



Internal Controls Review – Medical Supplies Manufacturer

Overview

PCC was retained by the Chief Financial Officer of a leading manufacturer of medical appliances and equipment to assist management in responding to two basic requirements of the Sarbanes-Oxley Act: document entity wide, business process, general IT, and application controls; and evaluate the operating effectiveness of these controls through testing. As a result of this work, PCC prepared recommendations for improvements to control structures.

Approach & Methodology

- Conducted a qualitative and quantitative risk assessment to assist in identifying financially material accounts and non-financial statement risk items
- Conducted anonymous employee surveys to obtain employees' perceptions of the entity-wide controls environment and summarized results for clients to integrate into final entity-wide controls documentation
- Conducted on-site interviews of key personnel at Company's corporate location, and two international locations (Spain and Japan)
- In conjunction with management, developed documentation of business process controls and general IT controls. Deliverables included:
 - ⇒ Detailed flowcharts of control processes
 - ⇒ Risk and control matrices to verify existence of expected controls
 - ⇒ Observation matrices identifying control weaknesses
- Assisted Company in completing significant documentation updates following the SEC's one year granted delay in compliance requirements
- Worked with client to address control weaknesses identified during documentation and testing phases, and assisted with remediation efforts
- Developed and executed test plans for business process cycles and general IT controls at the Company's Corporate and Japan locations to assess the design and effectiveness of the controls

Benefits

PCC reviewed, documented, and tested controls to meet the goals, objectives, and time constraints of the clients' Sarbanes-Oxley compliance program.