**Common Themes for 2017**

Working well:

* Increased reliance by PwC in ITD’s across IT teams
* Coordination with FCU business teams
* PwC coordination and availability for questions
* Usage of Archer in both SOX Solution and SOX Management modules
* Accelerated testing and roll forward procedures
* Increased utilization of India FC team

Areas for Improvement:

* Accelerate scoping process with FCU business teams
* PwC on site availability with FCU (most critical in Investments)
* Turnover in PwC teams resulted in some duplication of work
* Better turnaround in reliance work reviews
* Turnaround of information from AARM teams
* Turnover in India FC team impacting resource availability
* Improve coordination between onshore and offshore teams
* Resource constraints onshore
* SSAE18 procedures need to be tightened up

**Challenges for 2018:**

* Shortfall in resources in Corporate and TS areas
* Continued turnover in India FC team

**APAC**

|  |
| --- |
| * Limited process owner interaction * Remote walkthrough IFC team have limited visibility of other activities within SOX/non-SOX (planning/scoping, IT dependent controls plan/new onshore projects, etc.) * Uneven workload through multiple testing cycles * Last moment assignment to offshore team * Adhoc assignments - under taken by were absorbed by the offshore team * Delayed start to planned milestone (Impacting: Resource constraints) |
| Offshored team - manual intensive testing procedures |
| No visibility of impact of IT issues identified and modification of financial control testing approach |
| Client follow-up - delayed evidence  Time lines not honored for Archer evidence request list |
| Onshore review and lead to take accountability for delivery |

Risk for offshore:

* Loss of process knowledge and key business relations due to attrition and downsizing onshore
* Loss of talent
* Absence of process narratives in places where processes are not available and IT control environment
* Control understanding limited to individuals not process
* Lack of visibility of on-shore assignment
* Repetitive nature of assignments

**Investments**

PWC – Plus

* Always available to answer questions
* Good work paper reviews.

PWC - Improvements

* PWC needs to have face time in Wilton. Cannot perform effective communications and relationship building over the phone
* Coordination on Walkthroughs
* Coordination on PWC relying controls especially population, test steps
* For Junior or new staff auditors – PWC needs to make sure they are properly supervised and prepared. For example a senior audit was left to run meeting with SME and she was unprepared and way over their head.
* PWC needs to agree  on the testing – i.e whats in scope earlier up front – April – at the latest for Reliance. We have already started our testing
* Review of work papers were not being adhere

Team India - Plus

* Interested in getting involved with other area’s than ITG
* Very good technical staff at the manager level.
* Good responses on questions and completion deadlines for ITG’s
* Timely completion of work papers when give specific deadlines.
* Willing to put in the time and hours as required.

Team India - Improvements

* Coordination on templates and  work papers standards
* Need to follow –through on review notes and completion of work papers
* Team India should take responsibility for key ITGC Processes – this includes all QA.
* Coordination on QA process Team India needs to take responsibilities
* Have the on-shore team responsible for the management of assigned resources.
* Coordination on schedule/plan (holidays, leave, training, etc.)

ITGC - Plus

* Early Testing for ITG’s
* Well defined tests – which may need to be updated.

ITGC - Improvements

* Need to do a “dive” on some processes. That have been a lot of changes.
* Cross training and specialization
* Standardizing  more coordination with other groups (re. GUARDIUM, monitoring, user provisioning)
* Establish inter-dependency (user provisioning, recertification)

ITD – Plus

* Coordination on key interfaces/key reports with Finance team
* Excellent execution once we had all the data and understood the processes
* Rapid turn around  on questions / issues

ITD – Improvements

* Early Execution of know interfaces and key reports
* Better planning and timing of walkthroughs and identification of in scope ITD
* Correct control name and description
* Timely turn  around of PWC Review notes.
* Timely scheduling of the meeting

FCU BUSINESS TEAMS- improvements:

* Coordination of ITD’s Interfaces/Key Reports common across the teams (SOX IT & SOX Financial)

IT & AARM TEAM- improvements:

* Coordination to get access during 2018 to sources of information showing reliable real time inventory (including method, manual, system generated ) of IT Infrastructure artifacts. Such as Applications, Servers, Domains, third party providers (applications)
* Coordination with the below IT Teams for a better understanding of Infrastructure:
* IT Database Team (Corporate Systems)
* IT Server Team
* IT SecAdmin
* IT Governance
* Investments IT (Project NOVA)
* IT Technology Operations and Tools
* Coordination of meetings participation with IT, AARM TEAM & PwC for the 2018-meetings where PwC relying on AIG controls.
* Coordination with Project NOVA IT Team support during and post-implementation and focus on the ITGC-Design & Implementation

IT SOX TEAMS (Commercial/Financial) – improvements:

* Coordination of common areas across the teams (at least bi-monthly)

INTERNAL AUDIT/TRO- improvements

Coordination of common areas across the teams (at least Quarterly)

**L&R/SAP**

**Pros**

* Better communication with the FCU Business team
* Coordinating with PwC for the walkthroughs
* Accelerating the roll forward test period (RF started in September instead of October)
* Partnering with the Vendor Governance Group for some of our SSAE16 assessments.
* Use of our walkthrough template sped up the process (attached an example, sheet 1 is the main one that is filled out by the client prior to our walkthrough)



**Cons**

* Late application additions
* EUC identification process and ownership needs to be improved
* Some members feel the CDF creates extra work. All the information from the CDF is in Archer and we should only need to include the email approval.
* Inconsistent PwC approaches between the SAP and L&R team.
* PwC should try to review workpapers early so we can receive feedback in a timely manner.

EMEA

Please find below a list of the items that I wish to discuss in our upcoming meeting:

* **Continuous Contact with PwC:** A definite positive in 2017 was having continuous weekly calls with PwC across the year, this meant that all topics were brought up, discussed and solved promptly and they were always up to speed on our testing progress or any issues that may come up. I plan to continue to have these weekly meetings this year.
* **PwC Archer Access:** Another positive experience in 2017 was allowing PwC to have Citrix remote access to Archer, this meant that we did not have to upload any documents or links into ClientConnect, this has made the process smooth and seamless compared to 2016 for both FCU UK and PwC UK.
* **More Communication with FCU:** I believe there’s definitely more room for improving the communication/collaboration with FCU to ensure better alignment, I plan to engaged with FCU from the initial walkthroughs stages this year as I found in some cases FCU are not completely aware of the scope of our testing or what we cover exactly.
* **Open Issues:** A challenge in 2017 is the growing pressure from TRO and the EMEA CIO on the open issues that we have in EMEA, unfortunately in the region we have LUA issues that go back from 2015 these issues have been failing the remediation testing for years, it will be a priority this year to try and close these issues. Hopefully by introducing the new Sailpoint revocation process we’ll be able to remediate the LUA/recertification controls that have been ineffective for years.

**A More Efficient Testing Approach in 2018:** There are definitely areas that we can approach differently in 2018 which will make the testing more efficient/effective, for example grouping the user access/privileged access controls that follow the same IDM process into one regional control. These suggestions will of course be addressed in deta

**Corporate IT**

What went well in 2017:

**Clients:**

Overall, FCU’s relationship with IT Management continued to improve as evidenced by the following:

1. Understand controls and the purpose of the SOX reviews
2. Proactively came to FCU for opinions on changing processes and controls. For example:
   1. Ariba – Invited FCU to opine on IAM proposal to change the frequency of recertification
   2. Ariba – Asked FCU to opine on manual recertification process document
   3. Blueprint – Asked FCU to opine on changes to their configuration change process
3. Evidences were delivered before due in most cases. The only exception was HRIT.
4. FCU formally informed management when each phase of SOX testing ended, i.e. Walk through, Phase 1 Testing, the results of SOX testing, and the next steps and time frame.
5. IT Sox Solution worked well as a method of requesting and receiving documentation, except for HRIT.

**FCU Business Teams**:

1. SOX IT attended more of the Business Walk through meetings than in prior years. As a result, our understanding of the businesses increased and helped us understand the business and ITD controls in place.
2. First time IT SOX performed ELC testing.

**PWC**

1. We had a new IT manager this year. She had a good understanding of IT controls. I was very happy that she had read all of our narratives prior to the walkthrough meetings. She was able to understand our IT control environment and raised good questions during the WTs.
2. The Senior IT auditor had been with the team for 3 years. She has a good understanding of the IT control environment now which made working with her very easy. The new junior auditor was also pleasant to deal with. This was the smoothest year I’ve ever had with PWC.
3. PWC relied on all of our ITGC testing with the exception of privileged user monitoring. All documentation was uploaded to the PWC Connect system. Since this is our second year working with PWC Connect the process is more familiar to us and therefore easier to perform.

**ARRM**

1. A new ARRM team is in place. They are polite and professional and very cooperative. They provided us with assistance and helped us to complete our testing on time. Our relationship with AARM is one of partnership.

What we can look to improve in 2018

1. Hire an on-shore resource for 2018