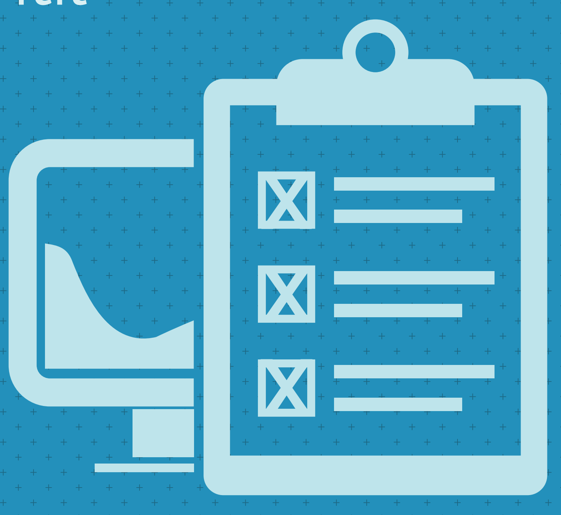
Survive an Impending Audit

Razor thin margin for error, high stakes.

Impending audits intimidate CIOs and business executives – and for good reason.

A failed audit can result in punitive fines and injunctions that disrupt continuing operations until violations are resolved. These highly visible failures are best prevented through auditor-enterprise collaboration and pragmatic audit management.



OVER **30%** OF COMPLIANCE EXECUTIVES DO NOT MEASURE THE EFFECTIVENESS OF THEIR COMPLIANCE PROGRAMS.

Source: "In Focus Compliance Trends Survey 2013." Deloitte and Compliance Week. 2013.

66% OF IT SECURITY EXECUTIVES STATED THAT AUDIT, COMPLIANCE, AND ENFORCEMENT ACTIVITIES ARE INCREASING.

63% SAY NEW PRIVACY AND DATA PROTECTION REGULATORY REQUIREMENTS ARE AFFECTING THEIR ORGANIZATIONS.

SOURCE: PONEMON INSTITUTE. "FUTURE STATE OF IT SECURITY." FEBRUARY 2012.

A FAILED AUDIT PUTS YOUR ORGANIZATION AT RISK OF:

Punitive Fines: If your organization is being audited by a legal regulator, non-compliance can result in fines. Severe non-compliance can cost millions of dollars.

Punitive Injunctions: Take credit card payments? Not anymore. Failing to comply with PCI can result in the revocation of credit card processing capability, costing your organization millions of dollars in lost revenue.

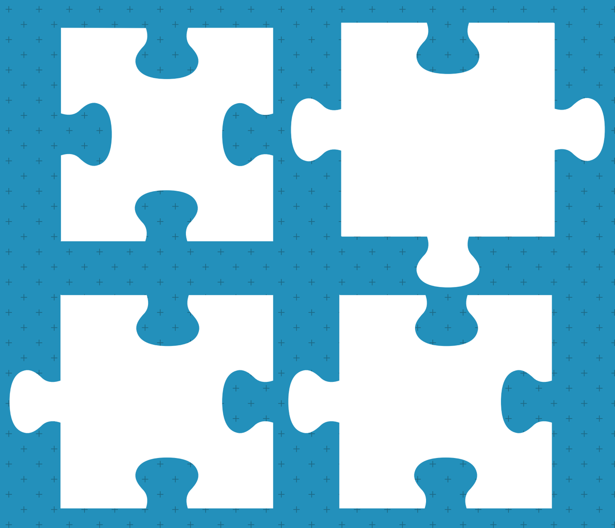
Poor Perception of IT: Unless non-compliance has been previously disclosed to the business, IT (and often the CIO) will be deemed responsible for failure to comply. People can lose their jobs.

Exposure to Personal Liability: A system breach will leave you vulnerable to loss of goodwill, civil negligence litigation, or even criminal suits that could result in jail time.

Mandated Changes: Changes driven by an adverse audit opinion often cannot be deferred. Mandated process changes and IT system enhancements can be disruptive to your daily operations and expensive.

Shift the audit paradigm: auditors need to be enabled, not resisted.

Auditors provide a value-added service that you are paying for. Establishing an effective relationship and enabling the audit team can ensure you get value from the engagement. However, you must also be vigilant in mitigating the risk of damaging findings.



26% OF FINANCIAL EXECUTIVES SAID MANAGING EXTERNAL AUDITORS WAS THE MOST CHALLENGING ASPECT OF MANAGING REGULATORY CHANGE; THE TOP RATED OPTION.

Source: "Robert Half Financial Services Global Report: Navigating Change in an Evolving Regulatory Landscape." 2013.

STEPS

1 Make the case

Getting audited means the stakes are high. If you want to survive, take the necessary steps to mitigate risk.

2 Prepare staff and management

Proper audit preparation is the key to survival. Make sure your team knows where to be and what to do.

3 Conduct the audit

The auditor is a friend, not a predator. Your auditor's personality type will dictate what motivates them and how to collaborate with them throughout the audit.

4 Manage post-audit activities

Use your experience to improve survivability. Come to a consensus on which findings truly necessitate organizational change, then use auditor findings as rationale for remediation.