

Auditing

Overview

With a strong foundation in national and global audit standards, we customize a risk-based audit approach based on an in-depth understanding and an analysis of the internal control system of your business. Adhering to your business allows us to develop an efficient audit program inclusive of process wise, analytical and substantive audit procedures uniquely tailored to your needs. We assure you of the validity of your financial statements.

You can expect an independent and comprehensive audit on all of your financial statements and consolidated accounts along with management reports according to the German GAAP (HGB-German Commercial Code), IFRS/ IAS and US-GAAP, both for audits required by law and voluntary audits. We consider the legal requirements as well as the guidelines and regulations from the Institute of Certified Auditors in Germany when carrying out our audits.

In addition to the core service of auditing financial statements, interim financial statements and consolidated accounts, we offer several other services with assurance bases, including:

- Limited review
- Special audits
- Preparation of financial statements and consolidated accounts
- Accounting structure
- Advisory services

Limited review

In some business environments it might be necessary to assess (interim) financial statements, balance sheets or particular financial information. In these cases a voluntary audit might be excessive, and a limited review according to local standards (IDW PS 900) or the International Standards on Review Engagements (ISRE 2400) may be the most appropriate solution.

For limited reviews we start at your business and gain a sufficient understanding of it. This creates the ground for efficient and aimed analytical procedures. Our goal is to identify and communicate to you all areas of real importance and concerns.

Special audits

Auditing and advisory services for non-profit organizations

Despite their non-commercial activities, in today's world non-profit organizations (e.g. societies, non-commercial incorporated charities and associations) face continuously growing competition to attract members and third-party funds. In this context it is even more important to have optimal and tax-accredited fund management and allocation of resources. We work with you to develop solutions to optimize your accounting procedures and assist you in the reorganization to double-entry accounting. If you have other questions related to finance or tax matters, we are also here to support you.

Special audits according to the AktG (Companies Act), GmbHG (Limited Liability Companies Act) and UmwG (Reorganization of Companies Act)

Special situations in the development of a company or corporate realignment create the need for a variety of special audits which we conduct for you, e.g. in the case of investment in kind or reorganization of companies (establishment, post-formation acquisition, conversions, change of form, affiliation and demerger). Furthermore, we audit, for example, special-purpose balance sheets and dependency reports as well as the truth and fairness of management according to § 53 HGrG (Budgetary Procedures Act). We conduct

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audits according to § 36 WpHG (Securities Trading Act) and special audits due to illegal undervaluation according to §§ 258–261 AktG (Companies Act).

Audit according to the MaBV (Estate Agents and Property Developers Regulations)

After the establishments of the amended MaBV (Estate Agents and Property Developers Regulations) dated 1 July 2005, only the legally required audit for tradespersons according to § 34 c, section 1 no. 1 letter a of the Gewerbeordnung (Trade, Commerce and Industry Regulation Act) was abolished.

For tradespersons according to § 34 c, section 1 no. 1 letter b and no. 2 of the Gewerbeordnung (Trade, Commerce and Industry Regulation Act) (e.g. property developers, builders and brokers) we conduct the audit of the annual financial statement according to § 16 MaBV (Estate Agents and Property Developers Regulations).

Audit and attesting of costs claimed in connection with EU subsidies (e.g. 6th and 7th Research Framework Program)

In order to clarify the Commission's objectives and requirements regarding certification of cost claims under the 6th and 7th Research Framework Program, beneficiaries are required to engage an independent auditor to issue a certification. Accordingly we assist you—as beneficiary—by performing the agreed upon procedures and finally issuing that certification in an efficient and timely manner.

Audit and adherence to licensing agreements (royalty audit)

In the framework of a royalty audit, we guide you, as the licensor, through monitoring the adherence to licensing agreements, or we undertake this for you in its entirety. We examine, inter alia, whether or not the royalties paid by the licensees correspond to the actual proceeds and whether or not there is adherence to agreed quality standards.

Financial damages, which often arise at the expense of the licensor due to non-compliance with licensing agreements, are minimized as far as possible or avoided with the help of royalty audits. Due to the fact that not every infringement of licensing agreements is made on purpose, it is also the task of a royalty audit to create and encourage awareness of the significance of this important area.

Audits according to the Political Parties Act

Political parties establish their report and accounts on the basis of the Political Parties Act in reference to the HGB (German Commercial Code). To ensure entitlement to state political party financing, the report on accounts has to be submitted to the president of the German Bundestag (lower house of Parliament).

According to § 23 section 2 PartG (Political Parties Act), parties must have their report and accounts audited by an auditor or an auditing company according to the rules of §§ 29 to 31 PartG (Political Parties Act). The president of the German Bundestag (Lower House of Parliament) is to be informed immediately when serious irregularities in the report and accounts are suspected.

IT-audit

In modern companies, information technology is becoming an increasingly vital part of the company. It plays a decisive role in the development and growth of a company, but on the other hand it entails risks which should not be underestimated. These risks should be identified during an IT-audit. Single business processes and business divisions (e.g. the accounting and purchasing department, internal control systems and controlling systems) undergo a broad structure and functional audit. Further emphases of the IT-audit are, for example, the data security of the company and the availability of IT systems.

Accounting structure

We support you with the structuring, organization or restructuring of the accounting, cost accounting and budgeting of your company. In addition we can provide advice on the outsourcing of these business areas.

Further information is presented in our Corporate Finance/Service — precisely our corporate services.

Advisory services

Transformation to IFRS/IAS, Purchase Price Allocation, Impairment test according to IFRS/IAS

In the context of a global economy, more and more companies—also voluntarily—reorganize their accounting to international accounting standards. We conduct the reorganization of your accounting to IFRS/IAS or support you during the reorganization and—naturally—train your employees, if necessary. We would be happy to prepare your balance sheets in accordance with IFRS/IAS.

Purchase Price Allocation (PPA) means the allocation of the cost of a business combination by recognizing the acquirer's identifiable assets
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(material and immaterial), liabilities and contingent liabilities. The emphasis is placed on the immaterial assets such as brands, client bases, know-how, self-provided licenses, etc. In the framework of the reorganization of the accounting, we either assist you or conduct the PPA for you. Furthermore, we support you with the regular carrying out of impairment tests, according to IAS 36.

Development of risk management systems

In § 91 II AktG (Companies Act), the setting up of a monitoring system is mandatory for listed companies. This assists us in recognizing problems and risks in advance. Even if the introduction of a risk management system is not mandatory for other legal forms of organizations, it doubtlessly offers advantages and should be recognized and used to protect your company. The main elements of risk management are the examination, the analysis and communication and the preparation of concepts for the minimization or deletion of risk fields.

Prevention and exposure of white-collar crime/corruption; checking embezzlement and betrayal of confidence

Undoubtedly, there is a need for the accurate analysis of vulnerable business divisions and processes as well as the clarification of cases of corruption which have already occurred. It is to your benefit to have solutions and systems in place that can identify and resolve threatening and already existing risks.

In addition to “traditional” white-collar crime, this area also refers to false information about the company (e.g. excessive report of turnover, undervalued report of liabilities), which has been provided by the company itself (e.g. members of management, directors, executives or employees). We will help you minimize and prevent this potential tarnishing of your image.

Your Key Contacts



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