



Accounting Compliance & Reporting

Designed to mitigate risk and drive efficiency



Integra Group is a professional accounting and management advisory firm servicing global businesses in China. We believe in creating value for our clients and communities through a firm wide commitment to professionalism, integrity, and ingenuity.

Working with Integra Group, you receive the same commitment from our exceptional group of accountants and business advisors. We take an integrated approach to accounting, tax, and HR solutions to achieve meaningful results and exceed expectations.

Introduction

Keeping up to date with changing regulations and ensuring compliance can be an overwhelming thought. Not having compliance procedures in place can throw a business off track or even worse, result in financial penalties. This is why more and more businesses choose to with Integra Group for the assurance their business fully meets its compliance requirements.



High performing businesses know that confidence breeds success. Accounting Compliance and Reporting assures that a business is meeting its requirements giving them more clarity and confidence in their decision making.

Clarity and confidence do not have to come at the cost of operational efficiency. With the right procedures and mechanisms in place to guide organizational behavior, businesses position themselves to be more efficient and create greater value for their clients. Companies that do it right are even more likely to see their investment outperform that of their competitors.

As businesses expand and grow in complexity, the business process becomes more prone to failure and the risk exposure multiplies. What's worse is these failures usually make their way to the top as managers are fed incorrect information and lack the visibility to identify potential risks.

Accounting Compliance & Reporting programs are designed to ensure compliance across complex business operations and drive efficiency. More and more businesses are enlisting external agents to help structure internal procedures and to provide assurances that a business is meeting all of its compliance requirements.

Integra Group takes an integrated approach to help businesses meet their compliance requirements and find the best course of action when faced with new and unfamiliar challenges in China. We help our clients keep up to date with changing regulatory and compliance requirements down to the implementation and monitoring of procedures on the ground providing assurances to an increasingly diversified clientele.



Companies that do it right are even more likely to see their investment outperform that of their competitors.

Benefits of having compliance measures in place

Compliance often seems like a cost that could be better spent on revenue generating activities. This ignores the many benefits having compliance measures in place can have on the bottom line of the business. With this in mind, businesses can unlock greater value and recover their cost when designing their compliance plan.



Accurate financial reports

Compliance is not only about meeting your external requirements, but also about meeting your internal requirements. One of the most basic requirements for shareholder and managers is to have accurate financial information about their business investment. Without measures for ensuring compliance, reports and other performance measures can easily get distorted. Establishing the right procedures for collecting information and ensuring that those procedures are being followed provides a robust and clear perspective on true business performance.

Prevention of material losses

Under the Golden Tax 3 program, tax authorities have expanded significantly their ability to pursue tax fraud resolutions. Protecting from material losses is thus something which is best done proactively. A good clear compliance strategy mitigates risks and helps to maximize take-home profits

Enhance Brand Reputation

Building relationships with clients and employees is hard work. Following procedures and implementing mechanisms to ensure regulatory compliance gives clients a sense of confidence, which in turn increases the acceptance of clients doing their due diligence before engaging in business with you. It also positively affects employee satisfaction, knowing their employer is committed to the integrity of the business.

Better Control

Good compliance means companies are ruled by systems and protocols, not purely by individuals. Staff have a better understanding of what can be done and what cannot. Companies can grow healthier with good internal control and procedures in place.



Four Components of Accounting Compliance & Reporting

Four main components go into an accounting compliance and reporting program.



> Statutory requirements

Businesses all have to meet monthly, quarterly and annual statutory requirements. But that doesn't mean compliance is something that only comes up a few times a year. Accounting compliance and reporting require you to keep accurate records of the transactions that your business is involved in on a daily basis.

To provide the most assurance and risk mitigation, accountants and businesses need to work together to find the most effective way to carry out business activity while fully complying with applicable regulations.

> Management Reporting

Information collected as part of statutory reporting requirements has some management value but don't dig deep enough into what drives a business. Knowing what drives your business profitability beyond just the top-line and bottom line figures is critical information to any business owner.

Establishing the framework for collecting this information allows accountants to report on matters most important to management like profitability, cash flow, budgets and forecasts, product launches. Management reporting breaks the business down and establishes performance metrics that can be monitored and put into the context of what is going inside the business.

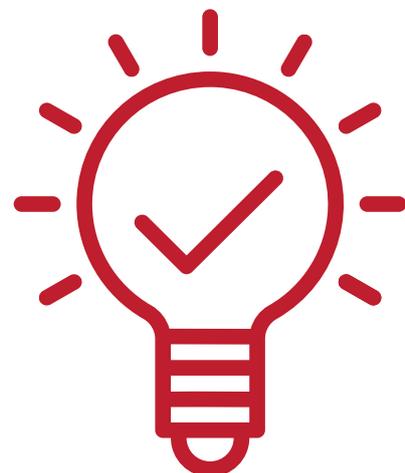
With this information, the business can make more informed decisions on how to improve its performance and achieve greater success.

> Internal/Group Reporting

For groups of companies, the same compliance steps must be taken across separate business entities to ensure accurate reporting. Reports prepared by a third-party vendor are vetted by external experts providing an additional layer of confidence to the group HQ that figures reflect the true business situation.

> Audits & Assurances

Any experienced business person knows that errors can make their way into any kind of record, financial or otherwise. Auditing procedures and financial statements helps to correct any error that might have made their way into financial statements, especially those used to calculate tax liability and prevent them from occurring again. This can help avoid financial penalties and provide assurance that financial data being used correctly reflects the business' activities.



Steps to better compliance

Achieving a better compliance status begins with examining where you are, figuring out where you want to be, and creating a plan on how to get there.

1. Identify compliance measure important to your business

Figure out what the key compliance requirements facing your business are. These are the statutory requirements as well as the management report critical to your role as a business operator. If you belong to a network of companies, perhaps there are some specific requirements for group reporting which require careful planning.

2. Assess where you are

Take a good look at how your business currently meets all of its compliance requirements in all jurisdictions where your business has activities. Don't forget to include supporting activities such as documentation and collection of non-financial information. If you belong to a sensitive industry, take additional steps to ensure a thorough assessment of where you are currently.

3. Determine where you want to be

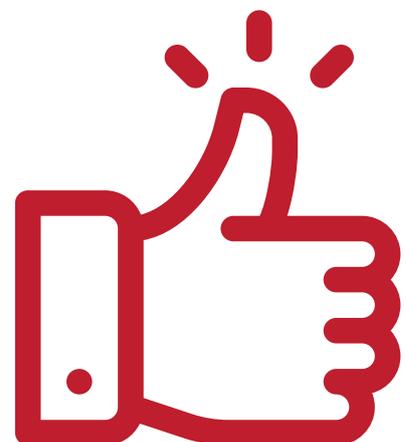
Designing the right compliance program for your business comes down to what meets your requirements and best fits your organizational structure. It should be built into established lines of communications, responsibilities, and systems of accountability.

4. Establish how to communicate, report, and monitor

A compliance program needs bottom up communication as much as it needs top down communication. Establish how information is to be tracked, captured, and presented along with the responsible persons.

5. Implement the new process

When it comes to training and makes changes to established processes, practice makes perfect. Make sure to educate those involved in the importance of the new compliance program and the changed to procedures they're involved in. Give plenty of time to training and practicing the new procedures.



Deciding whether to outsource Accounting Compliance & Reporting

Some businesses can operate their business with confidence without outside help. Usually all those businesses need is a qualified book-keeper to help them meet their statutory requirements. Other times outsourcing can provide many benefits. Here is what businesses should consider when deciding whether to outsource compliance;

> Costs

When ensuring compliance is a major requirement, outsourcing can be cost-effective compared to hiring dedicated persons internally and training to keep up to date.

> Management resources

Taking compliance in-house means more HR costs and more disruptions when employees transition in and out of compliance roles.

> Speed is important

Sometimes businesses require specialized knowledge at a moment's notice. Training internal staff can be too slow to react to changes happening around the business.

> Operations are simple

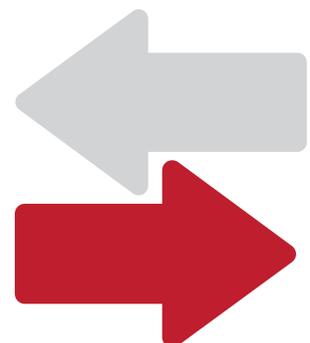
When businesses are reasonably small, special compliance measures and procedures are often not necessary. A qualified accountant is usually capable of adequately mitigating risks internally.

> Privacy is a concern

Trade secrets, intellectual property and other sensitive information about business activity can mean outsourcing is simply not an option for some companies.

> A unique understanding is required

Some businesses might want to take their compliance function in-house if a unique understanding of the business is required to allow for effective control.





Depending on the size and complexity of a business, applicable regulations and compliance requirements can vary. Many businesses choose to outsource compliance to experts as it can be a cost-effective solution.



When it comes to selecting a compliance partner, there are some factors to consider. External accountants take a varying degree of involvement in the business and its transactions. Multiple methods for aggregating financial information exist in China, yet some do not allow accountants to take an active role in risk mitigation. Accountants that take an active role in business operation are better able to identify potential risk points in the business process and guide companies in the right direction. Choosing the right accounting compliance partner is one of the most important decisions businesses need to make.

Choosing to outsource compliance provides the collective experience of many senior accounting and financial experts available when you need them. They vet your procedures and help to identify the most cost-effective solutions for businesses to go about their activity while ensuring compliance with the ever-changing Chinese laws and regulations.

Accounting services may seem homogenous but finding the right fit will often help businesses do more for less while providing greater value to their customers. When selecting an accounting partner and designing a compliance plan, viewing accounting compliance and financial reporting not as a necessary evil, but as a mean of mitigating risks and improving operational efficiency helps to unlock greater value and recover the cost of compliance.



How Integra Group can help you achieve better compliance

Integra Group accounting compliance and reporting plans are designed to mitigate the accounting and compliance risks businesses face in China and drive efficiency.

Our comprehensive accounting compliance and reporting services can help you to evaluate existing procedures to identify risks, structure new procedures to mitigate these risks, and monitor the effectiveness of compliance procedures over time.

For businesses of a certain degree of complexity, accounting compliance helps to ensure your business is allowed to engage in its activities without running the risks of financial penalty or costly delay. Our experts provide valuable insights into China's regulatory and compliance environment as it applies to your business to help identify the most efficient path forward.

We bring the collective experience of experts from a wide range of corporations, industries, and countries. We help you find creative solutions to the problems facing your business compliant with China's finance and accounting regulations.

What you will receive is:

- Time saved from not needing to directly manage the compliance requirement of your business
- A financial expert to advise you on the best path forward for your business when faced with important financial decisions
- Assurance that financial reports are complete and accurately reflect the true performance of your business
- Peace of mind knowing your business is ready to respond to requests for information and audits

Designed to mitigate risk and drive efficiency

Our Accounting Compliance & Reporting service bring a range of tangible benefits to businesses in China, including;

- Audit existing financial reports and internal procedures and identify potential risks.
- Ensure that monthly statutory filing requirements are met on time.
- Ensure that year-end annual filings and adjustments are correct and submitted on time.
- Establish internal procedures for sales, purchasing and expense claims that meet the necessary compliance requirements.
- Ensure ongoing compliance by auditing the internal procedures and documentation.
- Setup systems for collecting the necessary supporting documentation and information collection for relevant business activities.
- Provide relevant interpretations of regulatory changes and how it may impact the business.
- Properly handle questions from the local tax authorities.
- Maintain the proper relationships with local authorities including tax bureaus, industrial and commercial bureaus, customs, and SAFE.
- Establish systems to capture necessary business information for complying with the applicable tax policies and regulations.
- Suggest areas that require management involvement and focus.
- Routine audits of various business functions.



Conclusion

With Integra Group, you have a team of expert by your side to help you operate your business as efficiently as possible and provide valuable financial insight for the important business decisions you will face.

We help you build and manage successful compliance functions inside your business with a focus on value and efficiency. Most importantly, we free you up from managing the complex compliance tasks so that you spend more time working on your business.



Get assurance now

If you have any concerns about the compliance status of your business or would simply like to improve on your compliance procedures, contact Integra Group for a free consultation. Speak one-on-one with a compliance expert in China to find what's right for you.



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