



ARE YOU DOING ENOUGH TO PROTECT YOUR BUSINESS FROM COSTLY FINANCIAL ERRORS?

THE BOTTOM LINE

Taking steps now to ensure that you have the expertise necessary to avoid expensive corrective measures in the future is key. Even an hour-long monthly or quarterly accounting conference call can help you avoid potential pitfalls and save your company huge amounts of money down the road—far more than the cost of such expertise. With their assistance, even very complicated situations can usually be handled successfully with relatively little effort and virtually no disruption to your ongoing business.

As a CEO or CFO, you know how important it is to report your company's financial results accurately. Your accounting team focuses on ensuring that happens, but sometimes internal resources encounter non-routine issues that require specialized expertise. Complex income tax matters are among the most challenging of these issues. Material inaccuracies in reporting income taxes lead to restatements, and no business wants to deal with restating quarters and even years of results. Aside from bogging down resources throughout your organization, restatements have the potential to seriously impact stakeholder confidence, stock performance, and even jobs.

It is much easier to make a mistake that requires your business to restate results than you might think—and very difficult to recover from the impact of such an error. Whether yours is a public company, a company planning for an IPO or an emerging growth company, taking steps now to ensure that you have access to specialized expertise may well be the key to avoiding extensive and expensive corrective measures in the future.

IS THE TIME RIGHT?

For most companies, whatever your growth stage, the answer is an unqualified yes. While you may not see a need to invest in experts to assist you in identifying and addressing issues that you have yet to encounter in your business, or believe that your internal resources are sufficient to handle your requirements, there are valid reasons to add an outside accounting resource sooner rather than later. Even an hour-long monthly or quarterly accounting conference call can help you avoid potential pitfalls and save your company huge amounts of money down the road—far more than the cost of such expertise.

This is not an area where you can cut corners. You need the best, most experienced experts you can find. With their assistance, even very complicated situations can usually be handled successfully with relatively little effort and virtually no disruption to your ongoing business. Those same situations addressed incorrectly can lead to significant costs, not to mention the loss of investor trust, decrease in stock prices and interest, and other negative impacts.

WHAT MAKES AN EXPERT YOUR EXPERT?

Of course education, licenses and credentials are important, but you will want to look beyond these to select the right outside consultant for your business. When it comes to dealing with the finer points of complex income tax and other non-routine financial reporting matters, there is no substitute for specific, in-depth and frequent, current experience. You will want the outside accounting partner you select to have a proven

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ABOUT THE AUTHOR.

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track record in dealing with the out-of-the-ordinary income tax and other non-routine accounting matters that can bog down your internal resources and potentially result in material reporting errors.

Beyond their expertise in these areas, it is important that the partner you select understands your business objectives, and is able to focus on accounting details so that you can focus on the big picture issues of your business.

You will also want a consultant with sufficient resources to help you deal with changing financial needs and challenges. The firm you select will need to become a true partner in this area of your business, available when you need them to assist and advise you, your accounting department, and your audit committee.

Finding the right expert can take a little work, but it is well worth the time you invest. Be diligent in your research. In addition to face-to-face meetings with potential firms, ask for current client references and examples. These can help you ensure that the firm you select can walk the walk as well as talk the talk.

Meet with the actual individuals who will be working with you. Make sure that the internal accountants who will work with the external firm have the opportunity to meet with them as well. You are beginning a very important relationship that should last for many years and through many changes. You will want to be as sure as you can be that the firm you select fits with your organization and has the bandwidth to accommodate your needs.

A FEW WORDS ABOUT HORNE

Naturally, we would like you to consider us as a potential accounting partner for your business, but only if we are the right one for you. We offer a balanced combination of personal relationships and capabilities to support your public, middle market or emerging growth company. Our resources are available to assist you in meeting your goals and can provide the comprehensive assistance you need to reach them. Our services include audit services, tax planning, SEC financial reporting assistance, acquisition due diligence, Sarbanes Oxley compliance, enterprise risk management, internal audit, IT consulting, and forensic accounting.