



Driving Savings from Integrated IT

The Auditor's Point of View

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Driving Savings from Integrated IT

The Audit Point of View

- The core financial systems and IT General Controls are the bedrock
 - SDLC and PMO.
 - Lots of user (Finance) involvement.
 - Build the right controls via explicit risk assessment.
- Lack of Visible Evidence
 - Need to trust processing.
- Not so much transaction processing as reporting (filing) and disclosure concerns (risks and controls)
 - Rapid Reporting – ensure it is correct!, and available!
- Pandora and Cassandra

Driving Savings from Integrated IT

Pervasive Concerns

- SDLC Relevance
 - SOA, EUC, Open Source.
 - Timely, crystal clear 'owner' and user involvement, training.
 - The real savings come from doing it right first time!
 - Users are busy with many projects, and IFRS is NOW.
- Demarcation of assurance responsibility
 - End-user computing.
 - Get from an authorised site.
 - Caveat emptor?
 - SOX and 52-109 disclosure responsibilities.
 - Dispute handling – what legal rights to rely exist?

Specific Assurance Concerns - XBRL

- Preparers, users/readers of financial statements).
- Get the right data from source systems, manually or automatically.
- Ensure the right definitions are used, and keep being used.
- Real time/on demand provision of financial info.
- Exposing metadata to hackers (links).
- 3rd party information providers (regulators, commercial aggregators).
- XBRL enabled software
 - Certifications? Changes?
- Who controls timing of disclosure? Do recipients/custodians accept responsibility?

Driving Savings from Integrated IT Auditing XBRL

- Audit once, assure many times
 - Look for the common components.
- XBRL
 - Tagging complete, accurate.
 - Change control commensurate with report (value) generation (process and data change prevention and detection).
- Non-traditional assurance
 - Binding the audit report to the filed documents.
 - Financial Statements versus individual line items.
 - What is materiality, what is audit report on a line item?
 - Source of information
 - What is the chain? (authorship, storage, transmission, receipt, distribution [to the masses]) .
 - Who do you trust?
 - Digital Signatures (on data) and Trust seals (on websites)
 - Non-repudiation.

Specific Assurance Concerns - IFRS

- Year 0 comparatives – get going!
- IT systems
 - Financial statements.
 - General Ledger.
 - Business processes and functions, internal controls and affected management information.
 - New data requirements???
 - Interface changes.
- Conversion
 - Knowledge of GAAP and IFRS.
- Maintenance
- Disclosures
- Spreadsheets from hell

