



EFFECTIVE AND EFFICIENT AUDIT COMPLIANCE.

“Understanding financial instruments can be a challenge in practice but Hedgebook Audit is simple to use and very intuitive and has helped to take away some of that mystique around how these instruments work”.

Siva Sivanantham - Grant Thornton

CLIENT

GRANT THORNTON
AUSTRALIA LTD.

GRANT THORNTON
NEW ZEALAND LTD

SOLUTION

HEDGEBOOK AUDIT

KEY FEATURE

FAIR VALUATIONS

ABOUT GRANT THORNTON

Grant Thornton is the world's seventh largest professional services network of independent accounting and consulting firms. Working with the Australian and New Zealand member firms, Grant Thornton provides growth advisory services to mid-size business and public sector entities. Grant Thornton Australia has more than 1,200 people working in offices in Adelaide, Brisbane, Cairns, Melbourne, Perth and Sydney, while Grant Thornton New Zealand has more than 250 people across offices in Auckland, Wellington and Christchurch.

BACKGROUND

For companies that are using financial instruments such as foreign exchange forwards, options and interest rate swaps, there is a requirement to measure these transactions at fair value. Auditors are required to independently check that these financial instrument valuations are reasonable, as well as understand the inputs that went into calculating these valuations. Many auditors do not have access to the tools required to value these often complex financial instruments. If they do have access to these tools it is often a select few members of the firm who understand them and therefore it can be a very inefficient, expensive and sometimes haphazard approach to this audit checking process.



Hedgebook



CHALLENGE

Recognising many of its clients use derivative financial instruments, Grant Thornton felt that it was important to independently verify financial instrument valuations rather than just relying on bank confirmations as bank confirmations are sometimes materially incorrect (e.g. due to data entry errors). Accordingly, Grant Thornton was looking for a cost effective solution and found that Hedgebook met its needs.

APPROACH

SIMPLE & INTUATIVE

The complexities around valuing financial instruments can be daunting for those not involved with them on a regular basis. Hedgebook is not only a simple and intuitive system to use but also provides the inputs that make up the valuations to help with understanding how financial instruments work.

Siva Sivanantham at Grant Thornton Australia was impressed with Hedgebook Audit's ease of use, "Understanding financial instruments can be a challenge in practice but Hedgebook Audit is simple to use and very intuitive and has helped to take away some of that mystique around how these instruments work". Hedgebook provides the training and support, which is an important aspect of taking on any new system. A review with Grant Thornton is held every six months to ensure that all parties are happy with the relationship. This is also an opportunity for key staff to suggest any enhancements they would like developed within Hedgebook Audit and provide any other feedback.

"The cost of Hedgebook Audit is compelling and provides great value but at the same time covers all our needs when it comes to independently valuing financial instruments."

RESULTS

COST EFFECTIVE & EFFICIENT

All audit firms are looking to gain efficiencies in their processes but at the same time keep costs down. Hedgebook Audit ticks both these boxes. Being a cloud based system, Hedgebook Audit can be accessed from anywhere. The auditor can access Hedgebook Audit whilst carrying out the audit at the clients' premises, replacing the need to bring the clients' information back to a central place to be checked.

Equally, Hedgebook Audit is a low cost solution and the cost is often passed on to the client as a disbursement. As Siva Sivanantham said "The cost of Hedgebook Audit is compelling and provides great value but at the same time covers all our needs when it comes to independently valuing financial instruments."

SUMMARY

Grant Thornton recognised the importance of independently verifying client prepared financial instrument valuations and was looking for a cost effective solution. Hedgebook Audit has been designed with these issues in mind in terms of giving integrity, control and oversight around the process, but at a palatable cost point. Independent valuations of financial instruments are often a small part of the audit and so the value proposition needed to stack up. As Mark Hucklesby said, "Hedgebook Audit has been an excellent addition to our Audit Team's toolset."

ABOUT HEDGEBOOK

Hedgebook Audit streamlines the process of auditing financial derivatives while ensuring the necessary accounting standards are correctly applied and adhered to. Hedgebook Audit combines daily rate feeds with a simple user interface (UI) and informative reporting to make it fast and simple to calculate and validate the fair value of FX, IR and commodity derivatives.



Hedgebook

For more information visit: www.hedgebookpro.com