



**Balogun Badejo & Co. (Chartered Accountants)**

## BBc Becomes NACA Auditors

Balogun Badejo & Co. after a thorough bidding process with other key competitors in its chosen profession eventually won the bid to become the chosen External Auditors to National Action on Control of Aids (NACA).

The process started about three (3) months ago with the submission of Expression of Interest from different organizations and a month later BBc was shortlisted as one of the firms to submit Technical and Financial proposals for a thorough assessment of its capabilities.

This second phase lasted for about four (4) weeks and eventually BBc came first amongst its contemporaries and was appointed Auditors to the Agency.

## BBc concludes the Audit of Honeywell Group

BBc in its usual practice concluded the annual audit of Honeywell Flour Mills Plc and Honeywell Superfine Foods Ltd.

BBc key staff in charge of the engagement took the process by the bulls-horn and within three (3) weeks from the commencement of the assignment, concluded the audit.

The audited financial statements were signed and submitted to the clients.

## Retirement and Inauguration at BBc

BBc held its Sendforth and Inauguration at the Lagos Television (LTV) ground on Friday 13, May, 2012 to mark the retirement of Pastor P.O.Oluwi (outgoing Chairman/Managing Partner) and Chief M. O. Oladotun who have both acquired the retirement age of 60 years and inauguration of Dr. J. O. Asaolu as the incoming Chairman/Managing Partner of BBc.

Many clients, guests, families and friends of the celebrants attended and ex-staff of BBc attended the event.

One of the first 3 musketeers of BBc - Chief A. O. Badejo and his wife also graced the occasion.

### Inside this issue:

BBc becomes NACA Auditors	1
BBc concludes the Audit of Honeywell Group	1
Retirement and Inauguration at BBc	1
IFRS Conversion Process Ongoing at BBc	2
Why IFRS is more than a Finance Issue	2
BBc personnel gets trained on Forensic Audit	3
The Evolution of HR Audits	3-4

## IFRS Conversion Process Ongoing at BBc

**“BBc converts  
Financial  
Statements of more  
companies to IFRS.”**

To get its clients in tune with the reporting requirements of their different business environments, BBc has continued in its quest to make sure that its clients financial statements are in consonance with the International Financial Reporting Standards at the due dates.

More companies’ financial statements are currently being converted to IFRS and the process is ongoing.

## Why IFRS is more than a Finance Issue

IFRS is not just a technical accounting issue for the finance team. The impact of the changes brought by conversion to IFRS will encompass many areas including the setting and measurement of performance targets, budgeting and forecasting - as well as financial reporting.

Accounting is certainly a large part of conversion to IFRS and the scale of any conversion project will depend on the nature of the organisation and its existing accounting policies.

Experience of IFRS conversions with the listed sector showed that for many entities the change affected items on the balance sheet, financial indicators and performance measures as well as internal and external relationships and strategies.

To succeed, the change must be embedded across all services, involving people at all levels. Departments such as finance, internal audit, estates, IT and human resources will all have key roles to play. Depending resources will all have key roles to play. And depending on internal resources, auditors and consultants may also need to play a part.

Some of the areas where the transition to IFRS will need to be seen as more than a finance issue are set out below.

**“Why IFRS is  
more than a  
Finance Issue.”**

### **Internal reporting and budgeting**

Proper emphasis on accurate and relevant management information is vital for fully informed decision making and the effective running of any organisation. Conversion to IFRS provides a fresh opportunity to review the systems and the data produced, particularly in the light of the efficiency agenda.

Aligning internal and external reporting to provide the required information for IFRS can be one of the most challenging parts of the conversion process, according to organisations that have already converted.

These changes also need to be incorporated into the planning and budgeting processes. Future available resources may well be affected by the way in which some items are accounted for under IFRS.

The closer alignment of internal and external reporting should improve the reliability and timeliness of information for management and stakeholders alike. It will also improve performances analysis and help to avoid surprises that could arise from having separate systems.

## BBc Personnel Gets Trained on Forensic Audit

In consonance with its vision of making sure that continuous improvement in quality service is achieved, the management of Balogun Badejo & Co. sent its personnel on a Forensic Audit training.

The certification course will keep the trained staff abreast in tune with current investigative techniques and thus deliver quality services to its clients.

**"BBc personnel gets trained on Forensic Audit"**

## The Evolution of HR Audits

Evolution is a process of change. Over the last 25 years we have seen significant change in the HR auditing process, the value derived from HR auditing, and the HR audit tools used.

HR audits have evolved from a simple checklist of dos and don'ts or periodic affirmative action plans to a comprehensive, sustainable process that:

- 1) is an integral part of the organization's internal controls, due diligence and risk management;
  - 2) is a fundamental activity of strategic management; and
  - 3) uses sophisticated auditing products and consulting services.
- Increasingly HR audits are conducted of HR rather than by HR.

This white paper reviews the changes in HR audits, discusses the external and internal forces affecting the process and use of HR audits, and provides information about the leading HR auditing process.

### The Human Resource Audit as an Improvement Tool

Regardless of the type of company or the size of your HR department, the HR Audit is a simple, yet comprehensive tool to analyze and improve your effectiveness as a function.

The audit is made up of four main steps:

- 1) Define desired HR practices for your organization
- 2) Assess current practices against the criterion that you have established
- 3) Analyze the results
- 4) Establish improvement goals and take action

This simple two-step approach can be repeated as the annual planning and goal setting process occurs within your company. Progress can be measured against goals and a continuous improvement cycle naturally unfolds.

**"Evolution of HR Audits"**



## The Evolution of HR Audit (cont'd)

### Purpose (s) of an Audit

The audit can serve any of the following purposes:

- ◆  To clarify desired practices of HR work and roles within the organization (HR Department, Line Managers).
- ◆  To establish a baseline for future improvement.
- ◆  To evaluate current effectiveness.
- ◆  To standardize practices across multiple sites within a division or company.
- ◆  To assess current knowledge and skills required of HR practitioners.
- ◆  To improve performance levels to key customers within the organization.

### The Audit Process

#### Step One--Defining Audit Statements

Definition of desired HR practices can occur through a variety of ways. A good starting point is to take some time and reflect on the legal requirements and programs that the department must administer. Simply listing them is a good first step.

Next, consider your areas of responsibility and traditional HR practices covered by your function: They may include HR Planning, Staffing, Performance Management, Employee Relations, Compensation and Benefits, Training and Development, Safety and Wellness, Employee Surveys, and Communications. Finally, other areas to consider are company initiatives that the HR function may be required to support, i.e. internal customer requirements.

Specifics are unique to your company, but examples could include supporting a Total Quality Management initiative, Team Based Work System, etc.

With this list in hand, a statement can be written about each major practice that you want to define. Typically, they are stated in the present tense and in a positive manner. The following examples illustrate these traits:

- ◆ The staffing process is documented so that the responsibility of each person in the process is clear and understood.
- ◆ Performance appraisals are completed for each employee in the organization.
- ◆ There is a train-the-trainer program for each major training program within the company.
- ◆ New employees complete a new hire orientation program of key company policies and procedures within the first 30 days of work.
- ◆ There is an issue resolution process that is well understood and used by employees

#### Step Two--Assessing Current Practices

With the list of statements completed, the assessing current practices requires you to be objective. A good approach is to look for evidence that supports or refutes each statement made. Evidence may take the form of policies and procedures, output from employee surveys, interviews with key customers, data collection from a Human Resource Information System, reports issued to regulatory departments, statistics, etc.

The first time the assessment is made, it may become apparent that the definition in step one needs improvement or modification. These changes should be noted and made a part of the next "improvement cycle."

As you review the summary of statements and your assessment, there are several analysis that can help.

