Disclosing material weaknesses in internal control over financial reporting is a difficult and stressful time for a public company. Regardless of whether the material weakness accompanies a restatement, the Company is publicly reporting that there is a reasonable possibility that its internal controls will neither detect nor prevent a material misstatement in its financial statements. The SEC has taken enforcement action against public companies for prolonged remediation and for having recurring material weaknesses over several years. As a result, management faces tremendous pressure to quickly remediate the material weakness and ensure it never reoccurs.

MorganFranklin Consulting is The Expert in Material Weakness Remediation.

- We are experienced professionals with an established track-record of helping companies quickly remediate material weaknesses and prevent recurrence.
- We have an in-depth understanding of US GAAP, business processes, IT systems, financial reporting risks, and internal controls.
- We assess, recommend, and operationalize the right remediation plan to address the root cause of the material weakness.
- We roll up our sleeves to deliver hands-on support to your team, including project management, training, documentation, communication, and coordination.
- We are unconstrained from independence rules—we are not auditors; we leverage this freedom to collaborate exceptionally well with our clients’ auditors.

**MorganFranklin Delivery Model**

1. Our clients’ priorities always stay top of mind
2. We ensure all stakeholders are successful in meeting engagement priorities
3. Every client deserves the same high-quality service

**THE RISING COSTS OF MATERIAL WEAKNESSES**

- Diminished market trust
- SEC enforcement action
- Higher audit fees (including after remediation)
- Higher likelihood of restatement
- Share price volatility
- Executive and staff turnover
Our Approach to Material Weakness Remediation

Material Weakness Remediation Case Study
A publicly traded Fortune 100 company in the aerospace and defense industry completed a multi-billion dollar acquisition and subsequently reported a material weakness due to several internal control deficiencies in critical business processes and information systems.

The Company’s Audit Committee identified material weakness remediation as mission critical and called on MorganFranklin’s Risk Advisory experts to help. Working on the ground alongside management, our team quickly developed an understanding of current state systems, business processes, and controls. We defined the root cause of the material weakness, co-developed a remediation plan with management, and communicated that plan to key stakeholders, including the external auditors and the Audit Committee. As the remediation plan was executed, we rolled up our sleeves and delivered hands-on support, project managing the remediation efforts, training management on new controls procedures, and liaising with the external auditors. Our approach focused not only on quickly remediating the material weakness, but also on operationalizing new processes, controls and documentation, to prevent this from happening again. The mission’s objective was met as the Company remediated the material weakness within the year, exceeding the Audit Committee's expectations.

About MorganFranklin Consulting
We are a management and technology consulting firm that works with leading businesses and government to address critical finance, technology, and business objectives. Organizations of all sizes turn to MorganFranklin Consulting because we bring experienced, engaged professionals who are highly energetic and motivated to work with our clients in challenging, high-stakes environments. We hit the ground running and achieve results through what we deliver, and in how we deliver it.

BUSINESS FACTS
Founded in 1998
Headquartered in the Washington, D.C., area
Offices also located in New York, Atlanta, San Francisco, and Los Angeles.
National presence and international reach

CONSULTING EXCELLENCE
Our professionals know that our success is truly tied to your success. We take ownership of our work.
Diverse full-time workforce comprised of industry, global consulting, Big Four, former military, and government professionals.

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