

Assurance Visit Programme

Don't Get Burnt!



Do you know where the fires or smouldering embers are that could burn your organisation's reputation, financial position or operational capability?

Assurance Visit Programme (AVP) Overview

The AVP is a programme of services designed to enhance the information underpinning an organisations control framework including governance, operations, technology and finance. The programme delivers an assessment of the maturity of key controls on which your organisation relies and provides the required assurance for the services that you are being provided with.

If you think that this sounds like another fad or an unnecessary overhead then read on and learn how pragmatic, independent assurance gained over your supplier's operations will give you confidence and a mechanism with which to improve their operations to help ensure that your organisation avoids being impacted as a result of potentially misplaced confidence in the confidentiality, integrity, availability and reliability of their underpinning controls.

Our programme covers: a compilation of third party risk registers, devising underpinning risk and control frameworks, assurance visits – ranging from high level "touch and feel" reviews to detailed due diligence activities, and independent skills and knowledge to supplement or transfer to existing assurance teams.

"Put your future in good hands – your own" **unknown**

Have you ever assessed the key controls of your suppliers or have you just taken their word, an internet search or the contract for granted? If you did undertake pre-contractual due diligence have you checked the suppliers control status lately? Do you know how many third party suppliers you have? What services they provide? and the nature of any risk they present to your company?

As a wise person once said – "Put your future in good hands – your own". Whether you offer or buy third party services our AVP offers you the opportunity to ensure that you can demonstrate that you have taken the right steps to gain assurance that you are not going to be burnt by an unknown issue which is already smouldering.



Given the requirements of the Data Protection Act 1998 (DPA), Payment Card Industry Data Security Standards (PCI-DSS), Sarbanes Oxley (SOX), increasing FSA interest in outsourced service providers and taking into consideration the proposed changes to the Data Protection regulation throughout Europe¹ it is becoming increasingly important that you are aware of what your suppliers do with your data, Intellectual Property, details of your staff, financial data etc.

Data Protection Officers, Chief Executives, Heads of Security, IT Managers etc. should fully understand their legal and regulatory responsibilities and obligations to the business for ensuring that these are strictly adhered to. An organisation is only as good as its weakest point and if your organisation only has a limited view of its suppliers,

¹ On 25th Jan 12 the European Commissioner highlighted proposed a new directive and regulation which will potentially impact legal liabilities of processors making it all the more important that data controllers know, where and how their data is or will be processed.

the quality of their key controls, relies solely on contractual arrangements or has no independent assurance as to the quality of the services being provided then you're running a significant risk of being burned by a fire that you won't know is burning.



Assurance Visit Programmes (AVP)

Our AVP provides you with a comprehensive report on the control environment within suppliers' operations. The AVP's are flexible and can be tailored up or down to accommodate the requirements of your organisation, shareholders, regulators, business sector etc.

The AVP's are designed to provide assurance; they are not audit programmes. They are focussed on supporting and gaining assurance from suppliers who have the potential to present an unacceptable level of risk to your organisation in the event of a control failure, for example, a breach of personal data, loss of service, security compromise or loss of credit card data.

Key Controls Review

By undertaking a review of the key controls you will be able to identify the level of risk exposure presented within the current controls environment, assess the acceptability and where necessary either resolve or work with the supplier to ensure that both your own services and those provided by the supplier are effectively remediated to reduce the level of risk to an acceptable level. If a satisfactory level of control cannot be achieved, the review will provide you with a strong business case for switching to an alternative service provider who has sufficiently robust controls or insisting that your existing supplier bring their controls up to the required standards.

A high level summary of the areas of control which can be covered by the AVP are:

- Governance.
- Contracts.

- Physical security.
- Logical security.
- Data privacy.
- Software.
- ITIL processes.
- Facilities management.
- Testing.
- Personnel and training.
- Business operations.
- Supplier relationships.
- Project management.
- Quality management.
- Risk management.
- Compliance.
- Control management.
- Data Centre Management.
- Payment Card Industry Data Security Standard (PCI-DSS).

Approach

Step 1

Initially we would work with you to understand your organisation and its supplier relationships. We would then identify, using pre-agreed parameters, those services which present the greatest risk to your organisation.

We individually tailor each AVP to meet the requirements of your organisation e.g. the areas of service which present the greatest risk. We produce a scoping document which will be published and agreed by all parties concerned.

Step 2

With your prior approval we would contact, liaise with and arrange the timeframe for the AVP to be conducted with the supplier. We work closely with all parties to ensure full understanding and support throughout the process.

We would provide you with weekly progress reports and communicate issues to you promptly..

In advance of the AVP we would issue a list of the key personnel we would need to see and a list of the documentation we would need to review. Ideally this documentation should be sent and reviewed in advance of the site visits.

Step 3

We review all documentation and undertake site visits to obtain sufficient information to gain adequate assurance of control effectiveness or determine where control deficiencies exist.

During the visit we remain actively engaged and where issues are identified which pose an immediate threat we raise them immediately.

Step 4

Following the site visit(s) we produce a report detailing our findings; the risks identified; an assessment of the likely level of risk exposure, and recommendations for remedial activity.

The report findings are discussed and a remedial action plan defined and agreed by all parties, prior to the final report being issued.

Step 5

If required we would manage and/or review the remedial activities and issue regular progress updates. If required we can be engaged to issue formal confirmation when all the identified actions are remediated.

Third Party Risk Registers

We can undertake a comprehensive supplier risk assessment and produce a spreadsheet for the ongoing logging and management of all third party supplier risks to your organisation.

Each supplier is risk assessed against defined risk criteria relevant to the nature of an organisation e.g. data privacy (some of the smaller third parties present the biggest risks), software development, compliance, information security, service continuity.

The framework provides a detailed information source for supplier data management and risk and can be used by the information security specialists, procurement, the data protection officer etc as an operational process for the active management of supplier risks.

Skills Transfer

During the course of the AVP we can work in collaboration with your in-house personnel to exchange knowledge and transfer skills so that the AVP can be carried out at a later date utilising in-house resource. As well as our staff we also provide you with the intellectual property (IP) used during the AVP.

Additionally we can come to your organisation and provide training and guidance on how to perform any element of the AVP to your in-house personnel. This is customised to your requirements e.g. workshops, classroom training, master-classes etc.



Compliance

Depending on the nature of your business and the sector in which you operate you are likely to be subject to wide ranging rules and regulations; and you will have seen the impact on those organisations that have breached these controls.

Just because it's the larger organisations that make the news it does not mean that the smaller organisations are immune from fines, censure, closure or failure as a result of non-compliance; whether the offence be committed by your organisation or a third party providing a service for your organisation.

The AVP is specifically designed to encompass the compliance controls for the sector(s) under review to obtain a clear indication of whether the organisation is exposed to more non-compliance than was previously thought.

The reputational, financial and legal impacts of non-compliance for organisations can cause irreparable damage.

The Benefits:

To you:

- Peace of mind by extinguishing or knowing where the fires are!
- Evidence of proactive control awareness to Shareholders/Board/Senior Executives/Regulators.
- Independent review.
- "Snapshot" of the controls in operation within your suppliers; it is recommended that this process is repeated regularly for key suppliers for example annually for suppliers of critical services.
- Regulatory compliance assurance.
- Increased assurance of reputational integrity.
- Improved oversight of supplier relationships.
- Pre-empting internal or external audit findings.
- More informed decision making on suppliers.



Our Experience

Working with our clients, often at the heart of their critical business initiatives, the success of each engagement is built on our strong service values:

- We deliver solutions, defining and agreeing the outcome you require and charging the price which achieves that end, so that you will always understand the cost and benefit of our services.
- We focus on achieving return on investment; we measure our success on the value you realise. This means solutions delivered to your specific needs and not someone else's template.
- We bring expertise and experience to every engagement. Every consultant in our team has a record of successful delivery in their field of expertise. Kingston Smith Consulting operate an experienced model and all our consultants have a minimum of 10 years experience working in their chosen sector and each combines experience in a line role in industry with their career as a consultant.
- We build capability in our clients, through training, coaching and mentoring, through open access to our methodologies and intellectual property; on every engagement we aim to move our clients closer to self-sufficiency.

Contact us

If you have further queries, please do not hesitate to contact Mark Child for more information.

Tel: +44 (0)20 7566 3731
Fax: +44 (0)20 7689 2475
Mobile: +44 (0)7515 107005
Email: mchild@kscllp.co.uk

To the Supplier:

- Increased assurance of reputational integrity.
- Improved relationships with purchasers.
- Evidence for regulators and reviewing bodies.
- Supporting documentation providing clients with assurance over key management controls.
- Increased likelihood of continued contractual engagement.
- Placement on organisation's preferred supplier list.
- Independent evidence for regulators and reviewing bodies.
- Cost reduction through service improvements.
- Opportunity for an increase in income and customer base.

About Kingston Smith Consulting LLP

Kingston Smith Consulting is the specialist consulting practice of the top 20 accountancy firm Kingston Smith LLP.

Kingston Smith was originally formed in 1923 and the firm has grown to its current position through organic growth and mergers. Kingston Smith is a member of KS International which is an association of independent accounting firms in over 50 countries around the world.

Kingston Smith Consulting LLP

Devonshire House, 60 Goswell Road, London EC1M 7AD, UK Telephone +44 (0)20 7566 3732 Fax +44 (0)20 7566 4010
info@kscllp.co.uk www.kscllp.co.uk

A list of partners is available for inspection at the above address.

Registered in England and Wales as a Limited Liability Partnership: No OC341786 Registered office: Devonshire House, 60 Goswell Road, London EC1M 7AD