



# Global Compliance Services

Audit / Tax / Advisory / Bookkeeping / Payrolls

Smart decisions. Lasting value.

## Welcome to Crowe

Crowe FST comprises the independent Hungarian member firms of Crowe Global. We offer audit, tax, accounting, business process outsourcing, payroll and several advisory and information security services and complete solutions to Hungarian and multinational companies, government bodies and state-owned enterprises.

- Crowe FST Audit Kft. offers financial and webtrust auditing services
- Crowe FST Consulting Kft. offers tax, advisory, internal audit, accounting, business process outsourcing and payroll services
- Crowe FST Systems Kft. provides risk management, governance solutions and information security services

In cooperation with our strategic advisory and legal service partners we offer complete solutions to our clients.

We believe that our competitive pricing and the quality of our service delivery add real value to our clients' business and meets their expectations. We are confident that our client focus and quality services support our commitment.

## Deep Industry Expertise



## Crowe Global

Crowe Global, ranked as the 8th largest global accounting network, consists of more than 200 independent accounting and advisory services firms in close to 130 countries around the world.

Crowe Global member firms are known for their local knowledge, expertise and experience balanced by an international reputation for the highest quality of service.

Crowe Global member firms are known for their local knowledge, expertise, and experience balanced by an international reputation for the

highest quality in audit, tax, advisory and risk services. They are unified through a shared commitment for impeccable quality service, highly integrated service delivery processes and a common set of core values and management philosophies that guide their decisions daily.

This unique combination of talent provides Crowe Global the worldwide capabilities of a highly integrated network to deliver value to multinational clients doing business across borders.

# Worldwide capabilities

## Crowe FST

Crowe FST is an independent member firm of Crowe Global.

The Firm was established by professional accountants, auditors, tax advisors, information technology and management consultants with international experience and focus. The Firm's professionals apply state-of-the-art methods and tools to provide best possible service and solution delivery to the clients. Additionally, experienced lawyers and other professionals complement the Firm's client service capabilities in Hungary and across the world through other member firms of Crowe Global.

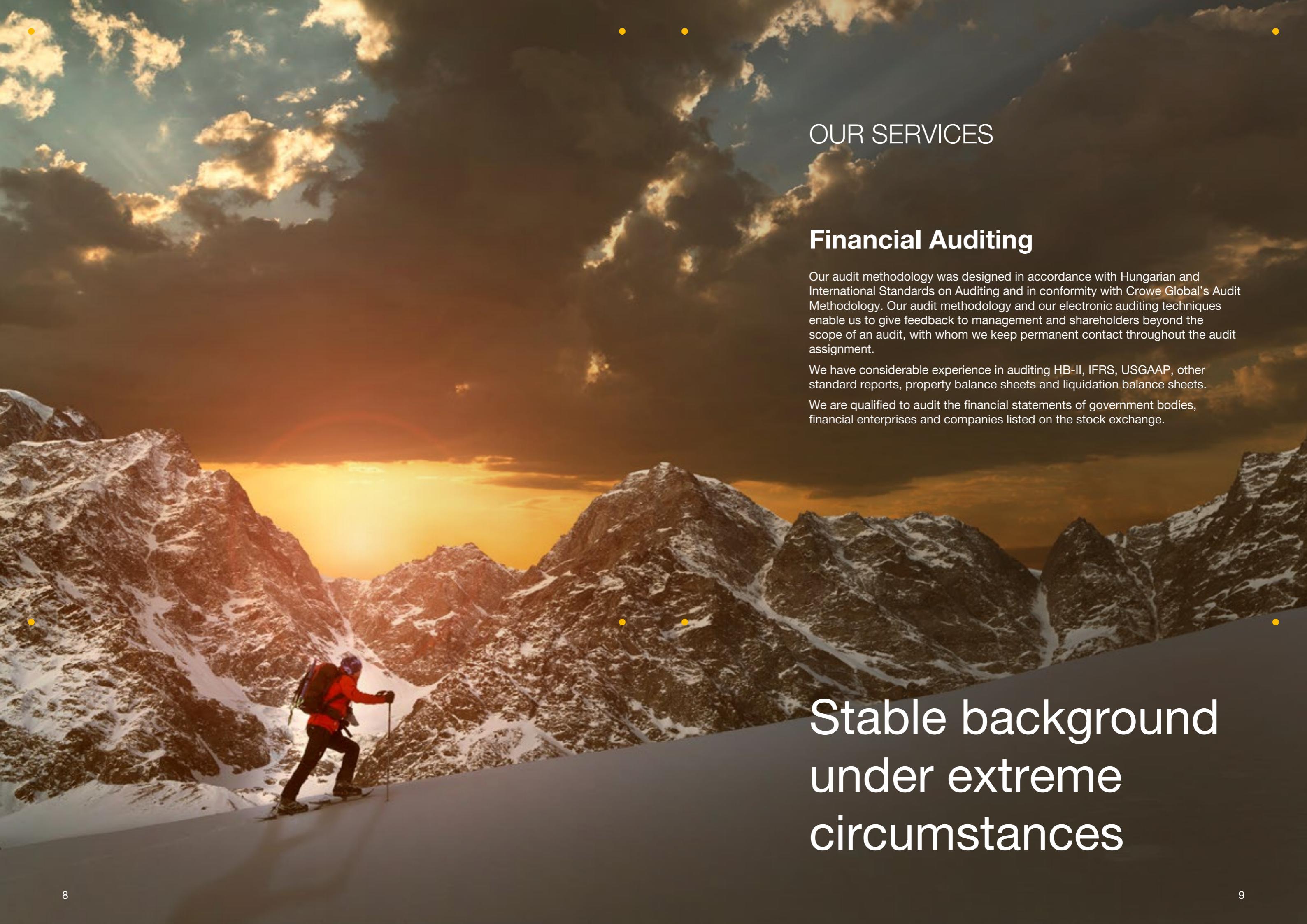
On the basis of international methodologies and standards we entered into the domestic and regional markets with innovative services tailored to domestic demands and specialties. Our services combine IT, financial, accounting, auditing, risk management and other management consultancy solutions in the necessary composition.

Services include auditing, accounting, bookkeeping and payrolls, tax advisory, company formation and launch (complete service), dissolution, accounting advisory, IT systems roll-out support, consolidation, translation, internal audit, SOX compliance, fraud investigations, risk management, transaction services and corporate finance.

In cooperation with our strategic partners we offer complete solutions to our clients. We believe that the excellent value for money of our services meets the expectations of our clients and we are confident that our client focus and quality services support our commitment. Our commitment is a guarantee for good client relations and confidentiality.

# Innovative services





## OUR SERVICES

### Financial Auditing

Our audit methodology was designed in accordance with Hungarian and International Standards on Auditing and in conformity with Crowe Global's Audit Methodology. Our audit methodology and our electronic auditing techniques enable us to give feedback to management and shareholders beyond the scope of an audit, with whom we keep permanent contact throughout the audit assignment.

We have considerable experience in auditing HB-II, IFRS, USGAAP, other standard reports, property balance sheets and liquidation balance sheets.

We are qualified to audit the financial statements of government bodies, financial enterprises and companies listed on the stock exchange.

Stable background  
under extreme  
circumstances

## Outsourced bookkeeping and payrolls

In today's rapidly changing world, sharp competition means that reliable and up-to-date financial and accounting information is crucially important for successful management of the business.

Paying specialists that meet these raised expectations is often too much of a financial burden, while the size of companies generally means there is not even a full-time need for this service. By contrast, affordable human resources do not have the required insight or experience in all areas to resolve complex problems.

As a result, an increasing number of companies are realising that by outsourcing their accounting and payroll/HR tasks in part or in full:

- They gain access to trained and experienced specialists, new technologies and tools
- They can create significantly higher added value whilst keeping costs low
- They enjoy greater flexibility in respect of the experts needed to perform the tasks.

Our team of specialists can help clients gain access, as required, to a finance director, bookkeeper, tax consultant, an IT expert well versed in the field of accounting as well as a controller that can communicate with the parent company and perform various accounting translations (HB II, IFRS, US-GAAP, etc.).

## Appropriate expertise and balance





## Tax Advisory

A predictable tax policy, transparent and comprehensible tax laws along with objective and standard tax authority opinions and decisions, nowadays, still remain a dream in Hungary.

Our tax specialists can prevent you from being completely at the mercy of the tax authorities. We help in reducing tax risks to an acceptable level and in making sure that you pay the smallest charge or fine for errors that have already been committed.

Our services cover the following main areas:

- Transfer pricing advisory, reviews, complete documentation or just benchmarking studies
- Full-scale and limited tax reviews, comprehensive tax due diligences, preparations for tax audits
- Full range of indirect tax services, including ongoing VAT compliance, filing and refunds for foreign and local businesses
- Preliminary opinions and self-revisions
- Analysis and optimisation of tax implications of inter-company and corporate transactions
- International tax structuring
- Hungarian and cross-border personal income tax and social security advisory, filing, representation
- Representing clients at the tax authority, tax administration.

Essentially, we can help where our clients are challenged by domestic and international taxation issues.

# Vital information for success

# Governance and control

## One step ahead of others

Corporate Governance is nowadays a more and more widely known and applied management tool. Owners and investors utilise it to protect their financial interests, as well as almost every stock exchange recommendation now includes the conscious application of Corporate Governance.

Corporate Governance is the leadership and control system that includes risk management, quality assurance, business process management and internal and external controls, tied tightly together. Due to the wide range of information required for business management and the numerous angles to its utilisation, nowadays it is inconceivable to operate accounting and corporate information systems without efficient information technology support.

The system called D-RISC is the result of the more than fifteen years that Crowe FST has been developing its methodology and software solution for risk management Corporate Governance, process management and compliance.

The system is under constant development in order to ensure it complies with the requirements of the rapidly changing operating environment. It is flexible to implement and simple to learn and apply. It is important to highlight that D-RISC is not only a software, it is a methodology based on many years of practical experience.

The system fully complies with the legal requirements set for the governance of Hungarian and international companies, financial institutions, public sector organisations, including government bodies, higher education institutes, state owned enterprises and EU institutes. Moreover, D-RISC fully supports the implementation of truly paperless operations in conformity with ISO31000 Risk Management Standard and the risk based ISO9001:2015 Quality Management Standard.

## We can make your life easier

With the help of the D-RISC software and methodology we can set up a practical Risk Management supported Governance system that helps you manage respecting legal and stakeholder compliance while fits into your daily operations. Given that the creation of an effective and functioning Corporate Governance system requires diverse analyses and regularly updated data, we are able to provide software-based support that also facilitates the operation of the risk management system.

Either regularly or on an ad-hoc basis, we can review (audit) the existing risk management system and its operation, thus we can provide feedback to the management and owners on the effectiveness of the system.

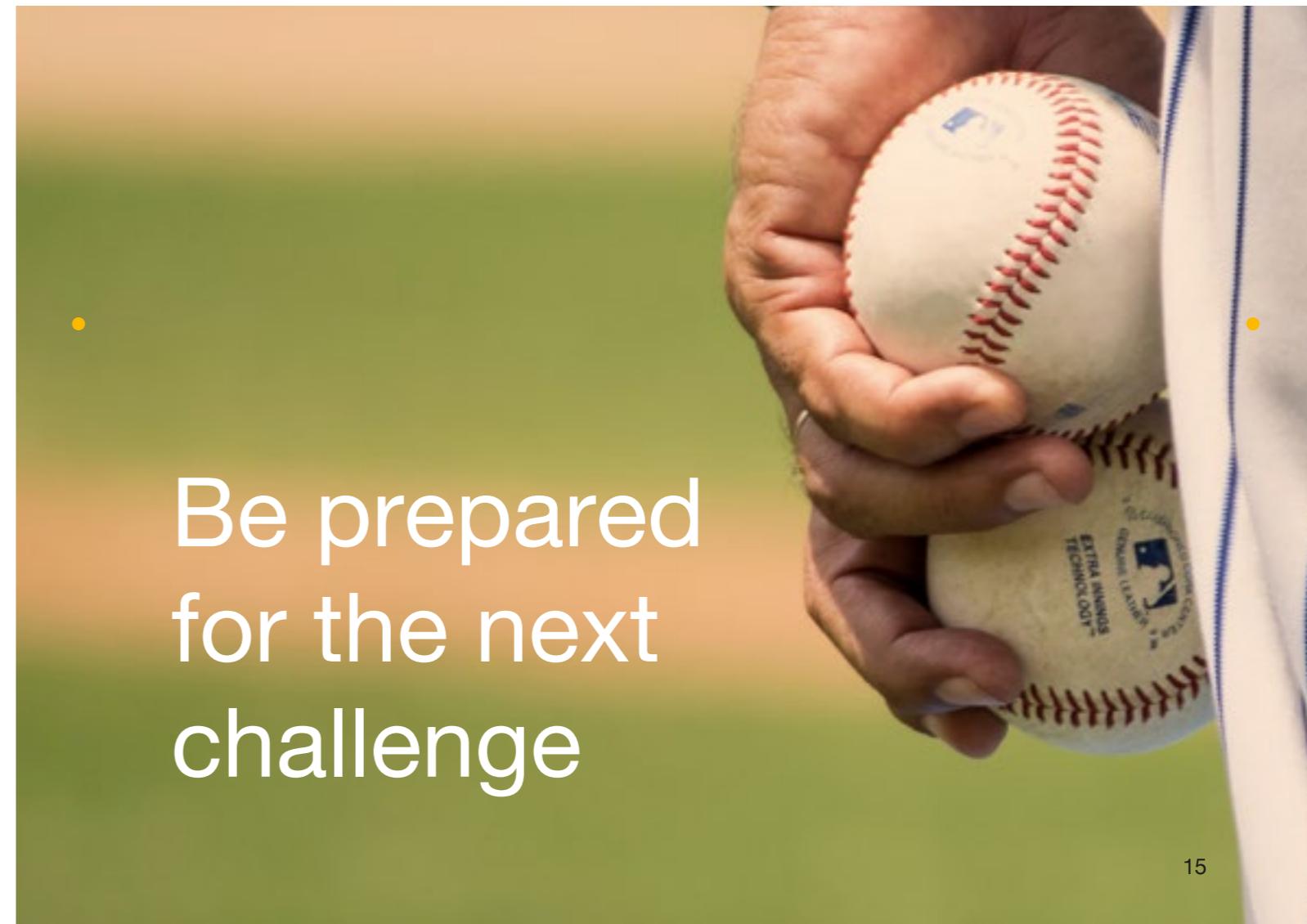
We can help with the regular testing of controls documented in and operated as part of the risk management supported Corporate Governance system. We are able to provide a sound basis for risk-based internal auditing, for which we can also furnish various internal audit services.

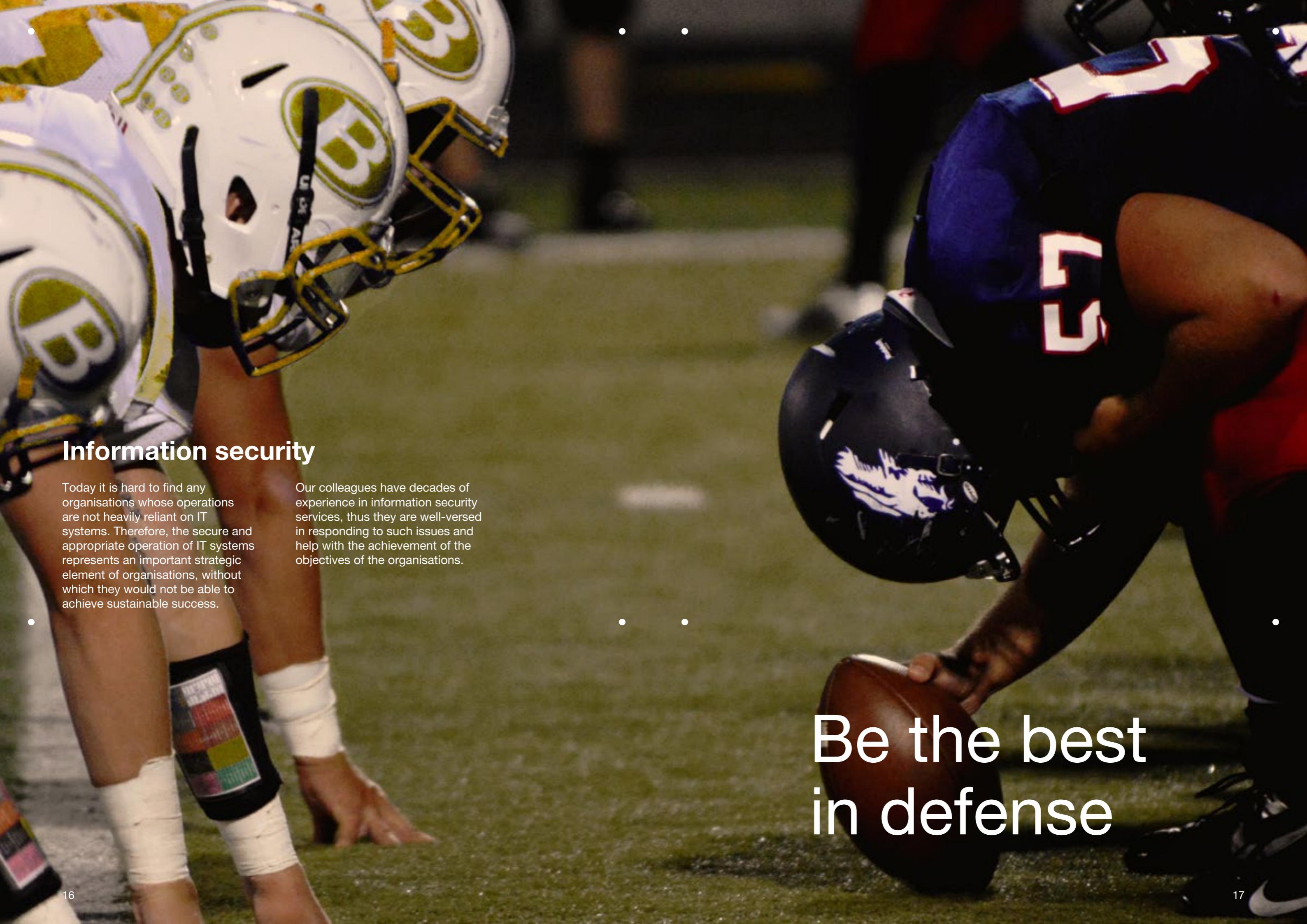
## D-RISC software

The D-RISC software features thin client technology, web and database server architecture. Consequently, the system does not require specific hardware on the client side; all it needs is a workstation with an internet browser.

The system has quick and practical data input interfaces, reports that can be exported into pdf or xls formats, and an automatic email notification system, too. Given its architecture, the system can be accessed through the intranet from an internal network or using an external workstation with a safe internet connection (via VPN). Depending on the capacity of the servers it is capable to support many users at the same time.

We primarily offer the use of the software as a service in the cloud, with full technical support that saves you the initial costs of buying licenses. However, for data security reasons, you may need a separate instance running on your server that we can support by software licensing on your server. In case you license and use the software on your server, we ensure continuous technical and professional support for the system under a separate agreement, as well as new functions available thanks to ongoing development.





## Information security

Today it is hard to find any organisations whose operations are not heavily reliant on IT systems. Therefore, the secure and appropriate operation of IT systems represents an important strategic element of organisations, without which they would not be able to achieve sustainable success.

Our colleagues have decades of experience in information security services, thus they are well-versed in responding to such issues and help with the achievement of the objectives of the organisations.

Be the best  
in defense

# Business Administration

## Consolidation

We identify the content, quality and time requirements for consolidations and translations as well as the related reports, before evaluating the IT systems and accounting records of the units supplying the data in light of the data supply requirements.

We conduct detailed analyses of current consolidation and translation practices as well as of intra-group transactions and the differences and data structures required to perform translations between accounting standards. We compile the information system plan for the consolidation or translation, in which we make proposals regarding the changes needed in accounting, IT and system structures based on knowledge of the requirements and status assessments.

We compile the consolidated balance sheet, profit and loss account and the tables in the supplementary notes. We put together the textual information, the business report, and if required, other consolidated information in accordance with any other accounting standards.

During and depending on the nature of our work we deploy the ProVision consolidation software along with other electronic methods.

## Accounting advisory

Application of the provisions of the Hungarian Accounting Law for unusual or rare economic events and transactions, the setup of the various financial reporting systems (e.g. IFRS, US-GAAP, HB-II), or the application of IFRS, US-GAAP or HB-II for certain business cases frequently challenges the accountants.

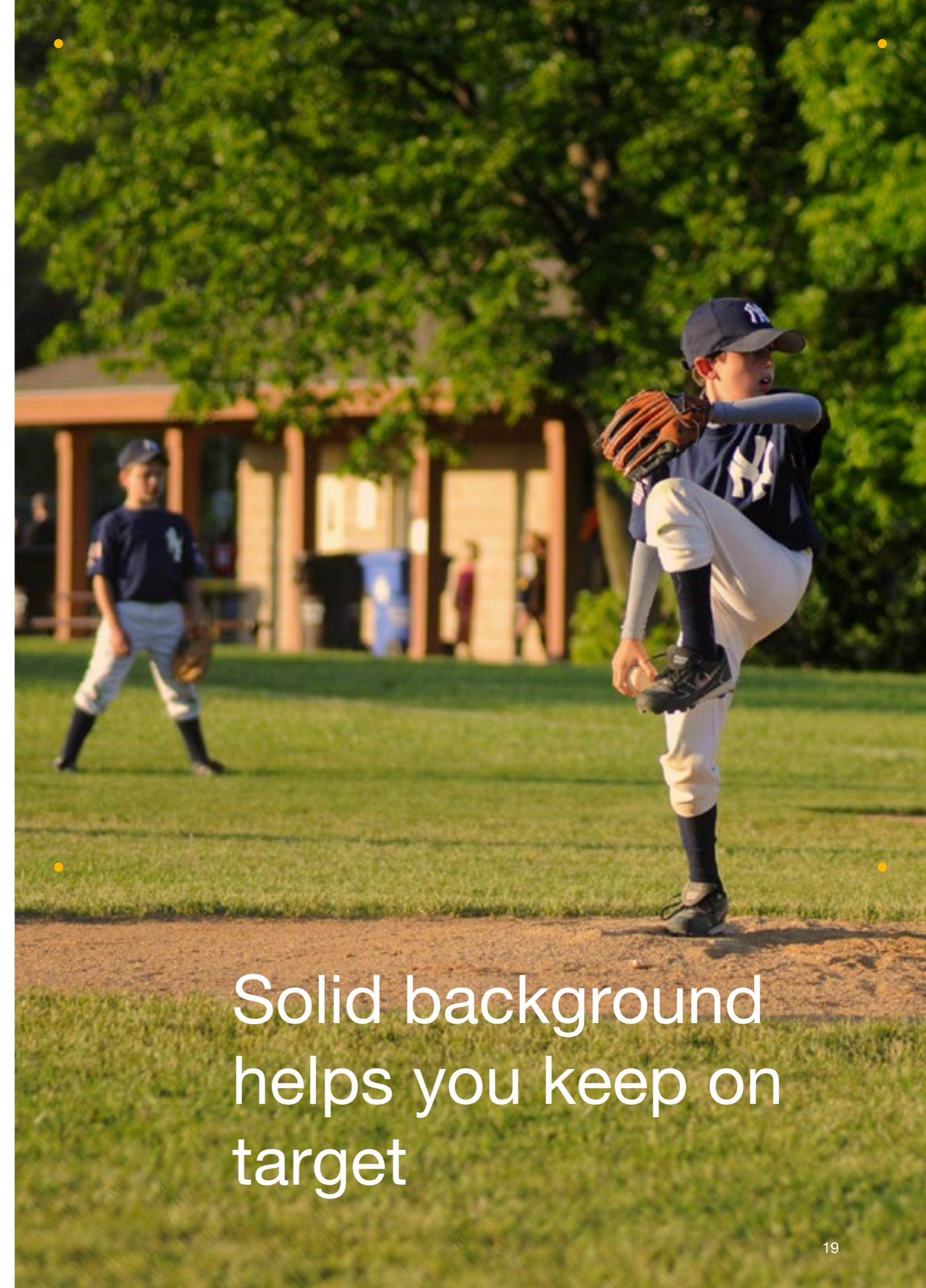
We can assist you in finding the solutions for these challenges. We can help you in thinking together and to find the answers and solutions. In particular, we can:

- Advise on mergers and transformations
- Support of implementation of IFRS, US-GAAP, HB-II reporting systems, compilation of financial statements
- Prepare of accounting policies and procedures
- Assist you in new business start-up

## Address service

We offer address service to our clients which may cover:

- The provision of legal address as included in the corporate registry
- Takeover, scan and forwarding of mails
- Sending of mails
- Placement of company nameplate
- Provision of meeting room



**Solid background  
helps you keep on  
target**

# Controlling and Management reporting

We provide the following controlling and business intelligence solutions to our clients:

## Elaboration and operation of cost controlling

On the basis of consultations with the client we elaborate the most appropriate structure of cost centres, cost bearers and recommend changes in the accounting functions in order the core data necessary for controlling are generated in parallel with accounting data and the two sets of data are integrated with each other.

## Elaboration and operation of direct cost calculations

In cooperation with the client we formulate elementary groups of products or services in order to record the income, costs and expenses of these items and thus calculate their profitability. By the separation of variable and fixed costs we make the impact assessment of business decisions more effective. On the basis of direct cost calculations we recommend further actions (increase volumes, decrease costs, stop production, etc.)

## Organisation and operation of cost budgeting

We assist in the definition of budget holders, which may be cost centres, profit centres, departments etc. in accordance with the characteristics of the organisation structure of the company. We ensure the permanent monitoring of budgets on the basis of data extracted from the accounting records.

## Planning

Planning of annual financial data – balance sheet, profit and loss account, cash-flow. In the course of this process we plan financing requirements, which may serve as basis for the calculation of credit facilities in cooperation with your account holding bank. Budget planning in parallel with the annual business plan.

## Compilation of reports

We offer tailor-made reporting solutions to our clients. By the application of the intranet system provided by Microsoft Office 365 we prepare interactive web-based reports for you, which are accessible from anywhere with the appropriate telecommunication devices. These are customised reports developed for your purposes, which are based on the database of your accounting system, thus they contain live accounting data. Hence management will not be bound by the ponderous reporting functions of bookkeeping systems.

By means of Microsoft Power BI we offer a mobile solution for management in order to access high level reports through native mobile applications. We can link different databases to each other and present these as a unified one, by automatically standardising data stored in different formats by several staff members. Thus, you can avoid discarding data stored in the accustomed formats e.g. in Excel.

In case the client intends to prepare reports in such formats which have already become conventional within the organisation (e.g. to Headquarters), we fully automate these, thus staff is relieved from the burden of manually filling in the data and eliminate the possibility of making mistakes. We can provide interim controlling services in case the employees of our customers are temporarily unavailable.

We provide on-site presence in cases when the controller of the client is temporarily not available for any reason (maternity leave, resignation, prolonged illness, re-organisation etc.). We understudy the tasks of the controller, and upon request we can even improve the controlling processes of the client. We undertake the performance of analyses and data management services on a temporary basis.

In case you require ad hoc analyses, retrospective data cleaning, or you just need to process an excessive amount of data, you can also take advantage of our services. We are experienced in the management and structuring of large volumes of data.

# Better results in less time





Watch who is  
breaking the rules

## Business Administration

### Governance and control

The purpose of internal auditing is to support the establishment and control of internal management and regulatory systems; such systems are designed to ensure the accuracy and completeness of financial reports, the legality and compliance of the transactions underlying these reports as well as the efficiency and success of activities and operations.

Internal auditing is also designed to contribute value to the operations of the organisation by means of independent and objective audit and advisory tasks, thereby enhancing the efficiency of the organisation's activities and improving its operations.

We provide substantial technical support with regard to the practical implementation of the organisation's internal audit system and to performing the reviews and efficiently applying electronic audit procedures.

### Internal audit support for budgetary bodies and EU institutions

In Hungary, based on Act CXCV of 2011 on the State Budget as well as Government Decree No. 370/2011 (XII. 31.) on the internal auditing of public budgetary organisations, all budgetary organs participating in the use of public funds shall operate an internal auditing system to provide assurance to the heads of such organisations regarding the compliance of the (financial) management and control systems they have constructed and are operating.

Government Decree No. 370/2011 (XII. 31.) provides that internal audit activities may be performed by external experts, and thus in a cost-efficient manner, public budgetary organisations outsource their internal audit activities and certain related tasks for which they do not have the resources.

We perform our work in accordance with International Internal Audit Standards. Our services cover the following main areas:

- Supporting the establishment and operation of EU-compliant internal audit systems (preparation of audit manual, audit strategy, internal procedures)
- Design and operation of risk management system
- Planning, executing and documenting control tests
- Preparing and updating audit trails
- Establishment of pre/post management control system, support/review of operation
- System audit
- Compliance audit
- Performance control
- IT audit
- Examination of suspected irregularities
- Control of Structural and Cohesion Funds
- On-site inspection of EU-funded projects

## Internal audit of business organisations

Experienced, well-trained internal controllers and IT auditors can provide an invaluable competitive advantage in any business activity by managing risks and providing reliable business advice.

Today, efficient internal auditing is inconceivable without the support of an IT audit, because:

- Manual sampling on large data populations is no longer efficient and often meaningless
- Without an appropriate, regular review of the general IT risk and control environment, an internal audit is not capable of fulfilling its role.

The Main elements of our service comprise:

- Development of audit strategy
- Development and due diligence of internal audit system

- Development of risk analysis and risk management system, loading with content
- Review of reports to be sent to the Hungarian Financial Supervisory Authority
- Internal IT audit
- Compliance audit
- Planning, executing and documenting control tests
- Performance of other special-purpose reviews
- Complete or partial outsourcing of internal audit activity.

Our methodology complies in all respects with relevant directives of the European Union and the guidelines of the international Institute of Internal Auditors (IIA).

With the help of our fully-fledged, computer-aided D-RISC® risk-management methodology and in compliance with COSO provisions we can make an efficient contribution to setting up / redesigning / customising systems prescribed by parent companies, producing documentation and performing tests, which generally contain the following important steps:

- Identifying significant balances and other information in the financial statements
- Identifying and documenting key and support business processes linked to significant balances and other information, and tailoring these to parent company regulations (in particular to the provisions of PCAOB Auditing Standard No. 2)
- Risk-control analysis of key and support business processes, remedying inefficient controls
- Planning, executing and documenting process (walk-through) tests
- Planning, executing and documenting control tests
- Drawing up recommendations aimed at remedying the inefficient controls identified during the tests and monitoring their implementation.

During our work we provide important feedback to management and the internal audit department and besides ensuring SOX compliance we prepare recommendations and documentation which contribute to setting up and operating a satisfactory internal audit system that does not focus just on the reporting system.

## SOX compliance

Transparency and accuracy in reporting. This is the motto of the Sarbanes-Oxley Act of 2002 („SOX”). It is ensured by applying painful penalties, the drastic rise in corporate management responsibility, the pressure exerted on auditors, and the tightening of regulations regarding accounting practices.

The requirements of investors leading to the creation of the law were unambiguous: accountable corporate management, transparent reports and financial statements, assessable corporate performance and financial situations.

SOX and the detailed regulations related to it opened up a new chapter in respect of requirements made of financial statements. It is not easy finding one's way among the vast amount of new regulations. Most of the problems are caused by having to comply with the provisions of paragraphs 302 and 404. Given that the problems which arise are very complex, the creators of the SOX law expressly recommend that companies make use of the services of experts and introduce special-purpose applications (special-purpose software).

We are familiar with, have interpreted and can apply the SOX law along with the important related regulations and standards that lay down the detailed requirements.

# Transparency and accuracy in reporting



## Corporate Finance

Our financial advisory services comprise the following:

- Support in handling corporate transactions, frameworks
- Preparation of business valuations
- Purchase Price Allocation
- Preparation of business plans
- Business, financial, tax and legal (together with our partner legal firm) due diligences on companies targeted for acquisition.

Catch the biggest  
fish in troubled  
waters

# Interim Financial and Accounting Services

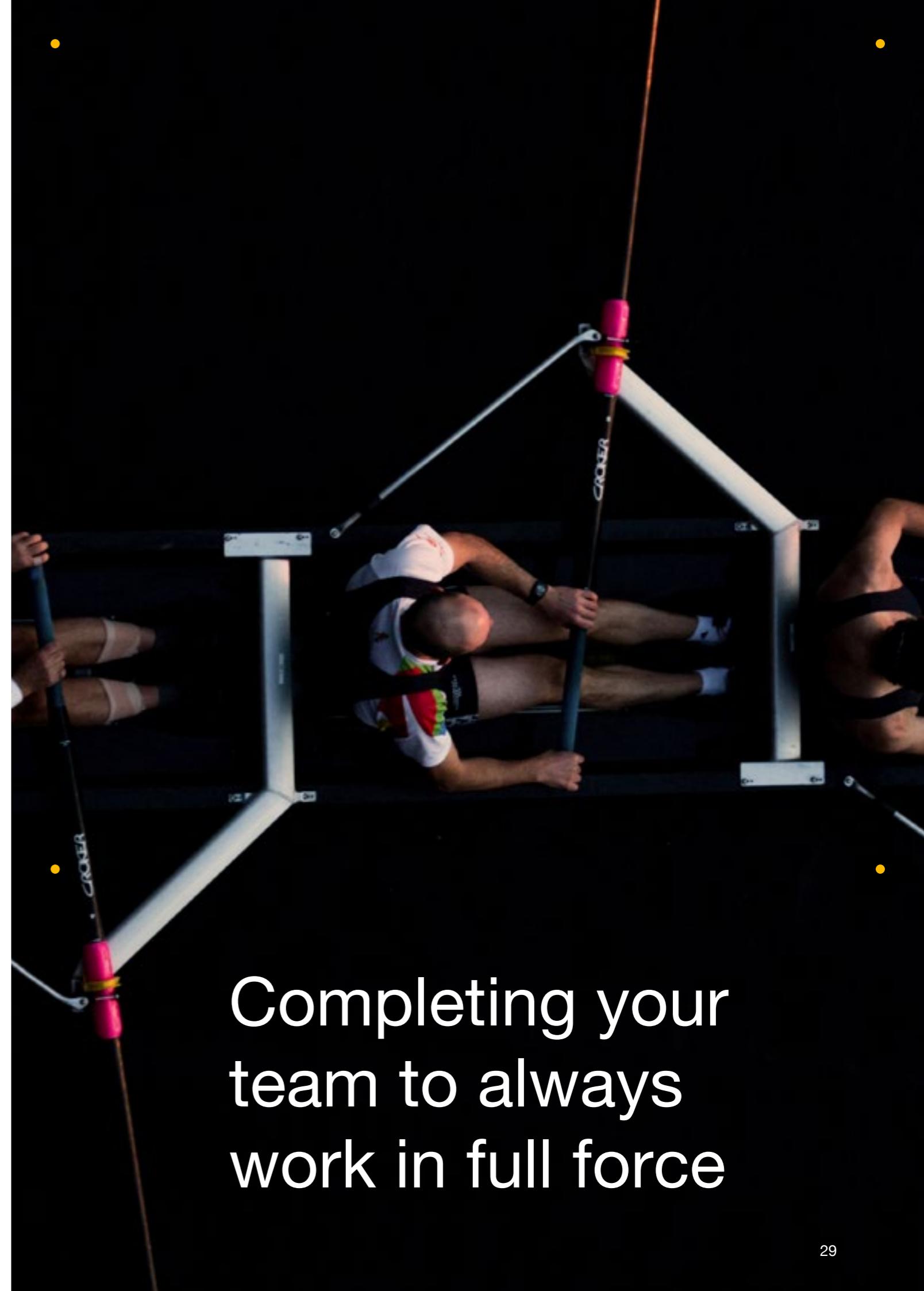
In the course of finance and accounting work we should match our tasks with resources. We can plan monthly and annual closing procedures, ledger reconciliations and compilation of tax returns. Annual closing and related audits of the financial statements according to Hungarian or other GAAP or IFRS can be achieved by the delegation of the tasks and by gradual preparation during the year.

Due to changes in the economic environment, unpredictable situations and various human factors, it often happens that even though companies elaborated their procedures with due care, they are not able to solve the problems with the existing employees. Such cases are, for example:

- Implementation of a new integrated system
- Company reorganisation on the basis of the instructions of the parent company
- Significant project work
- The tax authority performs a comprehensive audit of several tax years
- Key persons of the finance department are missing from work for a long time
- In the period of vacancy between the previous employee's departure and the new one's recruitment

In such cases interim management services may provide an effective solution. Interim financial and accounting services offered by Crowe FST provide several advantages to our clients:

- We provide reliable personnel with relevant expertise and experience
- Staff working at the clients are supported by experienced professionals in the office, who are able to answer any technical questions raised during the work
- We have elaborated a database, and in the course of this we tested the professional knowledge of the applicants
- Clients pay for the service, thus there are no additional costs, taxes and payments for sick-leave. The interim manager does not only take over daily tasks, but also participates in the search for and the training of his/her successor.



Completing your  
team to always  
work in full force



## Webtrust Audit

The WebTrust(TM) program has been elaborated for certificate authorities in order to enhance customer confidence in using the internet, which is the vehicle of e-trading. The main target is to increase customer confidence in the course of the application of PKI (Public Key Infrastructure). The program was developed in Canada in cooperation with the United States and with the participation of international accounting and auditing firms. The program is supervised by the Association of Chartered Professional Accountants of Canada (CPA Canada).

In the framework of the program, those Webtrust(TM) licenced practitioners are allowed to perform audits who have valid contracts with the association. Exclusively such audit firms or professionals may become partners who operate in accordance with international standards. Only partners are entitled to perform specific assurance services in the framework of the program.

In the course of service provision, licenced practitioners evaluate and test the compliance of certificate authorities with principles and criteria defined in the program. In case of conformity, the certificate authority receives the Webtrust(TM) seal, which can be published on its website. By the presentation of the Webtrust(TM) seal the certificate authority declares that its activity is tested and evaluated on a regular basis by independent third parties, who disclose the result of their examinations in public audit reports.

Since the spring of 2016 Crowe FST Audit Kft. has been entitled to perform compliance audits as the partner of CPA Canada, which is unique in Hungary. In the course of the audit we first evaluate the operation of the certificate authority, risks and compliance, then we disclose the result of our examination in a public audit report, which includes our recommendations as well.

WebTrust(TM) is a fundamental element of confidence in certificate authorities for billions of internet users all round the world. We trust that by the utilisation of our services certificate authorities will be included in the trusted root CA store of several manufacturing and trading companies, and by this the security of internet and internet-based services is developed further.

# Building trust in a rapidly changing environment

## Contact information

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Click or read to know  
more about Crowe!

## We are here to help you get to there

Crowe FST comprises the Independent Hungarian Member Firms of Crowe Global which was named as Global Advisory Firm of the year by the International Accounting Bulletin (IAB) in 2015. Crowe Global was established in 1960 with its headquarters in New York.

Based on its revenue from services, Crowe Global is the 8th largest Independent Audit and Business Advisory Services Network in the world, operating in 130 countries with 200 member firms, with an accumulated revenue of over USD 4.3 billion, and professional staff of 42,000.

Crowe FST provides accounting and payroll outsourcing, auditing, tax, risk and other consultancy services, full-scope administrative solutions to Hungarian and multinational companies and government bodies.