

Company Profile

Ernst & Young is one of the largest professional services firms in the world and a **Big 4** accountancy firm. It provides a range of services, including accounting and auditing, tax reporting and operations, tax advisory, business risk services, technology and security risk services, transaction advisory and human capital services. Its country practices also provide legal services in those parts of the world where permitted. EY is the auditor for a large number of major global corporations.

Project Objective

The objective of the project was to develop a web based application for Ernst & Young India which helps in implementing Clause 49 compliance requirements. Clause 49 is an Indian adaptation of SOX; requiring CEO- CFO to assume responsibility for Internal controls over financial reporting at their organizations. CEO/CFO is a subset Clause 49 of the listing agreement with Securities Exchange Board of India (SEBI).

The primary goal of the project was to help the organization develop processes and not simply meet the compliance requirements. The idea was to enable a positive change in corporate India. In India, the revised Clause 49 has proposed far reaching changes across the entire spectrum of governance activities. It was also envisaged that the application should enable the CEO/CFO to have a broader view of company's internal controls implementation status via graphical representations at a high level with the ability to drill down to lowest possible level.

Solution Provided

The CEO/CFO certification application was developed under the able guidance of Ernst & Young India. This application is based on an N level structure i.e. there can be any level of hierarchy in terms of Locations and Processes.

As per Clause 49, CEO/CFO certification is a quarterly process and a survey is conducted every quarter via the application provided to achieve the CEO/CFO certification. The application assess operating effectiveness of controls by testing controls (both IT & Process related) to reassure management and continuous assurance through controls self assessment.

The project was developed using the .NET technology framework specifically ASP.Net with C# and SQL Server. MS-Excel and OWC (Office Web Components) were also used to generate reports, graphs and charts.

Feature List

- Document organizational & control owner hierarchies
- Assess IT infrastructure requirements for the work-flow
- Agreement on self-assessments with control owners
- Data input via a user friendly administrator module (self-assessments/ control hierarchies etc)
- Map self-assessments to specific control owners
- The system ensures that all activities are done on quarterly basis
- All control objective responses are registered in the database by self-assessment
- Control will remain the same for a Location and Business cycle during the quarter
- Self assessment is conducted for a quarter and cannot be modified once the data has been submitted by the user for each section
- Hierarchical approval of survey results
- Configurable approval levels for Survey, Remediation and Design Certification
- Informative emailing system to update and remind the approvers and the control owners of any pending tasks

- High level graphical view for CEO/CFO to review the status of certification
- The ability to drilldown to the lowest possible level to verify results of any of the answered controls
- Reports in MS Excel for the management in innovative reporting formats to provide detailed information
- Reports can be generated offline and online

This application has been implemented and deployed at the following companies:

- Ranbaxy Laboratories Ltd.
- Nestle India Ltd.
- Polaris Software Lab Ltd.
- Tata Chemicals Ltd.

Result

The Controls Manager Application has helped the above mentioned companies achieve business success. They have automated, integrated and simplified the implementation process of CEO/CFO certification. The application has established processes to bring about significant changes in the controls environment. This application has helped these organizations develop processes not just to meet with these compliance requirements but also to enable a positive change.