

Call in for a Coffee

RSM Nelson Wheeler, Thailand

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Introduction

Welcome to RSM's May 2003 edition of "Call in for a Coffee". This edition highlights the consulting services that RSM offers that its competitors are sometimes limited from providing due to the restrictions placed on them by the **Sarbanes-Oxley Act**.

Summary of the Sarbanes-Oxley Act 30th July 2002

The passing of the Sarbanes-Oxley Act in the US was an attempt to improve corporate governance as a result of some instances of corporate failures caused by criminal acts committed by officers of companies.

The most famous case in this regard of course was Enron which later resulted in the demise and subsequent disappearance of Andersen's Worldwide which sadly can only be described as one of the blackest periods in the history of the Accounting Profession.

As a result of this corporate failure and others, the President of the United States signed the Sarbanes-Oxley Act of 2002 which placed numerous new requirements on auditors of public companies, corporations and Wall Street.

Effect on Auditing Consulting Firms

The main effects on Auditing Consulting Firms as a result of the Sarbanes-Oxley Act of 2002 includes prohibition from offering certain non audit services to listed companies including the following:-

1. Bookkeeping or other services related to financial statements.
2. Financial information systems design and implementation.
3. Appraisal or valuation services.
4. Internal audit outsourcing and other services.
5. Actuarial services.
6. Management functions or human resources.
7. Broker or dealer, investment advisor, or investment banking services.

8. Legal services and expert services unrelated to the audit including tax consulting services such as transfer pricing advice.
9. Any other services that the **Public Company Accounting Oversight Board** determines, by regulation is not permissible.

What does this mean?

In essence, these restrictions directly affect the ability of audit and consulting firms providing audit services to publicly listed companies in the USA to provide other services as stated in 1-9 above.

Accordingly, it is now necessary for international auditing and accounting consulting firms to turn down the types of work listed in 1-9 above on the basis that there is a potential for conflict in so far as they are undertaking the audit assignment and may be required to audit their own colleagues work which may compromise the scope of their review.

The result

It is now time for international audit and accounting service providers to work together and refer what can be termed as conflict work to each other. The result of this should be to provide greater independence within international consulting firms as well as better corporate governance with the aim of avoiding the pitfalls that resulted in the recent corporate collapses.

As the "Large" Consulting firms, once known as the "Big 8" have now been scaled down to the "Big 4", largely as a result of mergers and later by the disappearance of Andersen's, the second tier international firms must now play an essential part in the servicing of international clients previously considered to be traditional Big "8", Big "5" or Big "4" clients.

RSM International

RSM International is now the sixth largest worldwide accounting organization and operates in more than eighty countries bringing together the talents of over nineteen thousand individuals in over six hundred offices.

RSM International has the capability to provide a full range of business advisory services to corporations internationally.

RSM! Nelson Wheeler

No responsibility can be taken by the publisher or the contributors for action taken as a result of information provided or opinions expressed in this publication. Readers are strongly recommended to take expert advice on particular situations.

RSM Nelson Wheeler Thailand – “The Real One Stop Solution to Companies Doing Business in Thailand”

RSM Nelson Wheeler, Thailand, one of the member firms of RSM International was established in Bangkok in April 2001.

The Bangkok office is a subsidiary of RSM Nelson Wheeler Hong Kong which together with our sister offices in Singapore and Kuala Lumpur form the strategic corporate Asia group.

Our aim is to provide a one stop solution to companies and individuals wishing to undertake business in Thailand whereby all the necessary client needs and requirements can be provided for by our talented individual teams.

Our services

Our consultancy services include the following:-

1. Corporate advisory and restructuring services.
2. Accounting and bookkeeping services.
3. Audit and assurance services.
4. Legal establishment, work permit and visa services.
5. Financial consultancy services.
6. Taxation services including transfer pricing advice.

RSM News

RSM International held its Annual Asian Pacific Conference in Melbourne this month. One of the hot topics discussed related to its new international branding in the market. Next year's conference will be held in Bangkok.

RSM Nelson Wheeler sponsored a British Chamber Night on 22 May 2003 at the New Irish Exchange Bar which proved a resounding success. At the end of June 2003 RSM Nelson Wheeler will hold its Second Anniversary Cocktail Party at the Conrad Hotel to celebrate the successful growth of its Thai Operation.

RSM International has recently released a publication called **“Building World Class Boards”** which deals with a number of issues facing company directors in the context of Corporate Governance. This publication is now available in Bangkok and should you require a copy, please let us know

Free consultation

If you have financial, legal or other problems that require innovative solutions, please contact the RSM team and “Call in for a coffee” for a free consultation.

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