



Internal Controls Review – Food & Beverage Retailer

Overview

PCC was retained by the CFO of a food and beverage retailer to assist management in responding to two basic requirements of the Sarbanes-Oxley Act: documenting entity-wide, business process, and general IT controls; and evaluating the operating effectiveness of these controls through testing. As a result of this work, PCC prepared recommendations for improvements to the Company's internal control structure.

Approach & Methodology

- Assisted management in the development of its initial risk assessment for fiscal year 2004 to assist in identifying financially material accounts and non-financial statement risk items
- Reviewed and updated the Company's risk assessment for fiscal year 2005
- Conducted on-site interviews of key personnel at Company's former office to gather information for documentation preparation
- In conjunction with management, developed documentation for entity-wide controls, business process controls, and general IT controls
- Managed project under pressure of mid-year company relocation and fourth quarter payroll conversion during year one of compliance
- For year two of compliance, reviewed the Company's business process flowcharts and supplemental narratives and provided suggestions for improved controls
- Worked with management to identify key entity-wide, business process, and general IT controls for year one and year two compliance
- Developed testing plans and performed testing of the Company's key controls
- Worked with management to identify and test compensating controls related to transactions processed by third parties who were unable to provide SAS 70 reports

Benefits

PCC successfully reviewed, documented, and tested internal controls to meet the goals, objectives, and time constraints of the client's Sarbanes-Oxley compliance project requirements for year one and year two.