ARBUTUS
Drive Your Analytics

SOX TESTING

Find out why many of the world's largest organizations rely on Arbutus Analytics and Continuous Monitoring Technology

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BUILDING VALUE IN OPERATIONS

Increasing Efficiencies,
Lowering Costs,
Expanding Risk Coverage

CHALLENGE

Sarbanes–Oxley or SOX, is a United States federal law enacted in 2002 that mandates new and expanded reporting requirements for all U.S publicly traded companies. The bill was designed to provide enhanced protection for investors by improving the accuracy and reliability of corporate disclosures made pursuant to the securities laws.

For many companies, maintaining the SOX function represents a substantial line-item cost (in the millions), not to mention the level of intense effort involved, and plus the ongoing struggle to find innovative testing strategies. Ultimately, however, many organizations still do not consider the SOX function as adding value to their business mostly because their view of SOX remain unchanged –a mundane and routine compliance exercise.

This Arbutus client has a total of 170+ SOX related controls of which 80%+ are key controls. There are 16 ITGC controls, 4 of which are almost entirely automated: Access to promo code, account provisioning, account terminations, and platform security baselines. Key controls, on average, require more than 5 hrs. of testing per control, plus design and walkthrough activities that require additional time - up to 5 hrs.

COMPANY PROFILE

One of the largest foodservice distributors in the USA with $20B+ in annual revenue. The Company provides approximately 400,000 fresh, frozen, and dry food stock-keeping units (SKUs), as well as non-food items, sourced from 4,000+ suppliers. It maintains 65+ primary operating facilities, consisting of its 50+ distribution centers and other supporting facilities. It also owns a fleet of 5,000+ trucks that supply over 200,000 customer locations across the nation.

SOLUTION

In order to build more value into its operations, the company knew it needed to find innovative practices and approaches to help optimize its processes. So, in 2013, they selected Arbutus to help conduct their IT SOX testing, in particular, testing of IT General Controls (ITGC) which normally represent a major area of SOX deficiencies. Using Arbutus Analyzer, they were able to have an expanded and more comprehensive risk coverage without increasing their budget, not to mention the time savings.

The IA team deployed 10 analytics automated via Arbutus Procedures/Scripts to conduct tests around IBM baseline, system access, terminations, user provisioning and key reports. A good example was the Oracle Security Baseline. Testing this control manually required 3-5 days as there were dozens of datasets that needed to be analyzed, combined, summarized, etc. The Arbutus script allowed them to complete in less than 5 minutes.

Also, the analytics were able to automatically pull in and join multiple data files from 15 major and disparate systems that were Mainframe and Windows based. This reduction of mundane, transactional work allowed the IA team to focus their attention on more strategic analysis.

RESULTS

The strategic innovation approach that this company took around its SOX IT execution allowed for more strategic use of its existing resources.

More specific benefits included:

- savings of at least 20% from a major budget item

- allowed for more strategic allocations of financial-control resources

- reduced stress and burden on in-house resources

- expanded and more comprehensive risk coverage without increasing budget.

All in all, the IA department was able to shave 20% off of budget for SOX work, decrease total controls that required testing, while placing more reliance on key and entity-level controls.

ARBUTUS ANALYTICS

Based on 25 years of innovation excellence, Arbutus delivers the very best in purpose-built audit analytics technology to meet the exacting demands of today's business environment. Auditors, business analysts, and fraud investigators rely on Arbutus to enhance their testing, analysis and compliance capabilities.

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