Global Risk Management Report

Nexia International | Winter 2013

About Nexia International

Nexia International (Nexia) is a leading worldwide network of independent accounting and consulting firms, providing a comprehensive portfolio of audit, accountancy, tax and advisory services.

Combining local expertise and global reach, Nexia member firms work together to help achieve their clients' business and financial goals. With a substantial presence in the world's major financial and economic centres, Nexia member firms are strategically positioned to serve the diverse international requirements of their clients, ranging from globally listed entities and international subsidiaries, to owner-managed businesses and high-net-worth individuals.

Nexia member firms had a combined global fee income of US$2.8 billion in 2012.

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About this report

This report provides a unique snapshot of risk management practices among businesses from around the world. It highlights current risk management challenges facing those businesses and provides insights into the latest risk management trends and solutions.

It is based on a survey completed by client companies of firms in 23 countries, who are members of Nexia International. Participants provided information on their current risk management practices and their readiness in addressing and mitigating risks to their businesses.

The report also draws on the results of a concurrent survey completed by Nexia member firms in 27 countries. Respondents to this survey provided information on the risk management practices of their clients.

A useful checklist of questions arising from the survey, which companies may wish to consider using to benchmark their current risk management practices, is included at the end of this report. This checklist is based on the authors' views of current best practices and is intended to encourage respondents to make continuous improvements to their existing risk management practices.

Please note that the figures presented in the charts are rounded off to one decimal point whereas the figures displayed in the text of the report are rounded to whole numbers.

Contents

Introduction: risk management in a fast-changing global business environment

Risk management has become critically important as businesses are challenged to remain competitive while grappling with uncertain operational and financial conditions.

This requires planning for and effective management of risks arising from factors such as operating in maturing domestic markets; expansion into new geographies; volatile financial markets; unexpected political turmoil; information security threats; or potentially negative sentiment arising from the proliferation of social media, among many others. Businesses also have to be acutely aware of and mitigate the growing risks relating to bribery and corruption.

This report provides an assessment of the business risk management landscape around the world, an up-to-date snapshot of key issues facing the global business community and insights into current best practices. The report has been structured to reflect the most common approaches to risk management adopted by companies and broadly, the sequence in which risk assessment practices are carried out.

Overview of survey findings

The Global Risk Management Report provides a picture of growing maturity and sophistication in the risk management practices adopted by companies worldwide. However, there remains significant room for improvement in a number of key areas of best practice.

Maturing risk management practices

Over two-thirds (67%) of our respondent companies reported having a formal risk assessment process. The survey demonstrates active involvement of boards and owners in this process. They provide reasonable oversight and are largely engaged in discussions with the individual responsible for the risk management process. However, whilst risk tolerances are reviewed by companies regularly, over half (57%) say they don't review risk for criticality on a continuous basis.

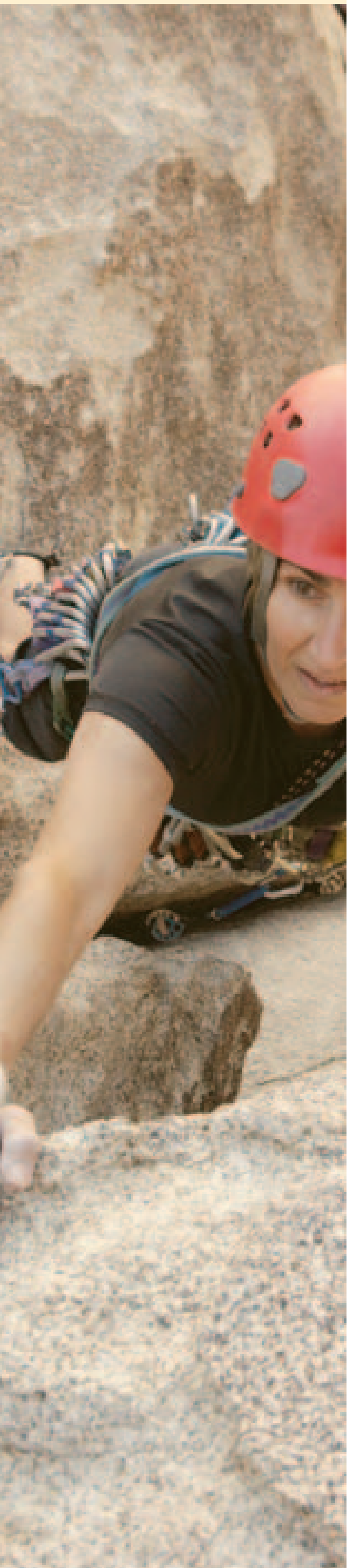
There is recognition among stakeholders of the critical importance of creating effective and formal training programmes to help communicate the issues around risk management across organisations. Process owners appear to recognise the need for collaboration among all levels of employees in realising risk management objectives.

Given this recognition of the importance of effective risk management, companies appear to be investing in the necessary resources required. However, 43% say their use of IT to mitigate risks is only "partially effective" at best.

Issues requiring greater focus

Whilst the risk management process appears to be maturing, there is clearly much room for improvement based on the survey results.

Over half (57%) of companies don't yet have a formal risk management training programme in place and over a third (37%) of companies say they don't have a senior executive who owns risk. 38% say risk tolerances are only reviewed annually or less frequently.



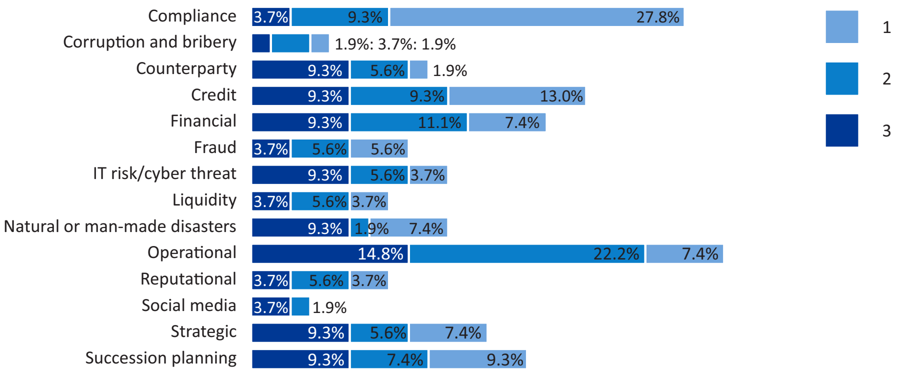
Key risks

Over half of the Nexia member firms surveyed believe that the risk profile in their country has increased in the last year, reflecting current widespread political, economic, and social uncertainties. The ability of countries to respond to and weather national crises when such risks arise has become crucial. This has a significant bearing on the risk management strategies and approaches adopted by business organisations.

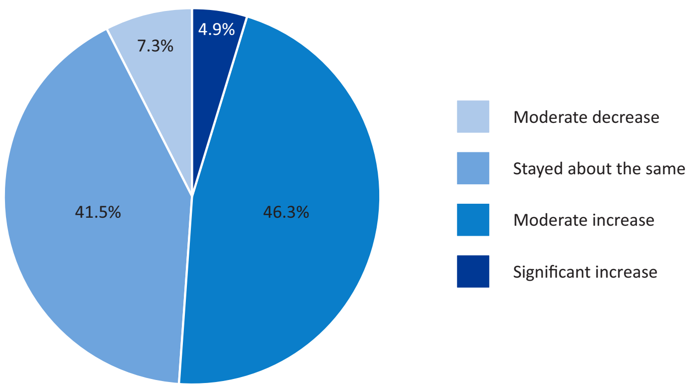
Compliance was ranked as the number one risk facing their businesses by more respondents than any other. Operational risk was ranked highest overall, taking into account the total number of responses across the top three risks. In terms of how prepared they were in addressing risks, the companies in the survey indicated that they are least prepared in dealing with social media, succession planning and natural or man-made disasters.

Respondents also highlighted the risks surrounding global expansion as a key area. This has become a strategic imperative for many businesses to survive and thrive. Formulating good risk management and mitigation practices is essential for success on a global scale.

Currently, what are the three most significant risks to your business? (% of respondents ranking each risk in order of importance)



In your assessment, how has the risk profile of the country in which you operate changed in the last year (% of Nexia member firm respondents)

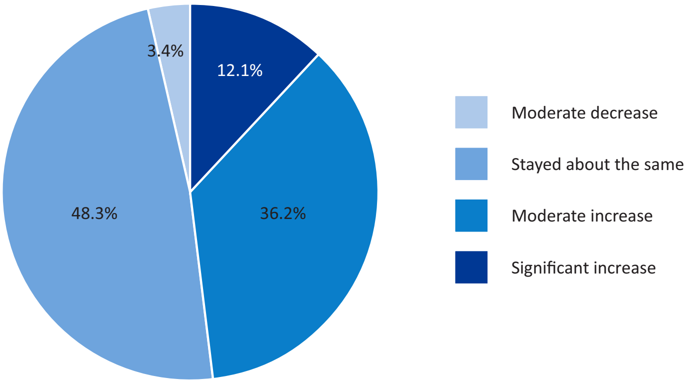


Future investment

Awareness of risk management is clearly on the increase. Almost half (48%) of client companies indicated that they expect investment in risk management to increase in the coming year, while a further 48% expect their spending on risk management to remain at the same level.

This is supported by the views of Nexia member firms – 63% believe that the level of risk management services they provide will increase further in the year ahead.

How do you expect your investment in risk management to change in the next year?



Respondents indicated that their investments in risk management will be largely spread over internal audit, risk assessment, IT systems audit, drafting of policies and procedures and enterprise risk management.

Differences in perceptions between clients and their advisers

Generally, Nexia member firm respondents appear less confident in the effectiveness of their clients' risk management practices than the clients themselves. For example, half of member firms believe that their clients are only "partially effective" in undertaking formal risk assessments, compared to 26% of clients rating themselves in this way.

This difference in perceptions is apparent across a range of key measures included in the survey such as effectiveness of formal risk management training, prioritisation of risk, frequency of risk assessment, and clarity of definition of the role of the risk management owner.

Risk assessment

Two-thirds (67%) of the companies responding to the survey reported that their businesses have a formal risk assessment process based on probability of occurrence and severity of impact.

However, one-third (33%) of companies reported room for improvement in their formal risk management processes, rating their risk assessments as only “partially effective” or lower. Nexia member firm respondents appear to support this view, with half rating their clients as only partially effective in risk assessment.

Somewhat surprisingly, formal risk assessment processes appear to be least prevalent among the larger companies (those with US$500 million+ turnover). A formalised risk management process is most prevalent among respondent companies in the Middle East and least prevalent in Europe.

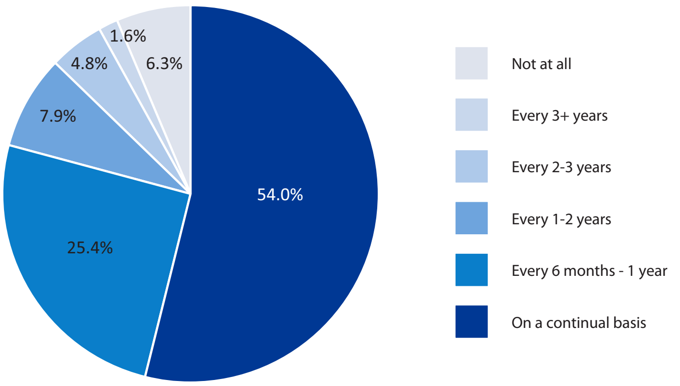
Frequency of risk assessment

Whilst a majority of companies reported performing risk assessments on a continuous basis, nearly half (46%) said that they perform risk assessments less frequently – over a six-month to three-year timeframe.

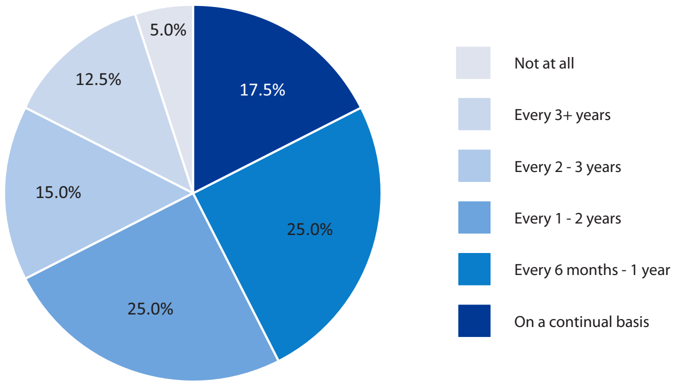
Frequency of risk assessments appears to be highest among larger companies (those with US$100 million+ turnover) and in North America (80% on continuous basis), whilst it is lowest among respondents from Europe (with only 35% stating that it is a continuous process).

Nexia member firms believe that the majority of their clients only carry out risk assessments every six months to two years on average.

How often does your business perform risk assessments to identify and evaluate major risks impacting on it?



In your opinion, how often, on average, do your typical business clients perform risk assessments to identify and evaluate major risks impacting them? (% of Nexia member firms responses)



Comment

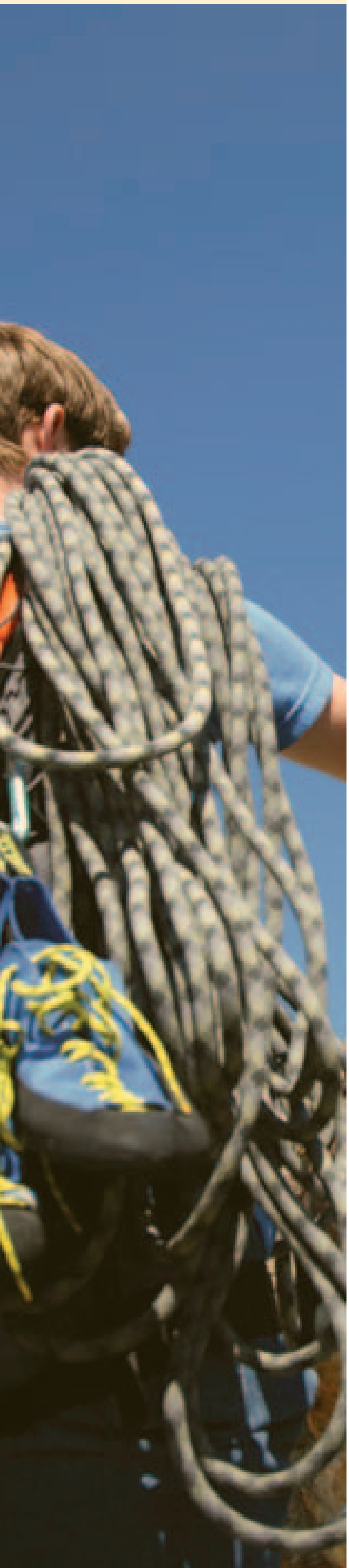
A risk assessment enables organisations to anticipate risks and institute processes for management and mitigation of those risks. It helps the identification of risks to the furthest extent possible, analysis of these risks based on their probability of occurrence and impact, and formulation of an effective risk-mitigation plan.

The risk management plan establishes the procedures for managing risk. It also provides a means for tracking risks and using measures to control them.

The risk assessment process can be relatively simple with the use of coherent and standard templates as well as clearly defined measurement scales for both quantitative and qualitative criteria.

Every organisation should have its own risk management policy. To be effective, the enterprise must identify, analyse and prioritise risks on a continuous basis. An individual at a senior level should be designated and take responsibility for the risk management function.

Risk assessment is best carried out by facilitating discussions among senior and middle management and through diligent review of regulatory filings, industry reports and related guidance. This process can be used to identify inherent risks, which can then be ranked in terms of their likelihood of occurrence and their potential impact.



Management may decide to mitigate, transfer, accept, avoid, or share an individual risk. Risks cannot be eliminated, but they can be mitigated by designing and operating effective internal controls. Risks can be transferred to another organisation or business that is willing to take on the risk for a fee (eg obtaining an insurance policy and paying insurance premiums). Management may decide to accept certain risks as part of doing business and may avoid other risks that it believes may compromise business interests.

Residual risks are evaluated by assessing inherent risks against current controls or processes. An audit can then be carried out on a periodic basis to assess and report on how well the controls have been designed and whether they are operating effectively.

It is important to monitor the effectiveness of the risk management process. Process owners should take responsibility for their respective processes, be alert to key risks, and escalate them to senior management as necessary. Effective metrics help in monitoring the number of risks identified and key risks mitigated.

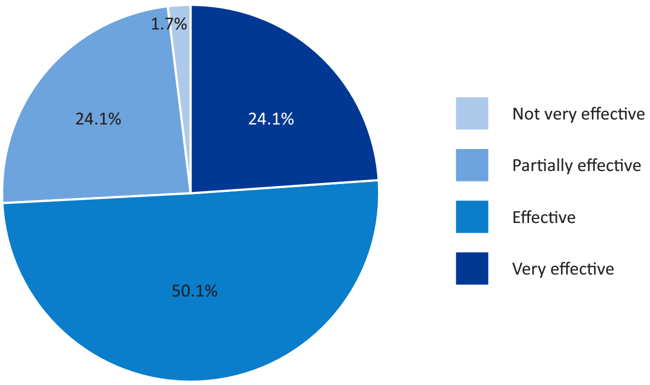
Ownership and oversight of risk management

Survey respondents indicate high levels of senior oversight and ownership of the risk management process.

Nearly three-quarters (74%) of companies surveyed rated the involvement of their boards of directors, audit committees, partners or owners in discussions regarding risk management as effective or very effective.

Nearly two-thirds (64%) of companies reported having designated a senior management executive to be the owner of the risk management process. About 14% said they are in the process of doing so.

How effective is the board of directors/audit committee/owners of your business in getting involved in discussions regarding risks and their management?



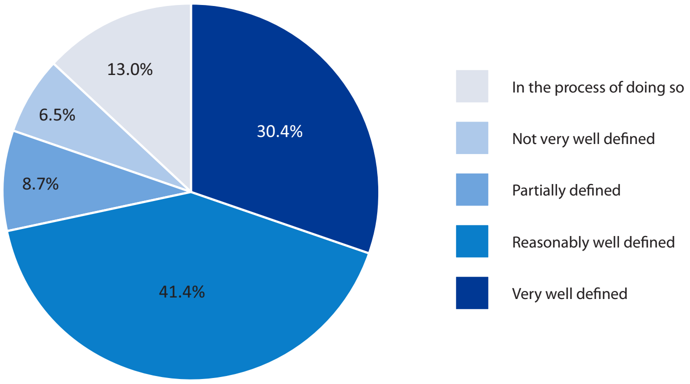
Role, responsibilities and authority of the risk management process owner

Where clients had a risk management process owner, 30% said that the person's role, responsibilities and authority were very well defined. Another 41% responded that these were reasonably well defined. The remaining clients admitted that these roles were not adequately defined.

Senior management ownership of the risk management process appears less strong in Europe and the Middle East compared to Asia and North America. However, North American companies typically rank themselves as having risk management roles less well defined than in other regions.

A quarter (25%) of Nexia firms said that only "few" of their clients define the risk management owner role clearly.

If your business has a designated owner of the risk management process, how well defined are the person's roles, responsibilities and authority?



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These survey results are encouraging. It is critical for boards and business owners to provide continuous oversight of the risk management process. Furthermore, stewardship of this process by a responsible, senior official is a key factor in enabling businesses to realise their objectives in a focused manner while maximising value for their owners. Both boards/business owners and the senior official should have regular, constructive dialogue on strengthening the risk management process. While management should formulate and update the policies and procedures periodically, boards/business owners should be actively involved in the process and provide insights.

Risk tolerances

Both senior management and boards/business owners should be engaged in properly establishing and approving risk tolerances and reviewing them on an ongoing basis.

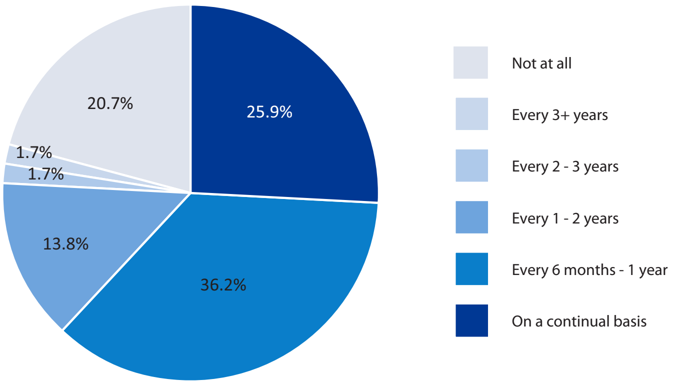
It is reassuring to note that nearly two-thirds (62%) of companies reported that their risk tolerances are established by management and approved by the proper authority, although this leaves a substantial minority who do not follow this practice.

Review of risk tolerances

Of those companies that have a formal risk tolerance mechanism in place, just over a quarter (26%) reported that they review risk tolerances on a continual basis. Over a third (36%) mentioned that they do so every six months to a year.

Somewhat disappointingly, 17% of respondents indicated that they review risk tolerances less frequently – every one to two years at most and in some cases only every two to three years. It is a matter of concern that one fifth (21%) admitted that they do not review risk tolerances at all.

How often are the risk tolerances in your business reviewed?



Comment

Many businesses are required to function effectively in extremely competitive environments. On the one hand, they have to carefully consider how much risk they are willing to bear at any given point in time in order to maximise profits. On the other hand, there is a cost and management burden involved in mitigating risk. Reputational risk is also an important part of this equation.

Merely establishing and approving risk tolerances are insufficient safeguards – it is equally important to review these risk tolerances on a continual or frequent basis. Risk tolerances should serve as an ongoing guide to business managers to perform at optimal levels, but in a controlled manner.

Formal training programmes

According to the survey results, companies worldwide generally recognise the need for creating a formal training programme aimed at promoting awareness about risk within their organisations, with the overall objective of improving their risk management.

However, over half (57%) of companies surveyed reported that they do not have a formal training programme in risk awareness and management for employees, or are still in the process of establishing one.

Where they have a training programme in place, about a third (36%) say they carry out training every six months to one year, with another third saying their training is less frequent than this.

Somewhat surprisingly, formal risk management training appears to be most prevalent and frequent among smaller companies. Frequency of training is lowest in Europe and South America.

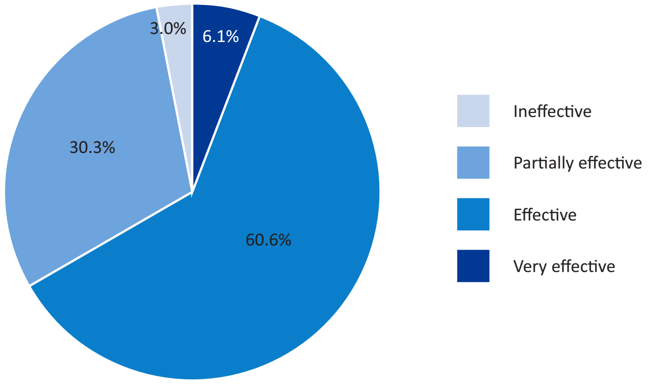
Effectiveness of formal training programmes

Where business clients have formal training programmes, two-thirds (67%) rate them as effective or very effective. However, the remaining third (33%) believe that the effectiveness of the training programmes could be improved significantly.

Effectiveness of training was ranked lowest among respondents in Europe and the Middle East.

Nexia member firms appear less confident in the effectiveness of their clients' formal risk management training, with 61% rating it as only "partially effective."

How effective is your formal training programme in risk awareness and management for employees?



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A stimulating risk management training programme, tailor-made for the business enables employees to better understand and aid the realisation of risk management objectives. User engagement and interaction will further help to refine the programme and increase its effectiveness.

Employees involved with day-to-day operations are likely to have a practical understanding of risk and ideas on handling risk in an efficient manner. Their input to the risk management process and the risk management training programme are very important. A well-structured risk management training programme with input from around the business will not only help the organisation identify, analyse and prioritise risks efficiently but also help to balance the costs and benefits of risk management.

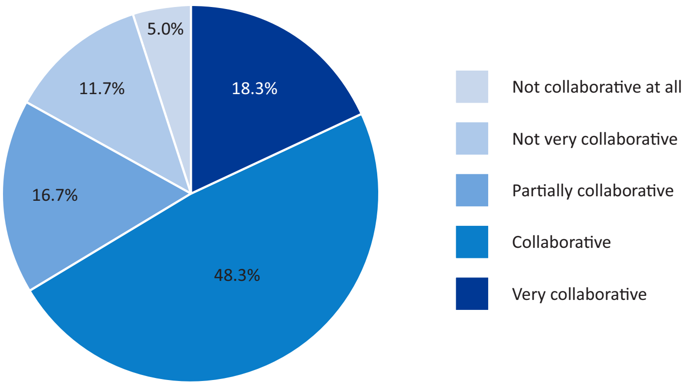
Risk prioritisation

Collaboration within a business is key to identifying risks completely and in a timely manner. The process of identification of risks should permeate across the organisation.

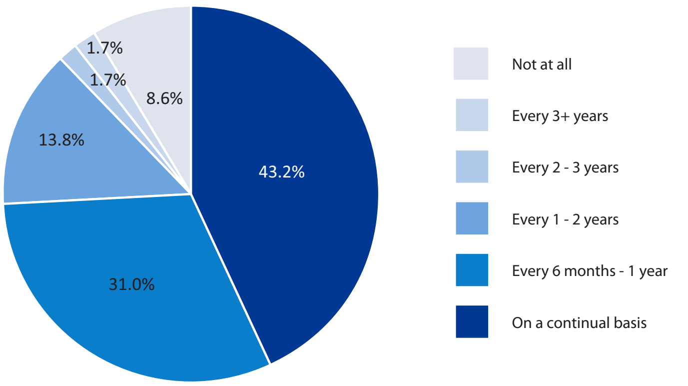
Nearly 83% of client companies said that there was some form of collaboration among their employees in identifying risks. Collaboration appears highest in North America and lowest in South America.

74% of the companies reported that they prioritise risks for criticality on a frequent or continuous basis. The remaining 26% of company respondents said that they prioritise risks for criticality on a less frequent basis – over a one to three-year timeframe.

To what extent is the risk identification process in your business a collaborative effort involving employees at all levels of the organisation?



How often are your prioritised risks reviewed for criticality?



69% of the companies surveyed reported that they were either “very effective” or “effective” in prioritising risks. However, the remainder said that their effectiveness in prioritising risks could be improved. Effectiveness in prioritising risks was ranked lowest in North America and South America.

Nexia member firms generally view effectiveness of risk prioritisation less favourably than their clients – 58% said that their clients are “partially effective” in prioritising risks.

Comment

It is not only important to maintain an active inventory of risks, but critical for enterprises to prioritise and review these risks continuously. Ranking risks on an ongoing basis helps management to deploy resources in a more effective and timely manner. This helps to mitigate high probability risk instances and enables the organisation to maximise stakeholder value. Management can then deploy its finite resources strategically, which helps the organisation in realising its objectives and successfully implementing its strategy. The senior executive responsible for the risk management process should review and approve the risk prioritisation exercise and seek to obtain necessary input from the board/business owners.

Key risks identified

The survey elicited information from client companies on the most significant risks to their businesses and their perception of how prepared they were in addressing those challenges.

The top five risk categories as indicated by the survey results were:

1. Operational
2. Compliance
3. Credit
4. Financial
5. Succession planning

Nearly 30% of respondents reported compliance as their number one risk.

Nexia member firms ranked financial, credit, liquidity and compliance risks as the most critical risks currently facing their clients, as well as highlighting IT/cyber risk.

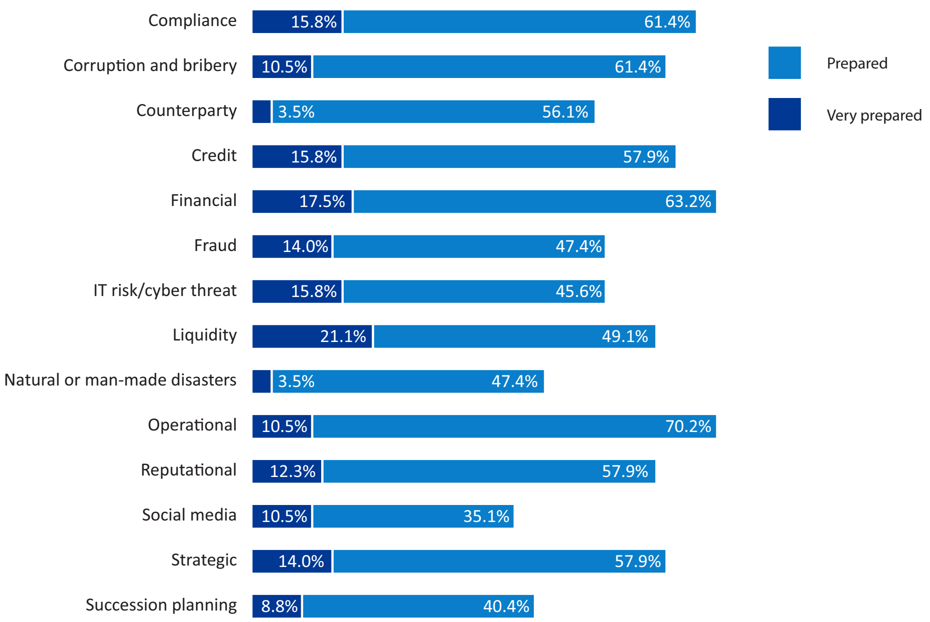
Overall preparedness in dealing with key risks

Overall, companies appear to be least prepared in dealing with social media risks, succession planning, IT risk/cyber threat, natural or man-made disasters and fraud. Larger companies in particular appear less prepared in managing risks associated with social media.

Nexia member firms' views on the degree of preparedness of their clients in addressing specific risks correlated very closely with those of their clients, with social media, succession planning and IT risks topping the rankings. Indeed 51% of Nexia firms believe that their clients are "not very prepared" for managing social media risks.

Member firm survey results indicate higher levels of preparedness for compliance, financial and operational risks.

How well prepared do you believe your business is in dealing with and mitigating the following types of risk (% of respondents rating themselves as "prepared"and "very prepared")



Dealing with emergencies and disasters

One third (33%) of companies reported that they were only partially prepared for dealing with emergencies and disasters, with nearly one in ten (9%) reporting that they were not very prepared.

However, the effect of recent disasters in the Asia Pacific region may have raised the level of awareness and preparedness of Asian companies, who ranked themselves as most prepared in dealing with disasters.

Natural or man-made disasters

Adopting a proactive approach to natural or man-made disasters is clearly good business practice. Having a well-thought-out emergency response and crisis management plan is the first step. It is equally important to formulate policies and procedures and to educate and train employees across the organisation on how to act in a collaborative and responsible manner if disaster strikes.

While the health and safety of employees and third parties is paramount, both during the time of disaster and immediately after, management should evaluate and implement plans so that business disruption is minimised.

Businesses that are resilient in the face of adversity are most likely to succeed in the longer term.

Succession planning

It is very important for businesses to formulate a sound and workable succession plan. Concomitant with business growth, businesses have to identify, nurture and develop their management pool. This process has to be ingrained into the system.

Leadership and managerial needs should be continually assessed by all businesses. These might include evaluating talent in the form of qualified and trained people and providing timely feedback, developing the right people to assume critical positions as they become available and having in place a well-defined and actionable plan that helps the organisation to consider its need for external talent.

Social media

The proliferation of social media and its influence over society and business, for example in sales and marketing, human resources and public relations, has brought about new challenges in the last few years that businesses need to address. Due to the inherent viral nature of social media that facilitates rapid replication, any breach of corporate policies or guidelines can cause enormous damage that can be difficult to erase or even rectify.

Organisations should create and implement policies and procedures that are consistently applied to all employees and across all geographies. Sound training and regular enforcement using technology tools and effective auditing methods can be effective in preventing untoward incidents. Organisations should also develop and implement a plan to monitor social media sentiment and be able to swiftly address negative commentary which could originate from either external and internal sources. These plans should include input from the board, senior management, legal counsel and the marketing department, wherever possible.

Global expansion

A number of respondents highlighted the additional risks involved in pursuing global expansion as a means of seeking competitive advantage. Growth in unknown markets requires careful planning and execution.

Doing business ethically and in compliance with local regulations are critical factors on the international stage. Understanding and overcoming cultural barriers are also key factors for long-term success.

Global expansion plans have to be reviewed constantly in the light of local, country-specific risks. As part of sound risk management, political risks, foreign currency risks, regulatory and compliance risks have to be closely monitored. Input from local management, counsel and auditors should be sought so that appropriate risk mitigation strategies can be formulated. Changes in local regulatory and compliance requirements should be factored into business decision making and planning.

Other insights

Since executive management is charged with the responsibility of successfully running the organisation and is accountable to the board and shareholders, executive compensation can also be a factor in managing risk. Boards should review and approve executive compensation as it may consist of variable components such as bonus or stock options that may influence decision making as well as risk taking and mitigation strategies.

Special attention should also be paid to the prevention and detection of fraud. Having a fraud risk management programme in place can assist in identifying fraud, help to plan what remedial action can be undertaken when fraud has been detected, and initiate measures to prevent recurrence.

Organisations should formulate a code of conduct to help manage risk, which should be understood by all employees. This should cover, among other things, matters such as bribery, corruption, and social media usage, as well as how the organisation will enforce the various provisions of the code.

The key risks identified and prioritised should be taken into consideration while formulating strategies for the organisation. Management should formulate risk mitigation strategies to counter and contain the various areas of risk mentioned above.

Businesses should institute sound internal controls and test them periodically to effectively prevent materialisation of risks. They should seek and obtain, as necessary, advice or help from internal or external professionals who are experts in the various facets of risk management. Throughout the process, management should communicate purposefully with the board/business owners and keep them engaged on issues affecting their organisation. For this purpose, management should devise a reporting system that will help track, monitor and report risk.

Risk management infrastructure and investment

The client respondents in the survey reported significant opportunities for leveraging their centralised risk management infrastructure across different functions, geographies and business units – with 43% rating their effectiveness in this regard as “partial” or lower.

Nexia member firms support this view, with 61% saying their clients are only partially effective in this aspect of risk management.

Investment in risk management

Nearly all client companies surveyed believed that their investment in risk management would either remain the same (48%) or increase (48%) over the next year. Larger companies in the survey were more likely to anticipate an increase in investment, with the strongest indication of an increase coming from companies in Asia.

Use of professional advisers

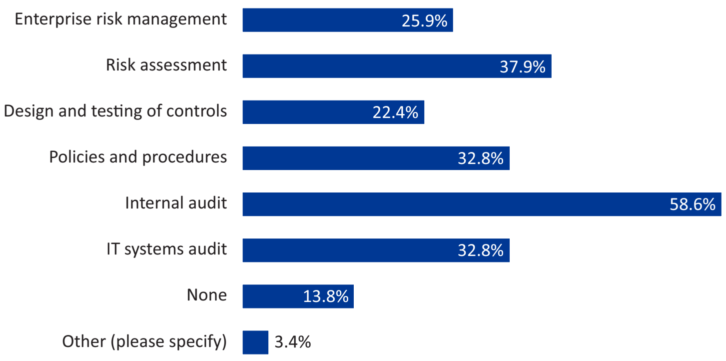
To supplement their in-house capabilities and knowledge of risk management practices, the companies surveyed indicated that they engage external professional service providers most often for internal audit (59%) and for risk assessment (38%).

Respondents also reported the engagement of external service providers for developing policies and procedures (33%), performing IT systems audit (33%) and assisting management with enterprise risk management initiatives (26%). The latter are most widely used by larger companies.

Only 22% mentioned that they engage service providers for design and testing of controls.

Use of advisers for risk assessments is highest among survey respondents in the Middle East.

Does your business currently engage professional advisers in the following areas of risk management?



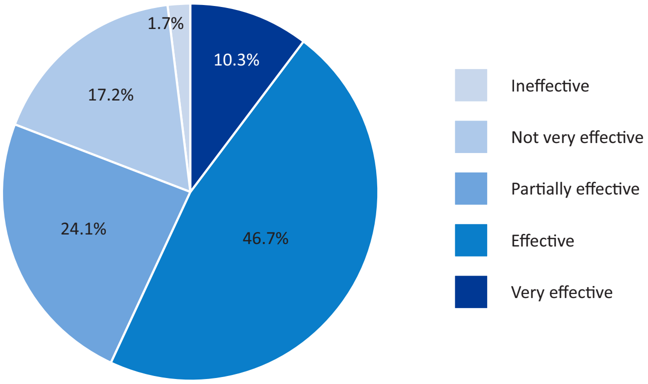
Embracing information technology (IT) in the risk management process

Risk management involves people, process and technology. Whilst 57% of businesses surveyed reported that they are effective in embracing IT in the risk management process, a surprising 19% reported that they were not effective in the use of IT and the remaining 24% of businesses reported that they were only partially effective.

Survey results show that 55% of Nexia member firms believe that client companies are only partially effective in their use of IT for risk management purposes.

North American companies appear to consider their use of IT to be relatively less effective compared to other regions.

How effective do you believe your business is in embracing information technology in the risk management process?



Comment

Effectively leveraging an existing or proposed risk management infrastructure to realise stated risk management objectives can be a significant challenge for many businesses. Considering IT as an enabler can help to manage relevant risks more effectively. As necessary, risk management information systems can be developed internally or off-the-shelf products can be obtained from third party vendors. These systems help to consolidate information from various sources and report and track the various aspects of the risk management process.

Additionally, promoting knowledge awareness on critical aspects of risk management within the organisation will help to enhance enterprise value in the long run.

Your risk management process – a checklist of questions to consider

1. How does the board, senior management or the individual responsible for risk management provide oversight over the risk assessment process?
2. Has management developed a plan for the risk management process? Does the plan outline the policies and procedures required? Has the plan been reviewed and approved by senior management and by the board/owners?
3. Does the board, senior management or the individual responsible for risk management understand the company's key risks and the process for identification and ranking of those risks?
4. Has management analysed those key risks and have they been appropriately factored into the setting of the company's strategic objectives?
5. How has management ensured that effective metrics are in place to monitor the identified risks and to evaluate company performance?
6. Does management reporting provide the board or senior management with the requisite information about risk management relating to key risks?
7. Is management proactive in identifying new risks that may be evolving? Does management continuously assess the potential impact of these new risks?
8. How well has management assessed and evaluated country/geography-specific risks while expanding operations? Has management sought and obtained input from local advisers on country-specific compliance and regulatory matters?
9. Does management have in place a carefully formulated fraud risk assessment programme and how effectively is it tested?
10. Does the company have an actionable business disaster recovery and business continuity plan?
11. Is there adequate oversight in determining executive compensation particularly when it has a high component of bonus which may influence risk-taking?
12. Does the company have a code of business conduct and ethics that is enforced? Does it include information relating to social media?

Glossary of key risk management terms

Controls – A process instituted by owners, management and other operating personnel to provide reasonable assurance regarding realisation of objectives relating to identified risks.

Impact – The outcome of an event that could be either positive or negative in relation to objectives.

Inherent risk – The risk to the company in the absence of actions and/or controls to alter the likelihood of risk occurring or its potential impact on core metrics and values as well as business objectives.

Internal controls – Methods instituted by the organisation to provide reasonable assurance regarding the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Likelihood – The possibility of occurrence of an event.

Metrics – Capturing and measuring the effectiveness of risk mitigation strategies.

Residual risk – The risk that remains after management has taken action to alter the likelihood or impact of the risk.

Risk – The combination of the probability of an event and its consequences.

Risk acceptance – Management does not take any action to alter the likelihood or impact of the risk.

Risk analysis – Developing the risk profile after identifying, reviewing and assessing risks.

Risk appetite – The overall amount of risk the organisation is willing to accept in the realisation of its objectives and mission.

Risk assessment – Identifying the risks, assessing them on an inherent and residual basis and evaluating the impact on the organisation.

Risk avoidance – Management avoids activities that give rise to risk.

Risk identification – Determining material risks that can impact the realisation of organisational objectives.

About the survey

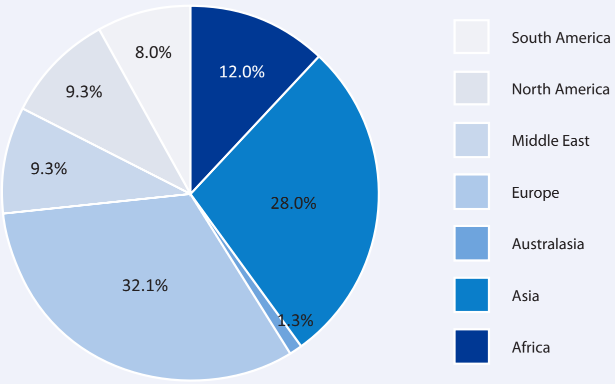
Nexia International's Global Risk Management Survey of business clients and member firms was conducted from April to June 2013. Respondents were senior employees of 73 companies across the world from a wide range of business sectors, together with 41 Nexia member firms.

The survey obtained information on current risk management practices adopted by survey respondents or clients of Nexia member firms. They were asked to identify the most significant risks to their businesses. In addition, participants elaborated on how well prepared their businesses were in dealing with and mitigating various types of risks.

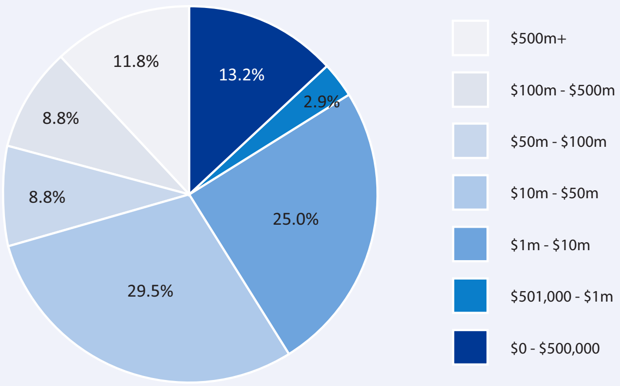
Company respondents were geographically well dispersed, with responses from Europe (32%), Asia (28%), Americas (17%), Africa (12%) and other regions (11%). Prominent business sectors from which responses were obtained included manufacturing (28%), financial services (18%) and the information, communication and technology sector (7%).

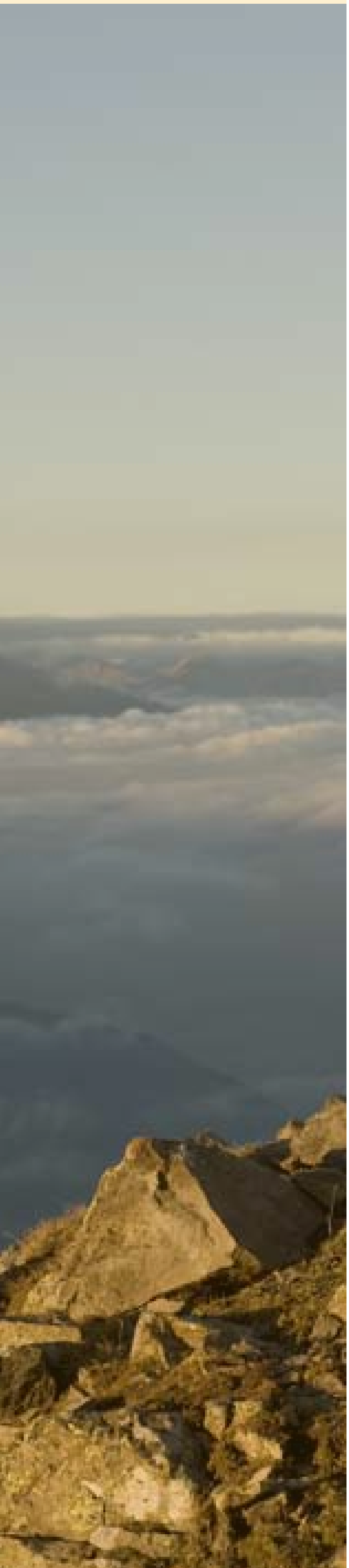
Approximately half of client company respondents were from private companies, around a quarter from public companies and the remainder from partnerships, limited liability partnerships and other business structures.

Regional breakdown of respondents



Annual turnover of respondents





Participating countries

We would like to thank all of the client companies, as well as Nexia member firms, that participated in the survey which formed the basis of this report.

The countries in which Nexia member firms or client companies completed the survey were:

Angola	Gibraltar	Slovakia
Argentina	Hungary	South Africa
Australia	India	Spain
Belgium	Ireland	Sweden
Brazil	Japan	Turkey
Cameroon	Mauritius	UAE
Canada	Mexico	UK
Channel Islands	The Netherlands	Ukraine
China	Panama	USA
Czech Republic	Portugal	
Ecuador	Puerto Rico	
France	Romania	
Germany	Singapore	

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