

IT AUDIT SERVICES

Are your IT systems putting your business at risk?



mazars

IDENTIFY THE RISKS

Technology is one of the most significant areas of investment for any business. As companies become increasingly dependent on complex systems to run every part of their operations, the less transparent those systems and the information they contain can appear to be. Such complexity, combined with the ever-increasing pace of IT system development and regulatory oversight, means that the management of IT systems and their associated risks is central to any organisation's growth or decline.

Having the appropriate processes and controls in place is critical to the availability and effectiveness of IT systems, data confidentiality and the integrity of management information.

To ensure that your technology and IT systems are fit for purpose, ask yourself the following questions:

Technica

- Q: Is your IT environment secure and reliable?
- Q: Is maintenance of your IT applications carried out regularly?
- Q: Is the use of your IT system adequately monitored?
- Q: Is the development of your systems closely scrutinised?

Data

- Q: Are you confident that your data is accurate and reliable?
- Q: Are you sure that any weaknesses within your internal controls have not been exploited for fraudulent or malicious purposes?
- Q: Are you confident that your data contains no significant errors or anomalies?

Operationa

- Q: Are IT governance, project management and systems control procedures robust enough to protect the business?
- Q: Does your IT department have efficient processes and procedures in place? Are all IT projects tested rigorously?
- Q: Are external IT suppliers proactively managed and monitored?
- Q: Is the level of integration of your IT system satisfactory?

Busines

- Q: Do your IT systems meet the strategic needs of your business?
- Q: Is your portfolio of IT projects aligned with the long term objectives of the business?
- Q: Are your IT costs strictly controlled?
- Q: Do you have a defined Disaster Recovery Plan to ensure business continuity?
- Q: Do your business applications support the growth of the business?

HOW MAZARS CAN HELP...

Our experienced IT auditors have developed two solutions specifically for small and medium-sized companies, recognising that the control environments in organisations like yours may differ from those of large and listed companies.

1. IT Systems Review

Our IT systems review offers a thorough, unbiased evaluation of your IT environment, enabling you to identify and understand weaknesses in your IT systems, particularly in the areas which pose the greatest risk:

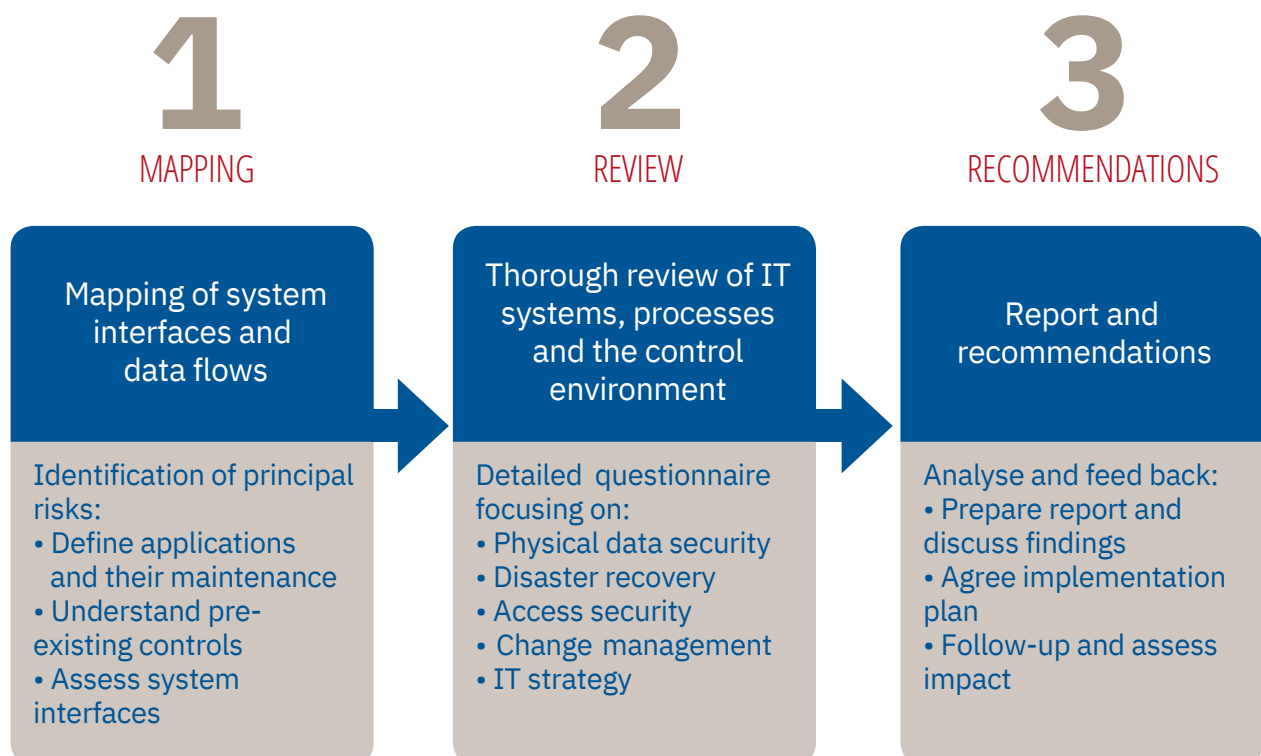
- Physical data security
- Disaster recovery
- Access security

In addition, our review may include an assessment of change management procedures, for example where new systems and projects are planned, and IT internal control strategy, to evaluate whether controls governing the IT department are appropriate to support your business' current and future needs.

Mazars' IT Systems Review can be undertaken in support of your annual financial audit, or as a separate and distinct project.

Mazars' teams work through a detailed methodology to formulate a set of practical recommendations. We will support your staff to implement the recommendations and, by working closely with our IT auditors, they will profit from an exchange of knowledge and expertise which will increase their appreciation of the potential IT risks to the business and enable them to manage similar issues in future.

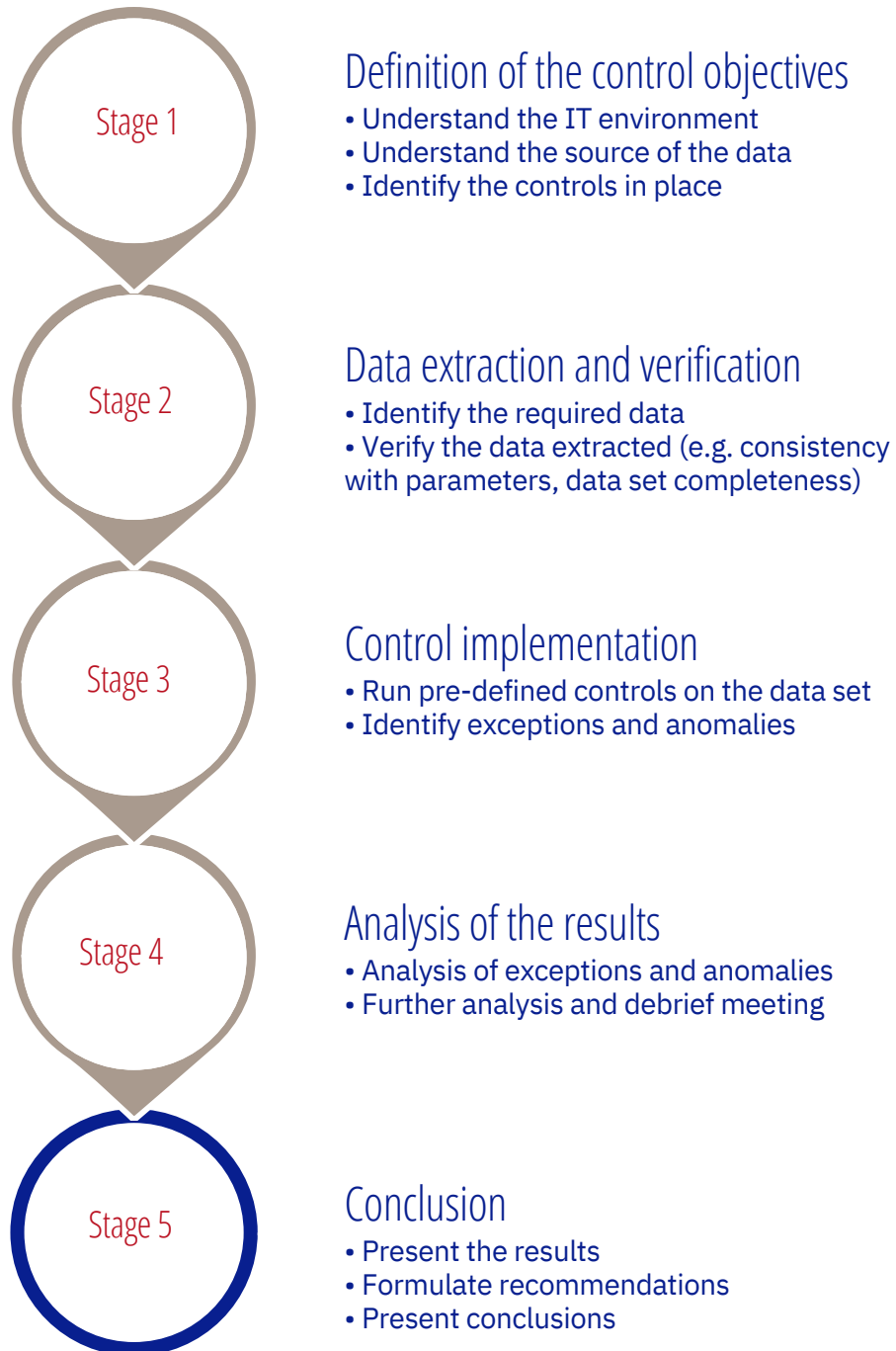
What we do



2. Data Analysis

Fraud is a real and growing threat to all businesses. It can take numerous guises and be extremely difficult to detect. Our data analysis experts can process large volumes of information quickly and efficiently to identify anomalies and patterns that could indicate fraud or error. Data analysis offers assurance that your internal controls are working effectively and protecting you against financial loss.

What we do



HOW WE ADD VALUE TO CLIENTS

By gaining a thorough understanding of their challenges and needs, we strive to provide our clients with genuine insights which will make a tangible difference to their business as the case studies below describe.

IT Systems Review

Our client:

We worked with a public sector organisation employing more than 2,000 staff. The client runs a data centre that is used by other public entities, including hospitals and local councils, thereby fulfilling a crucial role in the communications and IT capabilities of those organisations in the delivery of public services.

As part of the statutory audit process, our aim was to understand the client's exposure to IT risk and its potential impact on their financial statements.

The assignment:

We undertook a full review of the IT environment and an assessment of the organisation's applications and internal controls. Interviews were carried out with members of the IT department and key application users alongside an audit of the business critical IT issues: data centre security; disaster recovery; access security; IT strategy & internal controls and change management.

Outcome:

We identified that, despite the client's pivotal role in providing data services to other public sector organisations, no disaster recovery plan existed to ensure the continuity of services should a major incident occur.

Significant weaknesses were apparent in the enforcement and management of access to the ERP, which meant that security was vulnerable and could expose the organisation to malicious activity. To mitigate this risk, we carried out rigorous testing of the journal entry data. We also identified that a lack of segregation of duties in the creation and payment of suppliers, was leaving the organisation open to fraud and financial loss.

Having reported these concerns, Mazars' team worked with the client to develop and implement a disaster recovery plan and to put in place the necessary processes and controls to reduce all identified risks.

Data Analysis

Our client:

Our client is a distribution company with a number of retail outlets and a product range comprising more than 50,000 items. As their financial auditor, the client was looking to Mazars to implement a tailored audit approach, taking into account the large volume of sales transactions and stock management issues.

The assignment:

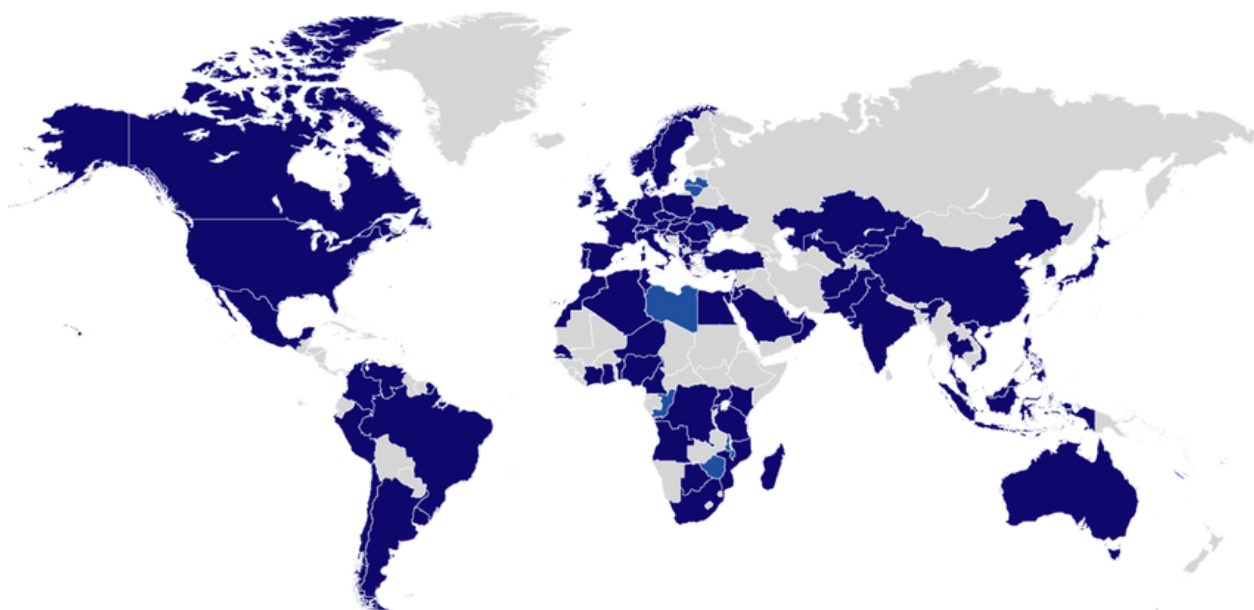
We carried out data analysis on the company's stock inventory and controls in order to identify negative stock, nil-value stock or double-counted stock items, and to verify line by line stock reconciliation and provisioning methods.

Outcome:

As a result of the data analysis, we identified a stock purchase with a value of €245K which had been omitted from the balance sheet and uncovered a significant number of negative stock items, demonstrating a lack of stock control. We also found that stock provisioning procedures were incorrectly applied. Using a number of targeted controls we were able to help the client strengthen their stock recognition and management control processes. We continue to work with them to improve their control environment.

ABOUT MAZARS

Mazars is an internationally integrated partnership, specialising in audit, accountancy, advisory, tax and legal services*. Operating in over 95 countries and territories around the world, we draw on the expertise of more than 47,00 professionals – 30,000+ in the Mazars integrated partnership and 17,000+ via the Mazars North America Alliance - to assist clients of all sizes at every stage in their development.



Please get in touch...

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