

Case study Servicing Huawei, the world's largest telecommunications equipment company



HLB KMC West Africa recently provided audit services to Huawei Technologies Niger, a subsidiary of Huawei Technologies, a leading global information and communications technology (ICT) solutions provider and the largest telecommunications equipment maker in the world. A Chinese multinational organisation, Huawei Technologies comprises 150,000 employees in 140 countries worldwide and recorded revenues of CNY 220.2 billion (appr. \$36 billion) in 2012.

Facts

In accordance with legal requirements set by the SYSCOA (West African Accounting System) in terms of turnover and number of employees, Huawei Niger had to appoint a Statutory Auditor for the certification of its financial statements. It is in this context that HLB KMC West Africa was chosen on quality basis following a bid. The particularity of the client lay in the way its financial statements are established: Huawei Niger uses an integrated management system set up by the Group, with IFRS accounting standards.

Issues

In such a situation, it was necessary to conduct an IT audit as well as a financial one in order to check the coherence in the recording and accounting procedures as well as to control data in the system, interviewing key officials, reading and getting familiar with the system guidelines and procedures to better understand operations and performing adequate tests to verify information accuracy. Another obstacle was the financial reporting framework used by the Client (IFRS). At this stage, the strategy used by HLB KMC West Africa consisted in establishing a mapping to check the similarity and differences between IFRS accounts and local accounts (OHADA).

Results

The audit engagement was successfully conducted. Even though Niger is a French-speaking country, the assignment and reports were carried out in English at the request of the client. Huawei Technologies Niger was very satisfied with the engagement in general and agreed to follow and implement recommendations resulting from the audit.

The CEO of Huawei Technologies Niger Mr Wang Feng expressed his “satisfaction with KMC and its team of professional auditors for the outstanding audit engagement conducted. During the audit, multiple relevant recommendations were made by the firm’s team of young, dynamic and very professional team of auditors. Those recommendations are very valuable for our company in a way that they will enable us to improve both our management and daily operations. Huawei Technologies Niger is very pleased with the quality services offered by KMC, and relies on the firm’s invaluable guidance and partnership for improving and doing business in Niger.”