



CLA Global TS

The Growth Strategist For Asia

Mastering Internal Controls – Driving Value and Empowering Sustainable Growth

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Expanding a business requires a clear understanding of both strategic priorities and operational essentials. To ensure a smooth transition during growth, it's important for business owners to understand the role of internal controls in achieving corporate objectives.

By grasping the key components of internal control, business owners can better navigate expansion challenges and take proactive steps to build resilience, agility and strengthen foundation for sustainable growth.

Internal Controls – More Than Just Compliance or Cost

Internal controls are often perceived as mechanisms primarily focused on identifying errors and reporting issues, frequently regarded as cost centers or tools for regulatory compliance alone.

But in reality, they are much more.

Internal controls can **uncover opportunities** to make your organisation **smarter, faster, and more resilient**. They act as a safety net, catching issues before they escalate into crisis – empowering businesses to **grow with confidence and clarity**.



Understanding Internal Controls

To better understand the concept of internal controls, it would be easier to think of internal controls as the building blocks of a house – each block represents a step to keeping the organisation strong and secure.

Internal controls set up the necessary rules, checks, and procedures that protect businesses from risks and provide the resilience needed to withstand challenges. In short, internal controls are:-

Geared to the Achievement of Objectives

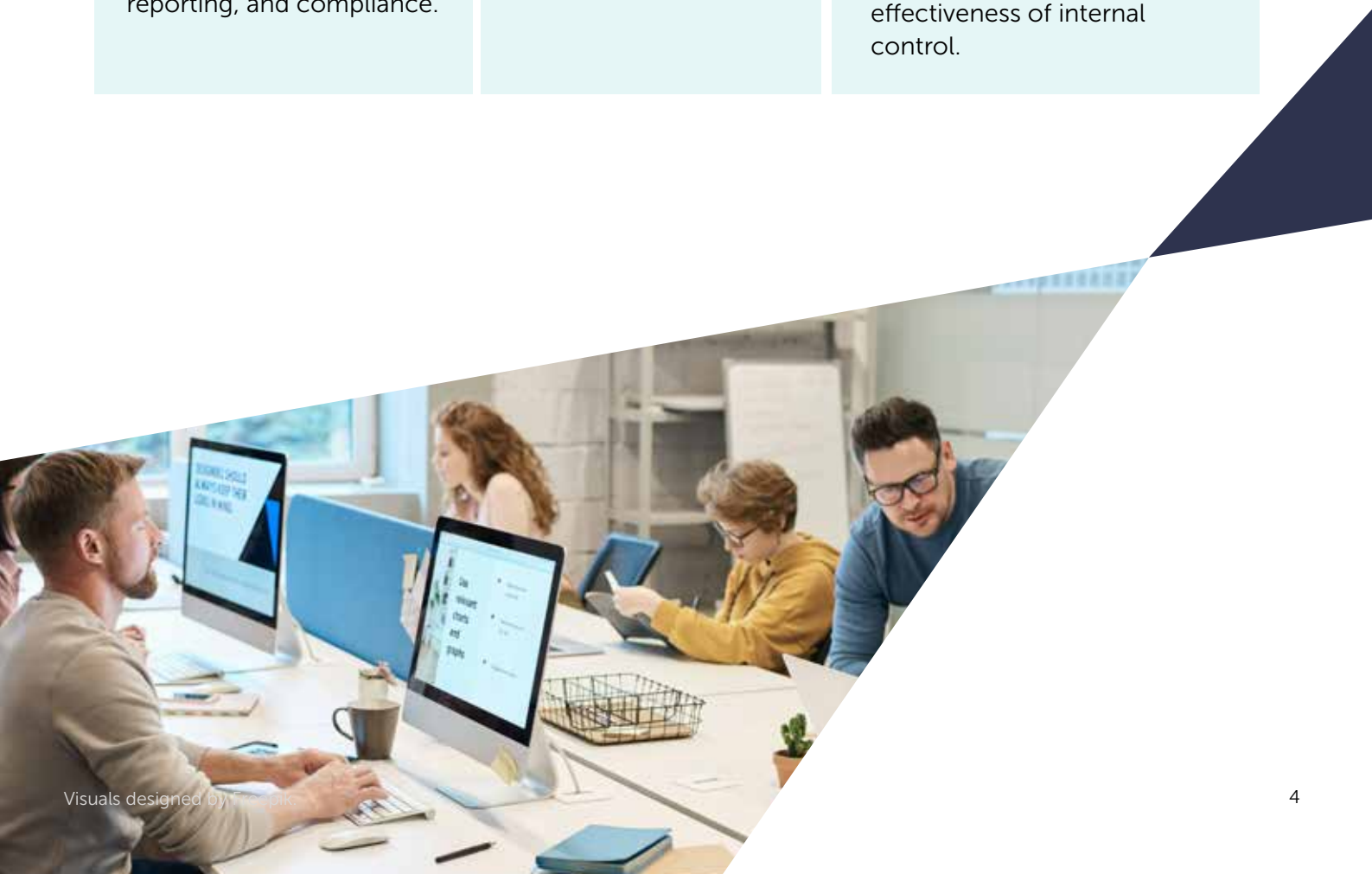
Internal controls can help organisations to achieve their target in one or more categories – operations, reporting, and compliance.

A Process

Internal controls consist of ongoing tasks and activities, rather than a one-time exercise.

Effected by People

Internal controls are not merely about policy and procedure manuals, systems, or forms. They are fundamentally about people—and the actions taken at every level of an organisation directly influence the effectiveness of internal control.



Business Case for Strong Internal Controls



Preventing Costly Mistakes

Weak controls don't always lead to fraud—but they do **lead to leakage, inefficiencies, and bad decisions.**



Scaling and Growing Without Losing Control

Fast-growing companies often outpace their internal controls, leading to chaos, **fraud**, or **operational breakdowns.**



Making Your Company More Attractive to Investors & Buyers

When investors, private equity firms, or potential buyers evaluate a company, they look beyond revenue and profits. They seek financial discipline, effective risk management, and governance structures that support long-term stability.

“Internal controls are like your immune system. When they're strong, they quietly protect you. But when they fail, even a small infection can become a serious problem.”

Indicators of Concern

It is imperative for business owners to recognise early warning signs before issues escalate into serious crises. To prevent potential problems from arising, they should remain vigilant and watch for the following tell-tale indicators:

-  Revenue Looking Too Good to be True
-  Over-reliance on Some Employees
-  No Clear Delegation or Approval Process
-  Missing or Weak Cybersecurity Controls
-  High Employee Turnover in Finance/Compliance Functions
-  Regulatory Issues & Pending Investigations

What Steps do Businesses Take to Prepare Themselves?



Assessment of Internal Controls



Assessment of Cybersecurity and Data Protection Controls



Review Regulatory Issues and Compliance Matters



Review Documentation Control Process, Including Policies



Control Self-assessments



Integration Planning – Streamlining of Controls

How Can CLA Global TS Help?

Our Risk Advisory Specialists bring deep experience in helping companies design, review, and enhance their policies and procedures to align with best practices and business objectives. Leveraging their expertise, the CLA Global TS Risk Advisory team is well-equipped to advise you on how to effectively leverage Internal Controls to support and elevate your business expansion strategy.

For any questions or concerns regarding Internal Controls and Risk Advisory matters, please reach out to our specialists.



Contact us

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