



IT General Controls – Heightened relevance



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Introduction

Any system that has increasing and deeper usage, must have effective controls. This fundamental principle of governance applies in full measure to Information Technology (IT) based systems which now permeate every area of economic activity. Every entity type – corporate or other business entity, its vendors, customers and service providers in an e-enabled ecosystem, businesses of such vendor, customer and service provider and their own counter-parties – must be cognisant of the need for strong and effective IT General Controls (ITGC).

Besides being an aspect of prudent management, governance and audit responsibilities impose specific obligations on corporate management and auditors. These requirements arise from specific statutory obligations in each country - corporate law, securities exchange, reporting oversight bodies, sectoral regulators (e.g. banking and insurance), and from evolving audit standards and professional regulations. Data privacy laws and confidentiality agreements create obligations which are impacted by ITGC aspects.

The last year has significantly increased pressure on effective ITGC set-up, monitoring and testing. A deepened IT operating environment for all business activities (including newer areas which adapted 'on the go'), extensive WFH and remote operations using existing and newly created IT frameworks have materially added to the risks of diluted ITGC. Managements and auditors must be conscious of these risks and plan effective evaluation responses while discharging their respective duties.

What is ITGC

ITGC are controls that apply to all systems, components, processes, and data for an organisation and its IT environment. The objectives of ITGC are to ensure proper development and implementation of applications and software, and the integrity of programs, data (generation, access and handling), and computer operations.

From management and audit standpoint, ITGC gives assurance that the IT system produces accurate and reliable results. ITGC are also critical in minimising or avoiding risk of fraud and misreporting.

ITGC should be clearly distinguished from IT Application Controls which predominantly focus on the controls inbuilt into any application, such as input controls, limit checks, validation and integrity checks.

Key ITGC

Well-designed set of ITGC must cover the policies and effective supervision of the following key tasks

- User Access Management
- Program Development and Implementation
- Patch Management
- Incident Management
- Off-site Storage
- Disaster Recovery and BCP
- Change Management
- Software Selection, Implementation and Use
- IT Security
- Physical & Environmental Controls
- Back-up Management

Crowe India Advantage

We assist organisations in designing ITGC frameworks, providing oversight & operating effectiveness assurance through co-sourcing and outsourcing of ITGC review and audits. Our core team members, comprising accountants and technical specialists, each have over 10 years' professional experience across diverse clients and complex situations. Local and cross-border assignments are successfully completed through remote access.

About Us

Crowe Advisory Services (India) LLP (CAS) provides a wide range of advisory services comprising:

- Corporate finance advisory
- Risk Consulting
- Tax Advisory and Compliance
- Digital Security
- Data Sciences
- Business Process Outsourcing

CAS has offices in 8 cities in India; Crowe India (including the network accounting firms) has 36 Directors / Partners and over 1,800 staff.

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