



# GS 007: Have you got it on your corporate resume?

With the evolution of business process outsourcing in the asset management industry comes greater focus on risk management and the need for organisations to provide comfort over their controls in the form of a GS 007 controls report, to both new and existing customers.

While this is more prevalent for large organisations providing investment management services – having a GS 007 report on your corporate resume is becoming increasingly necessary for small and boutique providers seeking to attract new clients and grow funds under management.

### What is GS 007?

GS 007 is a guidance statement issued by the Australian Auditing Standards Board and prescribes a minimum set of control requirements for service organisations offering investment management services. It also provides guidance on the preparation of controls reports and how they can be used.

### What is a GS 007 audit?

For a GS 007 audit to occur, management is firstly required to prepare a report accurately describing the organisation's control objectives and controls to meet each objective before mapping it to the minimum requirements of the guidance statement.

The GS 007 audit looks at the accuracy of this description and at the design of controls within the service organisation by delivering a Type A or B Controls Report.

Type A controls Reports provide an opinion on the design and implementation of controls at the service organisation based on management's description.

Type B Controls Reports provide an opinion on the design and implementation of controls as well as on their operating effectiveness within the service organisation. This includes testing the described controls against GS 007 requirements for effectiveness and to identify areas for improvement.

Reports can be completed for any period (quarterly, bi-annual or annual) depending on how quickly controls are likely to change.

### Why do you need it?

GS 007 Controls Reports serve a dual purpose: they are becoming part of the vernacular for governments, regulators, institutions, boards and other users of financial statements and importantly they position you as a safe option with existing and prospective clients.

### Positions you with future clients

Having a Type B Controls Report on your corporate resume can open doors and is fast becoming a must have for growing investment management service providers. Entities providing investment management services can use audited GS 007 Controls Reports to build confidence and trust with prospective clients and thus generate more business.

For example should you wish to approach a new client with outsourcing an investment management function to your organisation, you can provide the GS 007 report as evidence of robust systems and controls, enabling the prospective client to gain comfort in your business.

### Meets expectations and lowers cost

GS 007 Controls Reports can be used as audit evidence in the audit of your financial report. As you grow, this can save you significant time as the number of auditors requiring assurance over your controls increases. A Type B Controls Report has the added benefit of potentially reducing the amount of time spent on statutory audit requirements and the associated costs as your own auditors can rely on the GS 007 report and underlying control testing.

For example if five separate clients require comfort over your internal controls instead of complying with five separate controls audits by their user auditors, you can provide a Type B Controls Report the user auditors can rely on saving you significant time and duplicated effort.

### Benefits of having a GS 007 report on your corporate resume

- Keep up-to-date with market expectations and competition
- Reduce the number of external audits by enabling user auditors to rely on the GS 007 Controls Report
- Provide prospective clients with comfort over your systems and controls and use as a differentiator
- Continuously improve your systems and controls through the recommendations received
- Guard against potential issues by identifying gaps in controls early
- Reduce the cost of your statutory audit by enabling reliance on the GS 007 Controls Report

### Who can benefit from a GS 007 audit?

GS 007 audits can benefit service organisations providing one or more of the following services in the asset management industry:

- Custody
- Asset Management
- Property Management
- Superannuation Member Administration
- Investment Administration
- Registry

### How Pitcher Partners can help

Pitcher Partners is highly experienced in working with clients to deliver specialist GS 007 audits. Our team has worked with clients from fully integrated investment platforms to start-up fund managers and can assist your organisation in adding this crucial audit to your corporate resume.

### National and global networks

Pitcher Partners is an association of independent Australian accounting firms located in Melbourne, Sydney, Perth, Adelaide, Newcastle and Brisbane. Nationally, this gives clients access to more than 100 partners and more than 1,000 professional and support staff located around Australia.

Pitcher Partners is also an independent member of Baker Tilly International, a global network of like-minded independent firms who believe in providing exceptional client service. Pitcher Partners is able to call upon member firms around the world to provide our clients with local expertise in all major overseas marketplaces.



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