expect when they would expect it.

Efficient

When setting up an accounts office overseas it is difficult to find the right level of staff, for the right cost and still cover holidays, sickness and, what can often be, rapid expansion in scope or scale. Blick Rothenberg removes this operational difficulty from clients with the obvious added benefits of economies of scale allowing the Company to ensure they have the right levels of technology to make BR's work for their clients as efficient as possible.

Blick Rothenberg's staff operate in a team structure to ensure that clients receive the service they would expect from the right person, at the right time and the right cost. This structure also allows clients multiple contacts making it easier to speak to someone who understands their needs when they need to rather than when they happen to be available.

The Company's clients range from those with one employee in a sales and marketing role to companies with several hundred employees spread between many different locations. BR's extensive use of automated systems enables them to function efficiently whatever the size of their client's operation. The Company have in the past completed the accounts functions for clients whilst reducing the human resource required by over half.

Technical Excellence

Blick Rothenberg has been operating as a stand-alone business support company since 1984. Before this, certain functions were completed by the wider Blick Rothenberg group, who have been in operation since 1945. Since 2016, Blick Rothenberg has been a part of the Azets group. Being a part of Azets allows the Company to use the technical knowledge of the many specialized staff in the group, especially in relation to international tax matters and dedicated teams of technology specialists. BR knows the questions to ask and the structures to employ to ensure clients benefit from the Company's associations within the Azets group, as a member of Allinial Global and with the many firms and individuals focused on international business with whom Blick Rothenberg has built relationships over the years.

Because BR's focus has always been on the challenges facing companies operating in multiple international territories where management and control may, at least partially, remain overseas, the Company has never been industry specific. BR's clients are involved in a wide range of business activities and industry sectors, meaning BR has a wide range of experience and expertise, including:

- IT software and hardware;
- IT consultancy;
- Retail (including ladies and men's fashion, food, and footwear in both high street and exclusive London West End locations);
- Online retail;
- Master franchisees;
- Construction;

- Property development;
- Professional services;
- Manufacturing;
- Entertainment; and
- Financial services (including FCA regulated clients).

By leveraging BR’s sophisticated web interface, it enables the Company’s clients to access their financial information from anywhere in the world, at any time. This facility allows the Company’s clients access to view management reports online, view invoices online, and approve invoices online according to multi-stage approval processes that the Company’s clients define, all safe in the knowledge that information is restricted to those individuals who require it.

Customer-focused

Blick Rothenberg is a leading provider of outsourced accounting solutions to companies across the world seeking to establish and grow their presence in the UK, Europe, Asia, North and South America, and Africa. The Company’s clients hail from the Americas, Western and Eastern Europe, the Middle East, Asia, Australasia and the UK and have included over one hundred subsidiaries of listed companies. Many of BR’s clients have undergone their IPO while BR had provided services to their global subsidiaries.

Blick Rothenberg’s customers’ requirements are always paramount in the Company’s minds. The Schedule of Services (known as the “SOS”) schedule details these requirements so that Blick can focus on the issues that affect the clients.

Every client has a relationship with at least two team members and has a named partner or director as a point of escalation if required. This allows clients to contact someone who understands their affairs and can give them an educated and informed response to any queries.

Blick Rothenberg’s clients are from all over the world. As such, the Company has the language skills to be able to communicate with them and with those with whom they may be doing business. Around 50% of BR’s staff are multilingual with languages spoken by multiple individuals including German, Italian, French, Spanish, Portuguese, Mandarin, Cantonese and Polish. In total there are over 20 languages currently spoken in Blick Rothenberg. Blick’s multilingual speakers are usually non-UK resident by birth and so understand the business culture of the clients and/or their customers as well as the language.

In Blick’s most recent client satisfaction survey, 97% of respondents stated that they would happily recommend the services provided by Blick Rothenberg.

People

Blick Rothenberg is committed to attracting the best people. Once retained, the Company works hard to provide them with a rewarding and professionally stimulating environment. BR continues to place a high emphasis on employee engagement and a number of related activities take place throughout the year. The Company is proud that over a third of the

UK-based staff has been able to progress beyond the role in which they started their employment with the firm.

Blick Rothenberg provides access to comprehensive in-house and external training courses and assist staff with their professional qualifications. Individual development plans are implemented in consultation with their line manager to ensure that they remain technically up-to-date. One-on-one reviews are held quarterly with all staff to review performance and set goals for the ensuing period.

BR's teams are structured to ensure that administrators, accountants and managers have clear roles and support available to them. Each person plays their part in data collection, input, processing, financial report preparation and review prior to distribution – and Blick's structures and systems are designed to accomplish this efficiently – just as the Company's clients would expect from any in-house accounts department.

Blick Rothenberg's Technology

Blick Rothenberg employs smart technology to enhance internal performance, service delivery and responsiveness to client needs.

BR believes they were the first UK accounting practice to use this technology in this way, having done so since 2000. These years of experience have been used to review and update the way in which we use such technology to ensure that it remains a difference maker to our clients' experience.

This experience is amongst the reasons why Blick Rothenberg has been twice short listed for this technology being the best use of the Internet by an accountancy firm in the UK. This nomination has been based on the relevance of the service to the Company's clients, its user friendliness and its innovative nature.

Blick Rothenberg offers clients access to Concur, being the first provider to do so on a bureau basis. As a consequence, the Company was shortlisted by Concur as a finalist in their 2018 Global Client Innovation award.

Current financial reports, historic results, any other reports prepared as part of the monthly pack, and all information specified in Blick Rothenberg's client service agreement are hosted on the Company's in-house servers, with exception of Silverfin, being a SaaS application hosted on supplier servers within Europe. Blick Rothenberg's business continuity planning enables the Company to relocate to other sites within London or the wider UK and be up and running within twenty-four hours of any adverse event occurring.

B) Description of Processes

Blick Rothenberg's Processes

Blick Rothenberg's internal controls and processes are reviewed regularly. All processes are carefully documented, and these documents are always available to staff on an Intranet (BRian). These processes are designed to provide clients with the confidence they require without adding unnecessarily to the costs the Company incurs.

The systems and controls the Company has in place are monitored by all and overseen by the Senior Management team. Senior Management liaises with individuals from across the different roles within the firm and meet to discuss improvements to processes on a regular basis. Updates are circulated to all staff to not only highlight any improvements but also to reinforce important procedures thus ensuring consistent use of best practice.

Undertaking a SOC 1 examination is another indicator of Blick Rothenberg's commitment to implementing and maintaining internal controls and processes that meet changes in the business environment and their clients' real-world needs.

Organization and Management

Blick Rothenberg operates in such a way that Senior Management are responsible for the development and implementation of administrative policies. They also provide day to day guidance to staff.

Management monitor resource availability with a view to recruiting ahead of the expansion of our current and future client base. Senior Management retains overall responsibility for the timeliness and appropriateness of the staff recruited.

Senior Management are all involved in client service delivery. This particularly focuses on establishing new client relationships and supporting BR's ongoing clients as they go through periods of change in their business or should they be involved in more complicated accounting areas. Senior Managers are also involved in specific projects, allocated at Senior Management meetings, to improve the services offered and manage groups of staff to ensure their development.

Senior Management review the Company's overall delivery against agreed deadlines and seek to understand the reasons for any deadlines not met so that appropriate steps can be taken, in conjunction with the client as appropriate, to prevent their recurrence.

Managers are responsible for provision and review of key deliverables to the client on a timely basis and to the appropriate quality. They are responsible for day to day client relationship management.

Roles are defined in such a way as to service the client most effectively and give coverage in case of staff absence. Job descriptions are available for all roles and are defined within organization charts. All such information is available to all staff on specific network directories.

All new staff undergo an induction process to familiarize themselves with standard procedures and training on the systems they will be using on a day to day basis. All staff are appraised on an annual basis with a personal development plan put into place and reviewed approximately every six months.

Blick Rothenberg have in place Professional Indemnity insurance to cover damages arising from negligent acts, errors or omissions in performing its standard services to clients. Blick Rothenberg have in a place a business continuity plan and a committee who meet regularly to ensure that this is updated and tested as appropriate.

Client Set Up and Maintenance of Cumulative Knowledge

Before work can commence on a client, anti-money laundering procedures have to be completed. These ensure that BR has identified the owners and directors of the company and have sufficient knowledge of the industry and client to complete the services required.

A detailed Schedule of Services (commonly referred to as a “SOS”) is completed for all clients. This is a combination of a statement of works and a service level agreement that details the precise nature of the services to be provided, who is responsible for this, be that a member of staff within Blick Rothenberg or at the clients and the deadline for completion.

The staff allocated to a new client relationship will work with the client during this period to understand their business and requirements. As such, it is possible that a SOS will be amended in order to ensure that it is an accurate reflection of precise requirements. During this period, payroll services aside, an implementation plan is maintained for the more complex clients on a regular basis to highlight progress and the responsibility for outstanding actions.

At this stage, registration for PAYE, VAT and CIS will be undertaken as appropriate. Should any staff in the ongoing service team change, a handover meeting is held to confirm that all necessary matters have been discussed and all necessary individuals informed. The new team member takes responsibility for completing/updating a client information sheet detailing matters such as the nature of a client’s business and any procedures that differ from the norm.

Transaction Processing General

Transactions are processed using SAP Business One (“SAP”) unless the use of an alternative ERP has been requested otherwise by the client. Transactions are processed according to the wishes of the client. The client is involved in the coding of invoices to the extent that they believe is appropriate. In all cases a complete and detailed account listing is provided to the client so that they can amend any coding as appropriate.

The division of responsibilities ensures that bank transactions are processed by different individuals to purchase ledger transactions where payments are made to suppliers on behalf of the client. Cash is not handled on behalf of clients.

Operation of Management Reporting

Management reports are prepared based on the transactions posted as detailed elsewhere

in this report. As individual transactions are posted the management accountant highlights any amounts that should be posted as prepayments, accruals or have been posted as fixed assets. Copies are taken of these schedules and included in the relevant section of the management accounts file. Period end journals, such as depreciation, payroll, prepayments and accruals are posted to the accounting system. Prepayments and accruals are typically posted as reversing journals.

A management accounts file is completed in Silverfin to support the balance sheet items. Each detailed section is controlled by a traffic light system and the main section signed off by the management accountant as the file is completed. This covers the main issues that arise in the management accounts and allows for comments explaining any unusual items.

The profit and loss account is reviewed analytically to ensure that any variances are either explained or highlighted to the client for consideration in the management letter. A taxable benefits report is prepared on a periodic basis depending on the nature of benefits reportable for the client. This is reviewed along with the management reports.

The management accounts file is reviewed by a manager before it is sent to the client. This review is based upon their cumulative knowledge and experience of both the client and other clients in similar industries.

A management letter is included in each management reports pack unless the client requests to exclude this from the pack. This management letter highlights any outstanding information, unusual variances, unexplained balances or other matters that may be of interest to the management of the company. The nominal ledger account listing for the period is also made available to the client. This allows the client to confirm that postings have been made to the management accounts in accordance with their wishes (under the guidelines of the Institute of Chartered Accountants in England and Wales (“ICAEW”), with which Blick Rothenberg are a registered firm, the Company is not allowed to make such decisions on behalf of management with the exception of standard repetitive journals such as depreciation).

As a minimum, a profit and loss account and balance sheet are sent to the client. Depending upon their preference, other schedules are prepared including, but not limited to, fixed assets, aged creditors/payables, aged debtors/receivables, accruals, prepayments, departmental reporting, project reporting, monthly analysis and variance analysis.

Management reports are usually made available to clients on Blick Rothenberg’s web interface facility or via email as agreed with the client in the SOS (for reasons of confidentiality, all email correspondence should be password protected).

Historic management reports for earlier reports continue to be made available on Blick Rothenberg’s web interface facility. Where the issues raised in the management letter are likely to cause ongoing problems in the management reporting, or may lead to adjustments in the management accounts, these will be discussed with the client separately.

Operation of Reporting to Third Parties

The most common form of reporting to third parties is the preparation of VAT forms including EC sales lists, MOSS filings and Intrastat forms along with reporting to other government departments such as regarding PAYE and CIS. Such reporting is completed in line with the required due dates as agreed with the client in the SOS.

From 1st April 2020, VAT filing complies with MTD rules (Making Tax Digital) introduced by HMRC. The CCH Oneclick application (a Wolters Kluwer product) is used as a bridging software to connect our existing software to HMRC systems.

As a part of their standard procedures HM Revenue & Customs may make visits to inspect the books and records of a company. Such inspections are typically made in relation to the correct calculation of VAT and PAYE payments. Where such inspections take place, the Company liaise with the authorities to arrange timing and an appropriate member of staff (usually a manager) will be available to the inspector during their visit to ensure that as many queries as possible are dealt with on the day. It is often the case that further information is required and this is provided in a timely manner as agreed with the inspector to ensure that any investigation is resolved as quickly as possible.

Payments to any third parties, including regular payments to HM Revenue & Customs, pension providers, in relation to childcare vouchers and other such regular amounts are made using the same systems as all other payments to clients' suppliers although payments in relation to payroll matters can, with the clients' prior approval as a part of Blick Rothenberg's terms of engagement, be made without further approval by a client contact.

Physical Security

The buildings from which services are provided have 24-hour manned security and CCTV. In addition, there is a swipe card access system to the floors of the building from which services are delivered and at key access points within the premises.

Physical documents are only maintained at the main, London, office. Access to the Blick Rothenberg floors is controlled by secure doors that are swipe card activated. Access to the Computer Support Area Computer Server Room and Comms Rooms is also through swipe card secured doors.

The offices are protected from environmental hazards through various systems. The Blick Rothenberg floor has a dual power supply and power supply continuity measures are in place for the Computer Server Room. Procedures are in place to back-up and securely store company and client information. There is a full business continuity plan in place, detailing the procedures for continued IT operations at an off-site location.

Logical IT Controls

Administrator and user access to IT resources is by password authentication. Access rights to the system can only be set by an administrator. Software threat protection software is installed and running on all computers on the network. Access to all machines is restricted by password when unattended. All users are issued with laptops for working both at home and remotely. These laptops are fully encrypted using Bitlocker.

Any laptops taken out of the office to client sites are password protected and fully encrypted. All of the servers are configured to require an administrator ID and password to gain access. Clients gain access to the data on the servers via the relevant application. Administrators gain access using the required administrator account directly at the console or remotely using Microsoft Terminal Services Client, which also requires the user name and password.

New users are created by the IT department in accordance with the defined procedures. Terminated staff are removed from the system by the IT department. Access to all data by clients and staff is controlled by hardware and software measures in addition to documented procedures, administrators log and quarterly users access review. These measures are directed at denying unauthorized access to systems and data and to reduce or eliminate external attacks. Sophisticated security measures are in place to enable clients to access authorized applications and data. Procedures are in place for the creation of client user accounts and to restrict client access to data.

Application System Management

Blick Rothenberg does not complete any in-house development of software products. All changes to the IT systems, and problems noted with them, are logged on specific event management software. All such requests are classified by IT staff and allocated a level of importance. Based on this level of importance, the IT department are committed to following up such calls within a set period of time.

For significant new installations or updates, project deadlines are agreed upon in advance. Such projects are typically managed by the IT department in conjunction with one of the Senior Management team.

As part of the Azets group all major projects are managed by a central Design & Security Authority which is made up of representatives across the business and the central security team. Resourcing and delivery timelines are also managed at this level.

Third-party consultants are utilized for specific projects or the installation of specific items of software. During this process they are managed by the project team to ensure that the project is completed to deadline and the appropriate standard.

All staff are trained on new software as and when it is released. The nature of this training depends upon the nature of the release and the extent to which the software will impact on the day to day completion of staff's working activities.

Client Services

Client relationship management for day-to-day activities is directly the responsibility of the Manager. This is a result of their continued ongoing involvement in the client and hence the cumulative knowledge they acquire. Aside from the Manager each client will have at least one other client contact. For clients where BR completes administration services (such as payment of suppliers or collection of debt) this will be a Financial Administrator. For all other clients this will be a Management Accountant and/or a Payroll Administrator as appropriate.

All clients are allocated to a Partner or Director who monitor the overall client relationship and will involve themselves in the detail as and when considered necessary.

Regular client contact is maintained for all clients by way of requests/chasers for information, follow up to the production of information or specific calls. These should give ample opportunity for both positive and negative feedback to be received and acted upon.

Work Completed by Subcontractors on UK Accounting Records

All work completed by third parties (i.e. not under common ownership with Blick Rothenberg) is subject to confidentiality and non-disclosure provisions in a Master Services Agreement (“MSA”). The client does not have contact with the staff at the third-party locations and deals with Blick Rothenberg staff for all queries.

All work is processed onto Blick Rothenberg servers unless specifically noted otherwise in this report. As such, Blick Rothenberg holds the live data on behalf of its clients at all times. Information is transmitted to the third-party via Blick Rothenberg network only. As such it is protected at all times through the IT controls in place.

A statement of works is in place describing the general responsibilities of Blick Rothenberg and the subcontractor. A Schedule of Services, Responsibilities and Deliverables or “Service Description” (collectively “SD”) is in place with each client to detail the specific requirements. This is designed to meet the deadlines agreed with the client in the SOS. The work is reviewed, both by the third-party providers’ own staff and again by a Blick Rothenberg Manager, to ensure that it is in accordance with Blick Rothenberg controls as documented throughout the remainder of this report.

Management Accounts Information

Management accounting information is collated throughout the processing period. Information is provided by the client, collated by the Financial Administrator or Management Accountant as appropriate, posted to the nominal ledger by the Management Accountant, or posted to the nominal ledger by the Financial Administrator and reviewed by the Management Accountant, and finally reviewed by the Manager. In this way, the organizational structure of a typical in-house accounts department is replicated.

The final output of this process is the agreed management reports allowing the client to have confidence that its accounting function is operating to produce accurate and timely financial information, complying with its internal and external obligations, building towards a reliable end of year close off.

Payment of Suppliers

Services include the ability to efficiently process payments on behalf of its clients. Care is taken to ensure that the client retains full control over the payment authorization process at all times. Systems are in place to ensure that Blick Rothenberg personnel do not have the ability to access client monies. Payments are only made on invoices that have been initially approved by the client.

Suppliers are paid on a weekly, bi-weekly or monthly routine. Payments made outside of the routine are made at the specific request of the client. Such payments are reviewed using the same key checks as the standard supplier payment. The client is responsible for authorizing the release of funds to the creditors. Such approval is made electronically by an authorized individual via an online solution. The fact that such an authorization has been made is one of the key checks undertaken by the Manager.

Payroll

Blick Rothenberg provides comprehensive payroll services to clients who require this function. New clients are initially looked after by a specialist before being assigned to a permanent Payroll Administrator.

Where payments are made for clients, these can be through a “client’s money” bank account or from the client’s own bank account through electronic transfer (BACS). The client selects the option to best suit their internal wage confidentiality requirements.

C) Relevant Aspects of the Control Environment, Risk Assessment Process, Information and Communication Systems, and Monitoring Controls

Blick Rothenberg's management has established a system of internal controls aligned with the integrated framework established by the Committee of Sponsoring Organizations (COSO). The framework consists of the following interrelated components:

1) *Control Environment*

Blick Rothenberg is committed to maintaining an organizational structure that supports an effective control environment, including the proper segregation of job responsibilities, assignment of job functions commensurate with skill, properly defined roles and responsibilities, hiring of experienced staff, internal quality control processes, management oversight, and proactive fraud detection strategies.

2) *Risk Assessment Process*

Blick Rothenberg conducts ongoing risk assessments through regular interaction between management and operations personnel. This process requires management personnel to continually evaluate daily operations for potential risk within their functional areas.

3) *Information and Communication Systems*

Information and communication are a part of Blick Rothenberg's internal processes and systems. BR maintains information and communication processes that facilitate a clear dialogue between BR's management and staff personnel that enables employees to fulfill their job responsibilities and functions. These processes include regular meetings between management and staff personnel, routine job training, new hire orientation, and regular staff performance evaluations.

4) *Monitoring Controls*

Blick Rothenberg management personnel monitors the quality of internal processes and client service deliverables in conjunction with their regular activities. BR separate Quality Assurance/Quality Control functions within its organizational environment designed to facilitate the ongoing monitoring of its operations.

D) Scope and Applicability of the Report

This report has been prepared in accordance with the American Institute of Certified Public Accountants' Statement on Standards for Attestation Engagements No. 18: AT-C Section 320, *Reporting on an Examination of Controls at a Service Organization Relevant to User Entities' Internal Control over Financial Reporting*.

The report is intended to provide the user organizations and their independent auditors with an understanding of the controls related to the outsourced accounting solutions system for user entities of the system and their independent auditors to plan their audits. The report describes these controls during the period October 1, 2021 through September 30, 2022.

The control objectives and supporting control activities for each of the key processes and functions included in the scope of this report are presented in section IV.

This report is intended to focus on features relevant to specific controls; it does not encompass all aspects of the procedures followed by Blick Rothenberg. If a user organization does not have an effective internal control structure in place, the controls and related control objectives presented in this report may not compensate for such a weakness.

E) Subservice Organizations

The following table presents controls identified by the subservice organizations that Blick Rothenberg has determined are necessary to achieve Blick Rothenberg’s control objectives stated in the outsourced accounting solutions system description.

Subservice Organization	Description of Services Provided	Blick Rothenberg Control Objective	Complementary Subservice Organization Controls
<i>Microsoft Azure</i>	This vendor provides logical security for hosting an environment for Active Directory.	Control Objective 7: Logical IT Controls <i>Controls provide reasonable assurance that systems are in place to prevent unauthorized access to systems or programs containing client related data.</i>	External access to Azure services and the customer data stored in the service requires authentication and is restricted based on customer configured authorization settings. Logical segregation is implemented to restrict unauthorized access to other customer tenants.
<i>Mimecast</i>	This vendor provides backups and storage for email.	Control Objective 7: Logical IT Controls <i>Controls provide reasonable assurance that systems are in place to prevent unauthorized access to systems or programs containing client related data.</i>	Management protects sensitive information, logically and physically, in storage and during transmission, against unauthorized access or modification. All data is backed up to the cloud. All backup data is encrypted while transmitted. Each server or other Internet accessible device in Cloud Storage is behind a personal firewall.
<i>Silverfin</i>	This vendor provides a central workspace with automated sync to underlying accounting systems like SAP and Xero.	Control Objective 4: Operation of Management Reporting <i>Controls provide reasonable assurance that management reports are prepared and supervised by members of staff that are appropriately qualified and/or experienced; that they are based on the information provided to the clients, with anomalies investigated with/highlighted to the client; and that reports are produced to the clients’ specification and to agreed deadlines where information is provided in a timely fashion, and the Partners and Directors track this process to investigate any exceptions.</i>	The web page is locked internally and cannot be accessed from outside customer environments. Internal users’ access is monitored for subcontractors. Access to the system is gained via ServiceDesk request as part of New User set up as AD account required to connect via SSO. All data is backed up to the cloud.

Subservice Organization	Description of Services Provided	Blick Rothenberg Control Objective	Complementary Subservice Organization Controls
<i>Xero</i>	This vendor provides an online accounting software.	<p>Control Objective 7: Logical IT Controls</p> <p><i>Controls provide reasonable assurance that systems are in place to prevent unauthorized access to systems or programs containing client related data.</i></p>	<p>Two-factor authentication is implemented for all internal users.</p> <p>Administrators give access to internal users following formal request.</p> <p>Managers set up client user access and it is client's responsibility to set up two-factor authentications.</p>
<i>Concur</i>	This vendor provides an online expense software solution.	<p>Control Objective 7: Logical IT Controls</p> <p><i>Controls provide reasonable assurance that systems are in place to prevent unauthorized access to systems or programs containing client related data.</i></p>	<p>Unique email addresses and complex passwords are required.</p>
<i>BactellIP</i>	This vendor provides a secure online BACS payment solution.	<p>Control Objective 12: Logical Security</p> <p><i>Controls provide reasonable assurance that logical access to programs and data files is restricted to properly authorized individuals through the use of proper employment practices and specific data access procedures.</i></p>	<p>The web page is locked internally and cannot be accessed from outside the Blick Rothenberg environment.</p>
<i>AccessPay</i>	This vendor provides a secure online BACS payment solution.	<p>Control Objective 12: Logical Security</p> <p><i>Controls provide reasonable assurance that logical access to programs and data files is restricted to properly authorized individuals through the use of proper employment practices and specific data access procedures.</i></p>	<p>The web page is locked internally and cannot be accessed from outside the Blick Rothenberg environment.</p>

F) Complementary User Entity Controls

Blick Rothenberg’s controls over the outsourced accounting solutions system were designed with the assumption that certain controls would be placed in operation at user organizations. In certain instances, the application of specific controls at user organizations is necessary to achieve certain control objectives included in this report.

The following controls should be in operation at user organizations to complement the controls listed in section IV, “Independent Service Auditor’s Description of Tests of Controls and Results.” The list does not represent a comprehensive set of all controls that should be employed by user organizations. User organizations’ auditors should consider whether the following controls have been placed in operation at user organizations:

- Controls should be established to ensure that access to user organizations’ systems and applications is adequately restricted to authorized personnel.
- Controls should be established to ensure that output data generated by Blick Rothenberg is reviewed by the user organizations for accuracy and completeness.
- Changes to systems, networks and applications that interact with Blick Rothenberg technology should be tested and approved in accordance with the user organization change management procedures.
- User entities are responsible for ensuring the confidentiality of any user accounts and passwords assigned to them for use with accounting systems.
- User entities are responsible for immediately notifying Blick Rothenberg of any actual or suspected information security breaches, including compromised user accounts.
- User entities are responsible for determining whether Blick Rothenberg’s security infrastructure is appropriate for its needs and for notifying the service organization of any requested modifications.
- User entities are responsible for establishing and configuring security policies for their systems (e.g., policy for account sharing, password construction rules and expiration intervals).
- User entities are responsible for ensuring that system user accounts and passwords are assigned to authorized individuals.
- User entities are responsible for notifying Blick Rothenberg of assigned user accounts that should be disabled or deleted.
- User entities are responsible for ensuring access permissions are assigned based on individual job responsibilities.

- User entities are responsible for defining any encryption methodology utilized in relation to Blick Rothenberg's systems.
- User entities are responsible for reviewing reports made available by Blick Rothenberg.
- User entities are responsible for notifying Blick Rothenberg of any reporting requirements in a timely manner.

IV. INDEPENDENT SERVICE AUDITOR’S DESCRIPTION OF TESTS OF CONTROLS AND RESULTS

Control No.	Control Activity	Tests of Operating Effectiveness	Test Results
Control Objective 1: Organization and Management - Controls provide reasonable assurance that policies and procedures are defined, communicated and followed to ensure that personnel perform their duties correctly.			
1.1	Functional and administrative job responsibilities are defined for all positions. Adequate segregation exists between functions with management providing leadership and accountability in respective areas.	Obtained and inspected the job descriptions for all positions within the Company. Determined that the job descriptions define functional and administrative job responsibilities and adequate segregation exists between functions.	No exceptions noted.
1.2	Supervisory structures exist within both accounting and support functions, where appropriate, to provide adequate control and review of operations.	Obtained and inspected the organizational chart including reporting lines. Determined that supervisory structures exist within both accounting and support functions to provide adequate control and review of operations.	No exceptions noted.
1.3	New employees receive an induction to cover all key policies and procedures. This induction includes a review of policies relating to health and safety, HR and IT as well as directly relating to client deliverables. For permanent staff, a checklist is completed and signed by the staff and their Line Manager to demonstrate this induction has been completed.	Obtained and inspected the new hire induction documentation. Determined the induction covers all key policies and procedures, health and safety, HR and IT, and client deliverables. Additionally, for a sample of new hires, obtained and inspected the onboarding checklists. Determined that the checklists were completed and signed by staff and their line manager, demonstrating the list was completed.	No exceptions noted.
1.4	Resources are available to complete the work scheduled and there is capacity in current staffing or immediate recruitment for expansion of current clients and the pipeline of potential clients.	Observed and inspected the Resource Planner and determined that resources are available to complete the work scheduled and there is capacity in current staffing or immediate recruitment for expansion of current clients and the pipeline of potential clients.	No exceptions noted.
1.5	Employees are appraised and receive a personal development plan. Individual development needs are addressed through development of a training program covering both technical and non-technical skills.	Obtained and inspected the list of new hires from during the audit period. From a randomly sampled selection obtained and inspected the personal development plan and determined that each new hire has a personal development plan where employees are appraised and the individual development needs are addressed through development of a training program covering both technical and non-technical skills.	No exceptions noted.

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1.6	Professional indemnity cover is in place to protect against possible future negligence claims.	Obtained and inspected the professional indemnity cover and determined that the professional indemnity cover is in place to protect against possible future negligence claims.	No exceptions noted.
1.7	Business continuity plan is in place and regular meetings are held by a specialists team to review and test the policies and procedures covered by this plan.	Obtained and inspected the Business Continuity Plan meeting minutes and determined that the BCP is in place and regular meetings are held by a specialist team to test and review the policies and procedures covered by the BCP.	No exceptions noted.
Control Objective 2: Client Set Up and Maintenance of Cumulative Knowledge - Controls provide reasonable assurance that we are able to dedicate the time to new clients that is necessary to obtain a mutual understanding, and retain knowledge of a client’s affairs through inevitable staff changes.			
2.1	Blick Rothenberg have an independent Money Laundering Reporting Officer to whom staff are required to report any suspicious activity.	Obtained and inspected the Anti-Money Laundering Procedures and determined that Blick Rothenberg have an independent Money Laundering Reporting Officer to whom staff are required to report any suspicious activity.	No exceptions noted.
2.2	The firm has a documented Anti-Money Laundering Procedure (“AMLPL”), a copy of which is always available to staff on the firm’s filing system.	Observed and inspected the Anti-Money Laundering Procedure, determined that a copy is always available to staff on the firm’s filing system.	No exceptions noted.
2.3	Each staff member is provided with a copy of the AMLP as part of the staff handbook, distributed and explained to all staff as part of their induction.	Obtained and inspected the current employees list. From a randomly sampled selection of current employees obtained and inspected the IT inductions for each sampled employee and determined that each staff member is provided with a copy of the AMLP as part of the staff handbook, distributed and explained to all staff members as part of their induction.	No exceptions noted.
2.4	Periodic in-house training courses are conducted to ensure staff are aware of current Money Laundering issues and recommended best practices.	Obtained and inspected the list of current employees. From a randomly sampled selection of employees obtained and inspected the Anti-Money Laundering training completion reports and determined that Anti-Money Laundering training is issued for current employees.	No exceptions noted.
2.5	As part of the client acceptance process, a Schedule of Services (“SOS”) is prepared for each client. This is to ensure that both parties have a clear understanding of their respective roles and responsibilities as well as the inputs, processes and outputs to be delivered.	Obtained and inspected the current client list during the audit period. For the sample of clients, obtained the Schedule of Services (“SOS”) and determined it as part of the client acceptance process.	No exceptions noted.

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2.6	The Schedule of Services ("SOS") is updated by the Manager whenever the client's service requirements change.	Performed a walkthrough with management of the Schedule of Services and inquired regarding Schedule of Services changes and determined that a SOS is updated when client's service requirements change.	No exceptions noted.
2.7	The client is provided with a copy of the Schedule of Services ("SOS").	Obtained and inspected the current client list during the audit period. For the sample of clients, obtained the Schedule of Services ("SOS") and determined that a copy was provided to the clients.	No exceptions noted.
2.8	A Manager works closely with the client's management and administrative staff to establish systems designed to deliver the agreed outputs. These are documented in the Schedule of Services ("SOS").	Obtained and inspected the current client list during the audit period. For the sample of clients, obtained the Schedule of Services ("SOS") and determined that the manager works with the client's management and administrative staff to deliver the outputs within the Schedule of Services ("SOS").	No exceptions noted.
2.9	A member of the Senior Management team oversees the scheduling of the accounting and administration team using a workflow planning system which schedules workflows for each staff member. Workflows within the Payroll team are scheduled by the Payroll Management team.	Observed and inspected the staffing schedule capacity for the accounting and administrative teams and determined that the Senior Management Team oversees the scheduling of the accounting and administrative teams.	No exceptions noted.
2.10	Managers of individual clients report as considered necessary to the Director or Partner with overall responsibility for the relationship to monitor performance, review workflows, ensure that deadlines are known and tracked, and to discuss any other issues which affect service delivery. More formal quarterly meetings are held between the Partners and Managers to monitor such matters.	Obtained and inspected the quarterly meetings held during the audit period between the Partners and Managers. Determined that the meetings were conducted to monitor performance, review workflows, ensure deadlines are known and tracked, and to discuss any other issues which affect service delivery.	No exceptions noted.
2.11	The Managers record/review assignment completion on the workflow system to monitor performance and record the cause of any delivery delays.	Obtained and inspected the Managers Record/Review and determined that the deadlines and tasks were monitored and completed on time on the workflow system.	No exceptions noted.
2.12	VAT registration application forms are completed from information provided by the client and the Companies House statutory authority.	Obtained and inspected the list of current clients during the audit period. For a sample of clients, found that the VAT Registration Application forms are completed by the client and the Companies House statutory authority.	No exceptions noted.

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2.13	The partially completed VAT registration application form is reviewed prior to emailed distribution to the client for completion of information known only to the client.	Obtained and inspected the list of current clients during the audit period. For a sample of clients, found that the VAT Registration Application forms is reviewed prior to emailed distribution to the client.	No exceptions noted.
2.14	Once received back, the completed forms are approved by the Manager and filed (typically online) with the regulatory authority.	Obtained and inspected the list of current clients during the audit period. For a sample of clients, found that the VAT Registration Application forms are approved by the Manager and filled.	No exceptions noted.
2.15	PAYE registration forms follow the same process although, having been authorized to register the client, no further client input is required due to the simple nature of the form.	Obtained and inspected the list of current clients during the audit period and the VAT Registration Application forms. For a sample of new clients, found that the Completed PAYE registration forms follow the same process.	No exceptions noted.
<p>Control Objective 3: Transaction Processing General - Controls provide reasonable assurance that transactions are posted in a timely and efficient manner and in accordance with UK (or other where relevant) GAAP and the clients' expectations.</p>			
3.1	All transaction processing is conducted in accordance with the Schedule of Services ("SOS").	Observed and inspected the Schedule of Services ("SOS") and determined that all transaction processing is conducted in accordance with the Schedule of Services.	No exceptions noted.
3.2	<p>Appropriate division of duties is maintained by apportioning responsibilities within the team structure:</p> <ul style="list-style-type: none"> • Financial Administrator ("FA") – to conduct clerical, bill payment, data gathering, preparation phase and some nominal ledger posting. • Management Accountant ("MA") – nominal ledger posting, review of items posted by others and report preparation. • Manager – Payment authorization, file review and report distribution authorization. 	Obtained and inspected the Job Descriptions of key positions and determined that roles and responsibilities were provided for all administrative positions.	No exceptions noted.
3.3	Procedure manuals are maintained detailing standard operating processes.	Obtained and inspected the Procedure Manuals from the internal knowledgebase called BRian and determined that the procedures for standard operating processes manuals are maintained.	No exceptions noted.
3.4	The pre-defined structure of the Silverfin files dictate the way in which client information is stored and presented, creating uniformity throughout the client base and across teams.	Observed and inspected the Silverfin Files and determined that the pre-defined structure of te SilverFin files dictate the way in which client information is stored and presented, creating uniformity throughout the client base and across teams.	No exceptions noted.

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3.5	Once the management accounts are processed, an Aged Debtors Report is produced for the client.	Obtained and inspected the list of all the current clients during the audit period. From a randomly sampled selection of clients determined that a copy of the Management Letter sent to the sampled client was included in the evidence.	No exceptions noted.
3.6	Each transaction can be traced back through individual transaction references to a source document contained in the current financial reports file or a payment or income file maintained by the assigned Financial Administrator.	Observed and inspected the Silverfin Files and determined that the transaction was presented clearly, stored correctly, and traced back through individual transaction references to a source document.	No exceptions noted.
<p>Control Objective 4: Operation of Management Reporting - Controls provide reasonable assurance that management reports are prepared and supervised by members of staff that are appropriately qualified and/or experienced; that they are based on the information provided to the clients, with anomalies investigated with/highlighted to the client; and that reports are produced to the clients' specification and to agreed deadlines where information is provided in a timely fashion and the Partners and Directors track this process to investigate any exceptions.</p>			
4.1	The Schedule of Services ("SOS") records the agreed inputs, processes and outputs required, including management reports.	Obtained and inspected the list of all current clients during the audit period. From a randomly sampled selection of Full Admin Clients, obtained and inspected the Schedule of Services (SOS) and determined that the SOS records the agreed inputs, processes and outputs required, including management reports.	No exceptions noted.
4.2	All client files are organized according to Blick Rothenberg's quality standard to ensure that any employee can immediately locate information in any file and understand any client file with the least effort.	Observed and inspected Silverfin and determined that all client files are organized according to Blick Rothenberg's quality standard to ensure that any employee can immediately locate information in any file and understand any client file with the least effort.	No exceptions noted.
4.3	The pre-defined structure of the Silverfin files are the foundation for file organization and management report reviews. The Management Accountant and the Manager both sign off relevant sections of the supporting files.	Observed and inspected Silverfin Files and determined that the files are the foundation for file organization and management report reviews, and that the management accountant and the manger both sign off relevant sections of the supporting files.	No exceptions noted.
4.4	Copies of the final accounts as distributed to the client are kept on file as a part of the audit trail.	Observed and inspected the File organization system for clients and determined that the files were organized and available within the system for the clients and kept as part of the audit trail.	No exceptions noted.

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<p>4.5</p>	<p>Supporting schedules for all balance sheet items (for example aged creditors/payables reports) are filed in their related section.</p> <p>All Balance Sheet balances are reconciled and supported by working papers.</p> <p>A Fixed Assets Schedule is prepared and included in with supporting documentation for any current period additions.</p> <p>A schedule of prepayments is prepared and supported by copies of invoices or other documentation as appropriate.</p> <p>Schedules of outstanding creditors and accruals are prepared and included in the section. Copies of any relevant correspondence or invoices are placed on the section to support the schedules.</p> <p>The Inter-company ledger is reconciled with the related entity’s ledger where received to ensure that all transactions are captured and any variances resolved through correspondence with the client.</p> <p>Bank and Cash reconciliations are prepared for all cash holdings, with reference to the relevant bank statements.</p> <p>Foreign currencies are retranslated at month-end to ensure they are current.</p>	<p>Observed and inspected the Balance Sheet Reconciliations during the audit period and determined that the schedules were updated accordingly for the balance sheet items.</p>	<p>No exceptions noted.</p>
<p>4.6</p>	<p>Where relevant, Stock, Work in Progress, and Finished Goods records are provided by the client and retained on file.</p> <p>An Analytical Review is completed by the Management Accountant, reviewed by the Manager and key comments carried forward to the Management Letter for review by the client.</p>	<p>Obtained and inspected the list of all the current clients during the audit period. From a randomly sampled selection obtained and inspected, a copy of the Management Letter and determined that the management letter sent to the client is included in the evidence.</p>	<p>No exceptions noted.</p>

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4.7	<p>When the management reports are completed by the Management Accountant, the client file is reviewed by the Manager to ensure that systems have been adhered to and all documentation completed.</p> <p>The Manager reviews each report for accuracy and presentation, and to review the content of the management letter.</p>	<p>Obtained and inspected the list of all the current clients during the audit period. From a randomly sampled selection determined that when the management reports are completed the the Management Accountant, the client file is reviewed by the manager to ensure that systems have been adhered to and all documentation completed.</p>	No exceptions noted.
4.8	<p>The Manager signs off on the supporting file to confirm that the reports are ready for distribution and uploads the reports to the web interface for the client to access.</p>	<p>Obtained and inspected the list of all current clients during the audit period. From a randomly sampled selection, obtained and inspected the management sign-offs and determined the files that the manager signed off for distribution.</p>	No exceptions noted.
4.9	<p>A copy of the account listing is uploaded to the web interface (or provided by email as agreed with the client) as part of the audit trail to enable the client to view all transactions and their classification.</p>	<p>Observed and inspected the client services portal and determined that the account listing was uploaded to the web interface as part of the audit trail to enable the client to view all transactions and their classification.</p>	No exceptions noted.
4.10	<p>The management letter advises the client of the account listing’s presence and asks for any amendments to be advised.</p> <p>Any ongoing queries or issues are raised with the client via email or telephone by the Client Manager.</p>	<p>Obtained and inspected the Sample Management Letter and determined that the letter advised the client of the account listings.</p>	No exceptions noted.
<p>Control Objective 5: Operation of Reporting to Third Parties - Controls provide reasonable assurance that reporting to third parties is accurate, timely and in accordance with the approval process agreed with the client.</p>			
5.1	<p>The Schedule of Services ("SOS") specifies the client’s agreed third-party reporting requirements.</p>	<p>Obtained and inspected the list of all current clients during the audit period. For a randomly sampled selection of a Full Admin Client, obtained and inspected the Schedule of Services (SOS). Additionally, the sample specified the clients agreed to third-party reporting.</p>	No exceptions noted.
5.2	<p>Workflow for all third-party reports is scheduled and tracked using standard workflow planning system as detailed previously in this document.</p>	<p>Observed and inspected the Work Schedules and determined that the third-party reports were verified and tracked using the standard workflow planning system as detailed previously in the document.</p>	No exceptions noted.
5.3	<p>Intrastat reports may be prepared by the Financial Administrator or Management Accountant as determined by the Client Manager.</p>	<p>Obtained and inspected the Intrastat Report and determined that the reports are available to be prepared by the Financial Administrator or Management Accountant determined by the Client Manager.</p>	No exceptions noted.

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5.4	Payroll records are prepared by the Payroll Administrator.	Observed and inspected the Payroll Records procedure and determined that the records were prepared by the Payroll Administrator.	No exceptions noted.
5.5	For calculation and audit trail purposes, source data is held for all reports prepared.	Observed and inspected the Payroll Process and determined that source data was held for reports prepared for current and new clients.	No exceptions noted.
5.6	The Manager reviews all third-party reports for accuracy and completeness prior to client distribution and filing with the statutory authorities.	Obtained and inspected the Managers Record and Review for sampled clients and determined that the Manager reviews all third-party reports for accuracy and completeness prior to client distribution and filing with the proper statutory authorities.	No exceptions noted.
5.7	Checklists are completed and signed by the preparer and the Client Manager.	Obtained and inspected a list of current clients. For a randomly sampled selection of clients, obtained and inspected the Management Sign-Offs for sampled clients and determined that checklists are completed and signed by the preparer and the Client Manager.	No exceptions noted.
5.8	Each return is authorized by the client prior to filing with the relevant authority with Payroll filings made by implied consent where agreed with the client.	Obtained and inspected the current list of clients during the audit period. For a sample of clients, obtained and inspected the copies of the return authorization provided by the client.	No exceptions noted.
5.9	Return assessments received from the authorities as a result of filing third party reports are compared with the originally filed return to ensure they reconcile. Any discrepancies are investigated.	Obtained and inspected an example of a VAT audit and determined that return assessments received from the authorities as a result of filing third party reports are compared with the originally filed return to ensure they reconcile. Obtained and inspected an example of a VAT audit and determined that if and discrepancies are noted they are investigated.	No exceptions noted.
5.10	If a statutory authority advises of an impending audit, the client is advised in writing.	Obtained and inspected an example of a VAT audit and determined that if a statutory advises of an impending audit, the client is advised in writing.	No exceptions noted.
5.11	The client is informed of the audit or assessment outcome in writing.	Obtained and inspected an example of a VAT audit and determined that the client is informed of the audit or assessment outcome in writing.	No exceptions noted.

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Control Objective 6: Physical Security - Controls provide reasonable assurance that security is in place to protect the confidential records held on behalf of clients.			
6.1	An access swipe card is required at all times to enter each floor.	Observed and inspected the Access Cards being used to enter the building and each floor and determined that an access swipe card is required at all times to enter each floor.	No exceptions noted.
6.2	Swipe cards are generally issued by the Office Services Manager and handed to new staff in the HR induction. If higher access is required, i.e. access to the IT areas, then the swipe card access is granted by the IT Manager or IT Director.	Obtained and inspected the Access Card Register and determined that swipe cards are issued by the Office Services Manager, and handed to new staff or visitors and if higher access is required, i.e. access to the IT areas, then the swipe card access is granted by the IT Manager or IT Director.	No exceptions noted.
6.3	The list of swipe card holders is held on the swipe card access system.	Obtained and inspected the Access Card Register and determined that the list of swipe card holders is held on the swipe card access system.	No exceptions noted.
6.4	Swipe cards are returned to the Office Services Manager as part of the exit process when staff leave. In addition, once a leave date is known, the card is timed to cease working on the day of departure.	Obtained and inspected the list of terminated employees and sampled the list. Obtained and inspected the access removal list and determined that the swipe cards are returned to the Office Services Manager as part of the exit process when staff leave.	No exceptions noted.
6.5	Ground reception logs visitors at the front desk reception desk.	Observed and inspected the Ground Reception and determined that upon entry to the Blick Rothenberg building the ground reception logs visitors at the front desk reception.	No exceptions noted.
6.6	The Computer Support area doorway is secured by the swipe card access system when there are no IT staff present.	Observed and inspected the Computer Server and Communications Room and determined that the Computer Support area doorway is secured by the swipe card access system when there are no IT staff present.	No exceptions noted.
6.7	The Computer Server and Comms Rooms are secured by the swipe card access system. The door is also locked and alarmed with only internal IT staff and the Office Services Manager, the catering supervisor and Building services having access.	Observed and inspected the Computer Server and Communications Room and determined that the Computer Support area doorway is secured by the swipe card access system when there are no IT staff present.	No exceptions noted.
6.8	Fire detection, smoke detectors and security alarms are in place.	Observed and inspected the Computer Server and Communications Room and determined that fire detection, smoke detectors and security alarms are in place.	No exceptions noted.

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6.9	Air conditioning and comfort cooling is also used to regulate the environment.	Observed and inspected the Computer Server and Communications Room and determined that the temperature is regulated with air conditioning and comfort cooling.	No exceptions noted.
6.10	Fire extinguishers are current, maintained and accessible.	Observed and inspected the Computer Server and Communications Room and determined that fire extinguishers are current, maintained and accessible.	No exceptions noted.
6.11	Fire wardens are appointed and building-wide practice drills are undertaken periodically by Building Management.	Obtained and inspected the Fire Drill Records and determined that fire wardens are appointed and building-wide fire drills are undertaken periodically by Building Management.	No exceptions noted.
6.12	Computer server equipment is supported by an uninterruptible power supply (“UPS”) providing back up in the event of loss of main supply.	Observed and inspected the Computer Server and Communications Room and determined that the server room is supported by an Uninterruptible Power Supply that provides backup power in the event of a power outage.	No exceptions noted.
6.13	The system is configured to automatically close down without data loss when the UPS nears exhaustion, if power has not been restored.	Observed and inspected the Data Backup procedures and determined that the system is configured to automatically close down without data loss in the event the power has not been restored and the UPS nears exhaustion.	No exceptions noted.
6.14	The Computer Server Room has two separate power supply circuits.	Observed and inspected the Computer Server and Communications Room and determined that the Computer Server Room has two separate power supply circuits.	No exceptions noted.
6.15	Automatic full back ups are run every evening after the close of business.	Obtained and inspected the backup policy and procedures, observed and inspected the backup configurations and determined that automatic full backups are run every evening after the close of business.	No exceptions noted.
6.16	Back-ups are now made to disc and periodically verified according to the firm’s IT Procedures Manual available at a dedicated network location.	Obtained and inspected the backup policy and procedures and determined that backups are made to disc and periodically verified according to the firm's IT Procedures Manual.	No exceptions noted.

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6.17	There is a documented business continuity plan including the provision of alternative IT and staff operational facilities both within London and at alternative cities within the UK.	Obtained and inspected the Business Continuity Plan and determined that there is a documented business continuity plan including the provision of alternative IT and staff operational facilities at the London location and at alternative cities within the UK.	No exceptions noted.
Control Objective 7: Logical IT Controls - Controls provide reasonable assurance that systems are in place to prevent unauthorized access to systems or programs containing client related data.			
7.1	Administrator and user passwords are compulsorily changed on a regular basis.	Observed and inspected the Password Configurations in place and determined that the Administrators and users passwords are compulsorily changed on a regular basis.	No exceptions noted.
7.2	Administrator rights are restricted to the IT department members only.	Observed and inspected the administrator rights in places and determined that the administrator rights are restricted to the IT department members only.	No exceptions noted.
7.3	Anti-virus and anti-spyware are installed on each workstation and on the servers.	Obtained and inspected the active workstation and server list. For a randomly sampled list of workstations, obtained and inspected the antivirus software installed on each machine and determined that anti-virus and anti-spyware software is installed on each workstation and on the servers.	No exceptions noted.
7.4	Anti-spam protection is provided in real time by an independent third party.	Observed and inspected the anti-spam filters in place and determined that anti-spam protection is provided in real time by an independent third party.	No exceptions noted.
7.5	Software is installed to prohibit users downloading or receiving malicious files by email.	Observed and inspected the email antivirus software settings and determined that software is installed to prohibit users downloading or receiving malicious files by email.	No exceptions noted.
7.6	Software logs for web traffic and the virus software are reviewed on a regular basis.	Observed and inspected the web traffic software logs and determined that the software logs for web traffic and the virus software are reviewed on a regular basis.	No exceptions noted.
7.7	User access to specific Internet sites considered higher risk is blocked.	Observed and inspected the high-risk website filters and determined that user access to specific internet sites considered higher risk is blocked.	No exceptions noted.

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7.8	Users are required to lock their PCs when away from their desk for a period of time.	Observed and inspected the password configurations and policy and determined that users are required to lock their PCs when away from their desk for a period of time.	No exceptions noted
7.9	The PCs automatically lock themselves after an inactive period of 5 minutes, requiring the user password to unlock them.	Observed and inspected the lockout settings and determined that the PCs automatically lock themselves after being inactive for 5 minutes requiring the users password to be re-entered to unlock them.	No exceptions noted
7.10	PC control settings are restricted to prevent certain operations being carried out (e.g. the installation of unauthorized ActiveX controls.)	Observed and inspected the users local admin rights and determined that the PC control settings are restricted to prevent certain operations being carried out, such as installing unauthorized ActiveX controls.	No exceptions noted
7.11	Username and passwords are not stored for web-based applications, requiring, where single sign on is not in use, the user to enter this information each time they need to enter password protected software.	Observed and inspected the username and password saving procedures and determined that usernames and passwords are not stored for web-based applications, required the user to entire this information each time they need to enter password protected software, where SSO is not in use.	No exceptions noted.
7.12	Laptops have Windows password protection active and are fully encrypted.	Obtained and inspected the list of workstations and servers. For a randomly sampled list of workstations and servers, obtained and inspected the password protection and encryption evidence and determined that windows password protection is enabled and that the devices are fully encrypted.	No exceptions noted.
7.13	Servers and consoles are password protected with access restricted to IT administrators only.	Observed and inspected the server local admin rights and determined that the servers and consoles are password protected with access restricted to IT administrators only.	No exceptions noted.
7.14	Clients access their data through permitted applications with user authentication and restricted access rights.	Observed and inspected the client services web interface and determined that clients access their data through permitted applications with user authentication and restricted access rights.	No exceptions noted.
7.15	The IT Director determines user access rights in conjunction, where this is non-standard for a role, with a Partner.	Observed the User Access Rights in place and determined that the IT Directors determined user access rights in conjunction with a Partner, this is done where this is non-standard for a role.	No exceptions noted.
7.16	A new user template is used to create users to ensure consistency and reduce administrative workload.	Obtained and inspected the list of new hires from during the audit period. From a randomly sampled selection, obtained and inspected the new user tickets and determined that a new user template is used to create users to ensure consistency and reduce administrative workload.	No exceptions noted.

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<p>7.17</p>	<p>Blick Rothenberg has procedures in place to ensure that the accounts of terminated staff are removed from the system with immediate effect. The HR department notifies the IT team of staff departures. Access to all systems (except as noted below) is controlled via the network and once a user is removed, they immediately cease to have access to individual applications including any remote access rights they may previously have had. The exceptions to this process (cloud-based solutions used at the request of the client such as Xero, AutoEntry or Concur) require separate user administration. The team suspends these accounts separately on the same timescales as network suspension noted above.</p>	<p>Obtained and inspected the terminated employees list. From a randomly sampled selection obtained and inspected the system removals and determined that the terminated staff are removed from the system with immediate effect.</p>	<p>No exceptions noted.</p>
<p>7.18</p>	<p>Terminated staff access is reviewed quarterly against HR reports and all applications (including applications managed by Senior staff only like STAR and DATEV) to ensure terminated staff are deactivated and licenses released.</p>	<p>Obtained and inspected a sample of quarterly terminated access reviews and determined that terminate staff access is reviewed quarterly against HR reports and all applications to ensure terminated staff are deactivated and licenses released.</p>	<p>No exceptions noted.</p>
<p>7.19</p>	<p>New users are required to attend an IT induction at which point they are instructed as to their responsibilities whilst in the office.</p>	<p>Obtained and inspected the new hire list. From a randomly sampled selection of new hires obtained and inspected the IT induction procedures and determined that new users are required to attend an IT induction, at which point they are instructed as to their responsibilities while in the office.</p>	<p>No exceptions noted</p>
<p>7.20</p>	<p>A firewall is installed to control external access to all data on the servers.</p>	<p>Obtained and inspected the Network Diagram and determined through the observation of the firewalls that they were installed to control external access on the servers.</p>	<p>No exceptions noted.</p>
<p>7.21</p>	<p>The firewall is configured to allow mail to and from the ISP and authorized Internet traffic to pass through as well as traffic to Blick Rothenberg web sites which are hosted on site.</p>	<p>Observed and inspected the firewall configuration and determined that the firewall is configured to only allow mail to and from the ISP and authorized internet traffic to pass through as well as traffic to the Blick Rothenberg web sites hosted on site.</p>	<p>No exceptions noted.</p>
<p>7.22</p>	<p>Clients have restricted access to applications and data.</p>	<p>Observed and inspected the client services web interface and determined that clients have restricted access to applications and data.</p>	<p>No exceptions noted.</p>

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7.23	The IT department creates user accounts. The client is then issued a login ID to gain access to the system.	Obtained and inspected the list of new hires from during the audit period. From a randomly selected sample, obtained and inspected the new user tickets and determined that the IT department creates user accounts.	No exceptions noted.
7.24	The client connects to the system via CoZone using the ID provided, their personalized password and uniquely generated code for every connection (two-factor authentication).	Observed and inspected the two factor authentication process and determined that the client connects to the system via CoZone using the ID provided, the personalized password and the uniquely generated code for every connection.	No exception noted
7.25	Client accounts are created for the relevant applications that they require.	Observed and inspected the client services web interface and determined that the client accounts are created for the relevant applications that they require.	No exceptions noted
7.26	Quarterly review of client users that have not accessed our systems in the last 90 days is performed and any abnormalities are clarified with client.	Obtained and inspected the client users quarterly review and determined that the quarterly review of client users is performed to review client users that have not accessed the systems in the last 90 days and any abnormalities are clarified with the client.	No exceptions noted
7.27	When client users leave, their access to systems is suspended in the same manner as for internal users. This is based on either the leaver themselves, or an ongoing client contact, notifying Blick Rothenberg of the leaver.	Obtained and inspected the terminated client list from during the audit period. From a randomly sampled selection obtained and inspected the account suspensions for each client and determined that upon client users departure their access to system is suspended in the same manner as internal users, immediately.	No exceptions noted
<p>Control Objective 8: Application System Development and Management - Controls provide reasonable assurance that changes to software systems (and staff using those systems) are controlled in such a way that there is no detrimental effect on client service. Such changes are within the confines of the third-party applications used within Blick Rothenberg. There is no in-house software development undertaken.</p>			
8.1	All requested IT changes and problem notifications must be logged to the IT ServiceDesk using the Outlook integrated logging facility or by logging a ticket in the service desk portal.	Obtained and inspected the Change Ticket list from during the audit period. From a randomly sampled selection obtained and inspected the change log and determined that all requested IT changes and problem notifications are logged to the IT ServiceDesk using the Outlook integrated logging facility or by logging a ticket in the service desk portal.	No exceptions noted

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<p>8.2</p>	<p>For changes that are not standard issue resolution or that conflict with the firm’s policies and procedures in areas such as data protection or computer usage the matter is escalated to the IT Director and/or a Partner before being progressed. Standard issues are those that can be rectified by correcting settings within a system or reinstalling standard software packages as opposed to issues that require systems upgrades to untested versions or further development work.</p>	<p>Obtained and inspected the escalated change tickets from during the audit period. From a randomly sampled selection obtained and inspected the change approved by the IT Director and determined that for changes that are not standard issue resolution the matter is escalated to the IT Director before processesd.</p>	<p>No exceptions noted</p>
<p>8.3</p>	<p>Users can track their issue’s progress and resolution using the logging software features.</p>	<p>Observed and inspected the user issue tracking process and determined that users can track their issue's progress and resolution by using the logging software features.</p>	<p>No exceptions noted</p>
<p>8.4</p>	<p>Major projects are authorized by the Partners and delegated to a particular Partner or Manager to oversee.</p>	<p>Obtained and inspected a list of major upgrades to key applications from during the audit period. Inquired with management and determined that no major upgrades to key applications occurred during the audit period.</p>	<p>Unable to test – the control did not operate during the audit period, and therefore a test of operating effectiveness could not be performed.</p>
<p>8.5</p>	<p>For upgrades to key applications (currently defined as being SAP Business One and the web interface) detailed testing is completed in a lab environment prior to general release. This includes user acceptance testing and includes a detailed log being kept of issues identified and resolved before the product is updated in the live environment.</p>	<p>Obtained and inspected a list of major upgrades to key applications from during the audit period. Inquired with management and determined that no major upgrades to key applications occurred during the audit period.</p>	<p>Unable to test – the control did not operate during the audit period, and therefore a test of operating effectiveness could not be performed.</p>
<p>8.6</p>	<p>Project delivery is monitored through regular IT Committee and project team meetings throughout the life of the project.</p>	<p>Obtained and inspected the IT Committee and project team meeting minutes from during the audit period. From a randomly sampled selection of meetings obtained and inspected the meeting minutes and determined that project delivery is monitoring through the IT Committee and project meetings throughout the life of the project.</p>	<p>No exceptions noted.</p>

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8.7	Appropriate training and systems documentation are developed prior to the IT project going live.	Obtained and inspected a list of major upgrades to key applications from during the audit period. Inquired with management and determined that no major upgrades to key applications occurred during the audit period.	Unable to test – the control did not operate during the audit period, and therefore a test of operating effectiveness could not be performed.
8.8	Blick Rothenberg IT systems requirements are continually reviewed and assessed as part of the Partners’ regular meetings to ensure Blick Rothenberg systems deliver efficient, effective services to clients.	Obtained and inspected the list of partners meetings from during the audit period. From a randomly sampled selection obtained and inspected the meeting minutes and determined that the IT systems requirements are continually reviewed and assessed as part of the Partners regular meetings to ensure that the systems deliver efficient, effective services to clients.	No exception noted
8.9	Blick Rothenberg maintains a separate test and live environment controlled by VMWare. Access to the test environment is limited to users agreed by the IT Director and movements between the test and live environment can only be completed by the central IT team (separate and distinct from either the production team or the application support team).	Observed and inspected the VMware Environment and determined that The Company maintains a separate test and live environment and access to the test environment is limited to users agreed by the IT Director and movements between the test and live environment can only be completed by the central IT team.	No exception noted
Control Objective 9: Client Service - Controls provide reasonable assurance that the appropriate quality standard is met in regard to work prepared on behalf of and presented to clients; and that this is done in such a way as to meet deadlines and expectations without leading to excessive costs.			
9.1	Each Manager has a portfolio of clients. Each client therefore has a Manager as a senior, experienced point of contact.	Obtained and inspected the organizational chart and determined that each Manager has a portfolio of clients and that each client has a manager as a senior point of contact.	No exception noted
9.2	The Manager’s job description emphasizes client relationship development and management.	Obtained and inspected the Job Descriptions for key positions and determined that the Manager’s job description emphasizes client relationship development and management.	No exceptions noted.
9.3	The Manager is responsible for allocating and managing workflow to ensure that client service levels are maintained and that adverse events are identified and acted upon.	Obtained and inspected the job descriptions for key positions and determined that the Manager is responsible for allocating and managing workflow to ensure that client service levels are maintained and that adverse events are identified and acted upon.	No exceptions noted.

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9.4	Each Manager reports to a Partner and is accountable for the delivery of client services within their portfolio.	Obtained and inspected the organizational chart and determined that each Manager reports to a Partner and is accountable for the delivery of client services within their portfolio.	No exceptions noted.
9.5	The Manager reviews and authorizes all reports, keeping informed of the client’s business and communicating with the client as required.	Obtained and inspected the list of clients from during the audit period. From a randomly sampled selection obtained and inspected the client approval of payroll reports and determined that the Manager reviews and authorizes all reports, keeping informed of the client's business and communicating with the client as required.	No exceptions noted.
9.6	Respective duties are explained to clients and reinforced through the daily operating cycle and the Schedule of Services ("SOS").	Obtained and inspected the list of clients from during the audit period. From a randomly sampled selection of clients obtained and inspected the SOS for each client and determined that the respective duties are explained to clients and reinforced through the daily operating cycle and the SOS.	No exceptions noted.
9.7	The management letter provides an opportunity to highlight important issues and provide appropriate commentary.	Obtained and inspected the Current Client list. From a randomly sampled selection obtained and inspected the management for each sampled client and determined that the management letter provides an opportunity to highlight important issues and provide appropriate commentary.	No exception noted
<p>Control Objective 10: Work Completed by Subcontractors on UK Accounting Records - Certain work is completed by staff based in locations outside of Blick Rothenberg offices in order to take advantage of particular skills or cost difference and to therefore ensure the best possible services to clients. Controls provide reasonable assurance that the work completed in this way is subject to the same, or an equivalent level of, processes and systems as that work completed directly by Blick Rothenberg.</p>			
10.1	Staff at third party locations are subject to a secrecy agreement and background checks. The relationship with the third party is subject to confidentiality and non-disclosure provisions of the MSA.	Obtained and inspected the list of Partner Firms. From a randomly sampled selection of firms obtained and inspected the subcontractor SOWs and service descriptions and determined that staff at third party locations are subject to a secrecy agreement and background checks.	No exceptions noted.
10.2	Blick Rothenberg holds live ledgers and data that are processed to subcontractors via a secure Citrix interface.	Observed and inspected the live ledgers process and determined that The Company holds live ledgers and data that are processed to subcontractors via a secure Citrix interface.	No exception noted
10.3	Documents sent for processing are held in a secure network location protected by the same security as documented under Logical IT controls in this report.	Observed and inspected the VPN and two-factor authentication process used to log into Citrix and determined that the documents sent for processing are held in a secure network location protected by a two-factor authentication process.	No exception noted

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10.4	A statement of work (“SOW”) is agreed for the key actions completed across multiple clients.	Obtained and inspected the list of subcontractors from during the audit period. From a randomly sampled selection obtained and inspected the SOW in place and determined that the SOW is agreed for the key actions completed across multiple clients.	No exception noted
10.5	An SD is in place for each client where the sub-contractor is utilized defining the work to be completed and the specific deadlines.	Obtained and inspected the list of subcontractors from during the audit period. From a randomly sampled selection obtained and inspected the Service Descriptions in place and determined that the SD is in place for each client where the subcontractor is utilized defining the work to be completed and the specific deadlines.	No exception noted
Control Objective 11: Management Accounts Information - Controls provide reasonable assurance that information presented to client management is timely and relevant and a full supporting file is retained for each set of accounts completed.			
11.1	<p>Invoices are processed in accordance with the Schedule of Services ("SOS"). In the majority of cases invoices are posted to the nominal ledger when preparing the upcoming management reports or when preparing a payment on behalf of the client (see separate section).</p> <p>Transactions are posted or reviewed by a Management Accountant based on their knowledge of a client and UK GAAP. Where applicable, invoices can be processed in accordance with US GAAP, IFRS or others as agreed in the SOS. Where there are uncertainties over the nature of an invoice and how this should be posted, this is discussed with the Manager and, where appropriate, the client.</p> <p>A full account listing is completed with each set of management reports. This shows all postings made during the period and is included on the file for review by the Manager.</p>	<p>Observed and inspected the SOS invoice process and determined that invoices are processed in accordance with the SOS.</p> <p>Obtained and inspected the Current Client list. From a randomly sampled selection obtained and inspected the management letter and determined that transactions are posted or reviewed by a Management Accountant based on their knowledge of a client and UK GAAP.</p>	No exception noted
11.2	The effect of transactions is reviewed from the perspective of an analytical review on the profit and loss accounts and a review of the documentation to support all balance sheet items.	Observed and inspected the effectiveness of transaction process and determined that this process is reviewed from the perspective of an analytical review on the profit and loss accounts and a review of the documentation to support all balance sheet items.	No exception noted

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11.3	The account listing is provided to the client with each set of management reports along with a request in the management letter for them to review this listing to ensure they are satisfied with the accuracy of the postings.	Obtained and inspected the current client list. from a randomly sampled selection obtained and inspected the management letter and determined that the account listing is provided to the client with each set of management reports.	No exception noted
Control Objective 12: Creditor's Payments - Controls provide reasonable assurance that client invoices are paid accurately and timely.			
12.1	The Financial Administrator inputs creditor invoices into Silverfin at the frequency specified in the Schedule of Services ("SOS") or at additional times as required by the client. The Management Accountant updates the bank posting to ensure that the web interface accurately reflects the outstanding creditors/payables. Short-term cash flow projections are reviewed by the Financial Administrator where required and are sent to the client, highlighting to them that they should select from the web interface the suppliers where they wish to make a payment. The client selects which invoices are to be paid on the web interface. Based upon this selection, Blick Rothenberg prepares remittance advices and a payment schedule with the bank transfer details (BACS file in CSV format). A Creditors Aged Trial Balance is produced for the client to retain awareness of the entity's creditor situation.	Observed and inspected the invoicing process and determined that the Financial Administrator inputs creditor invoices into Silverfin at the frequency specified in the SOS or at additional times as required by the client.	No exception noted
12.2	At this stage, the Manager reviews that invoices are correctly in the name of the client, VAT appears to have been correctly applied, approved invoices support all payments being made, bank details for new suppliers are confirmed against third-party documentation and the remittances and payment details total the correct amounts.	Observed and inspected the invoicing process and determined that the Manager reviews that invoices are correctly in the name of the client, VAT appears to have been correctly applied, these approved invoices support all payments being made.	No exception noted

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12.3	The Control Checklist is signed off by the Manager and the Financial Administrator uploads the BACS file for the client to enter a secure authorization code, enabling payment to proceed. The payments are then processed from the client’s bank account. Payments made using our BACS software are in line with procedures audited as a part of us obtaining our accreditation as a BACS bureau.	Observed and inspected the Invoicing Process and determined that the Control Checklist is signed off by the Manager and the Financial Administrator uploads the BACS file for the client to enter a secure authorization code which enables the payment to process.	No exception noted
Control Objective 13: Payroll - Controls provide reasonable assurance that salaries and associated costs are calculated and paid as agreed with the client.			
13.1	All payroll processing is conducted in accordance with the Schedule of Services ("SOS").	Observed and inspected the payroll process and determined that any and all payroll processing is conducted in accordance with the SOS.	No exception noted
13.2	The Payroll Management team liaises with new clients to understand their processing requirements.	Observed and inspected the payroll process and determined that the Payroll Management team liaises with new clients to understand their processing requirements.	No exception noted
13.3	Once processes are well established, the client is transitioned to a permanent payroll staff member as a result of a hand over meeting.	Observed and inspected the payroll process and determined that the client is transitioned to a permanent payroll staff member as a result of a hand over meeting.	No exception noted
13.4	Payroll Procedures Documents ("PPDs") are held for all clients providing detailed information about how that particular client’s payroll is to be processed including required procedures, functions, payment methods, contacts and those privy to sensitive information within the client organization.	Obtained and inspected the current clients from during the audit period. From a randomly sampled selection obtained and inspected the payroll procedures documents for each clients	No exception noted
13.5	A member of the Payroll Management team is responsible for monitoring workflow and tracking deadlines.	Observed and inspected the payroll process and determined that a member of the Payroll Management team is responsible for monitoring workflow and tracking deadlines.	No exception noted
13.6	The client informs Blick Rothenberg of any amendments to the payroll in accordance with the Schedule of Services ("SOS").	Observed and inspected the Payroll Process and determined that clients inform The Company of any amendments to the payroll in accordance with the Schedule of Services.	No exception noted
13.7	Where there are variations in a payroll such as payment of overtime or commissions it is the client’s responsibility to advise Blick Rothenberg.	Observed and inspected the payroll process and determined that where there are variations in a payroll it is the client's responsibility to advise Blick Rothenberg.	No exception noted

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13.8	Transactions are processed on the Star Payroll Professional software package for all UK payrolls and PDF copies of payroll reports are produced for client purposes.	Observed and inspected the payroll process and determined that transactions are processed on the Star Payroll Professional software package for all UK payrolls and PDF copies of payroll reports are produced for client purposes.	No exception noted
13.9	Processing and payment are completed in accordance with agreed deadlines as specified in the Schedule of Services ("SOS").	Observed and inspected the payroll process and determined that processing and payment are completed in accordance with the SOS schedule.	No exception noted
13.10	Payroll reports are sent to the client via email or made available to the client on the web interface or ShareFile as agreed with the client in the Schedule of Services ("SOS").	Obtained and inspected the current client list from during the audit period. From a randomly sampled selection, obtained and inspected the client approval of payroll reports and determined that payroll reports are sent to the client via email or made available to the client on the web interface or ShareFile as agreed with the client in the Schedule of Services.	No exception noted
13.11	Payments are approved by the Payroll Management team or by a separate team member than that which prepared the payroll. They review the amount of the payment based on their knowledge of the client and cumulative payroll experience. Payments are signed off by the reviewer. In signing such a payment off, they are confirming that the payment is being made to the correct individuals for the correct amount.	Obtained and inspected the current client list from during the audit period. From a randomly sampled selection, obtained and inspected the client approval of payroll reports and determined that payments are approved by the Payroll Management team that reviews the amount of the payment based on their knowledge of the client and cumulative payroll experience.	No exception noted
13.12	Where the payment is being processed from the client monies account, the approval also confirms that the funds have been received into the client monies account.	Obtained and inspected the list of clients during the audit period. For a sample of clients, determined that the manager reviewed and authorized the Payroll reports. Additionally, found that the funds were received into the client account.	No exception noted
13.13	The reconciliation of the client account is also reviewed by Blick Rothenberg internal accounts department, who are independent from the payroll department with regard to staffing and responsibilities.	Obtained and inspected the list of clients during the audit period. For a sample of clients, determined that the Blick Rothenberg internal accounts department reviewed and authorized the Payroll reports.	No exception noted

V. ADDITIONAL INFORMATION PROVIDED BY THE INDEPENDENT SERVICE AUDITOR

A) Introduction

This report is intended to provide Blick Rothenberg with information regarding the controls placed in operation at Blick Rothenberg for the period October 1, 2021 through September 30, 2022 related to the outsourced accounting solutions system that may be relevant to a user organization's internal control as it relates to an audit of financial statements. The information contained in this report should assist the independent auditors of user organizations in planning an audit of their financial statements, in accordance with guidance provided by Statement on Standards for Attestation Engagements No. 18: AT-C Section 320, *Reporting on an Examination of Controls at a Service Organization Relevant to User Entities' Internal Control over Financial Reporting*. The report is not intended to provide the independent auditors of user organizations with a basis for reducing their assessment of control risk.

Our examination was restricted to those control objectives and related control activities outlined by Blick Rothenberg's management in section IV, which management believes are the relevant key controls for the stated objectives.

Our responsibility is to express an opinion as to whether the controls, as described, are suitably designed to provide reasonable assurance that the specified control objectives would be achieved if the described controls were complied with satisfactorily and that the controls were operating effectively during the period covered by the report. It is each interested party's responsibility to evaluate this information in relation to internal controls in place at each user organization. If an effective internal control structure is not in place at a user organization, the controls within Blick Rothenberg may not compensate for such a weakness. It is each user organization's responsibility to evaluate this information in relation to internal control policies and procedures in place at their organization to obtain an understanding of the internal controls and assess control risk.

B) Responsibilities of the Service Auditor

Fairness of the Presentation of Blick Rothenberg’s Description of Controls

As part of our review of Blick Rothenberg’s controls, we performed procedures to determine whether the control activity descriptions presented fairly, in all material respects, the relevant aspects of Blick’s controls that were in operation during the period October 1, 2021 through September 30, 2022.

The following procedures were completed, all or in part, to establish our understanding:

- Discussion with Management and/or other key personnel.
- Observation of procedures and controls being performed.
- Walkthroughs of selected functions, processes, and controls.
- Review of policy and procedural documents/manuals.
- Gaining an understanding of who the users of the report are and how the services provided are likely to affect them.

Suitability of the Design of Controls to Achieve Specified Control Objectives

As part of our review of Blick Rothenberg’s controls, we performed procedures to determine if the control activities were suitably designed to achieve the specified control objectives during the period October 1, 2021 through September 30, 2022.

The following considerations were given, all or in part, in making our determination:

- Linkage between the control activities and the specified control objectives.
- Ability of the control activities to prevent or detect errors related to the specified control objective.

Tests of Operating Effectiveness

As part of our review of Blick Rothenberg’s controls, we performed a variety of tests, each of which provided different levels of audit satisfaction. The combined results of these tests provided the basis for our understanding of the framework for control and whether the controls represented in section IV were actually in place and operating effectively during the period from October 1, 2021 through September 30, 2022.

The following test procedures were performed, all or in part, as deemed appropriate, in making our determination:

Test Procedure	Description
<i>Inquiry</i>	Interviewed relevant Blick Rothenberg personnel about the details surrounding the controls to obtain an understanding of the controls.
<i>Observation</i>	Visually observed the execution of the controls.
<i>Inspection</i>	Physically reviewed/inspected documentation/evidence utilized in completing the controls or supporting the existence thereof.
<i>Re-performance</i>	Re-performed the controls.

C) Consideration of Relevant Aspects of Internal Control

Blick Rothenberg’s internal control environment is comprised of various elements designed to enhance the effectiveness of its internal control system. These elements include:

1. Organizational structure
2. Tone at the top
3. Risk assessment
4. Management control and oversight
5. Information and communication
6. Human Resources policies and procedures
7. Code of professional conduct
8. Monitoring

Our tests of the internal control environment included the completion, in part or in combination, of various inquiry and observation procedures as deemed necessary to provide the basis for our understanding of the design of the internal control system for the period October 1, 2021 through September 30, 2022 and the rendering of our opinion in accordance with the requirements set forth in Statement on Standards for Attestation Engagements No. 18: AT-C Section 320, *Reporting on an Examination of Controls at a Service Organization Relevant to User Entities’ Internal Control over Financial Reporting*.