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Controls optimisation and controls assessment

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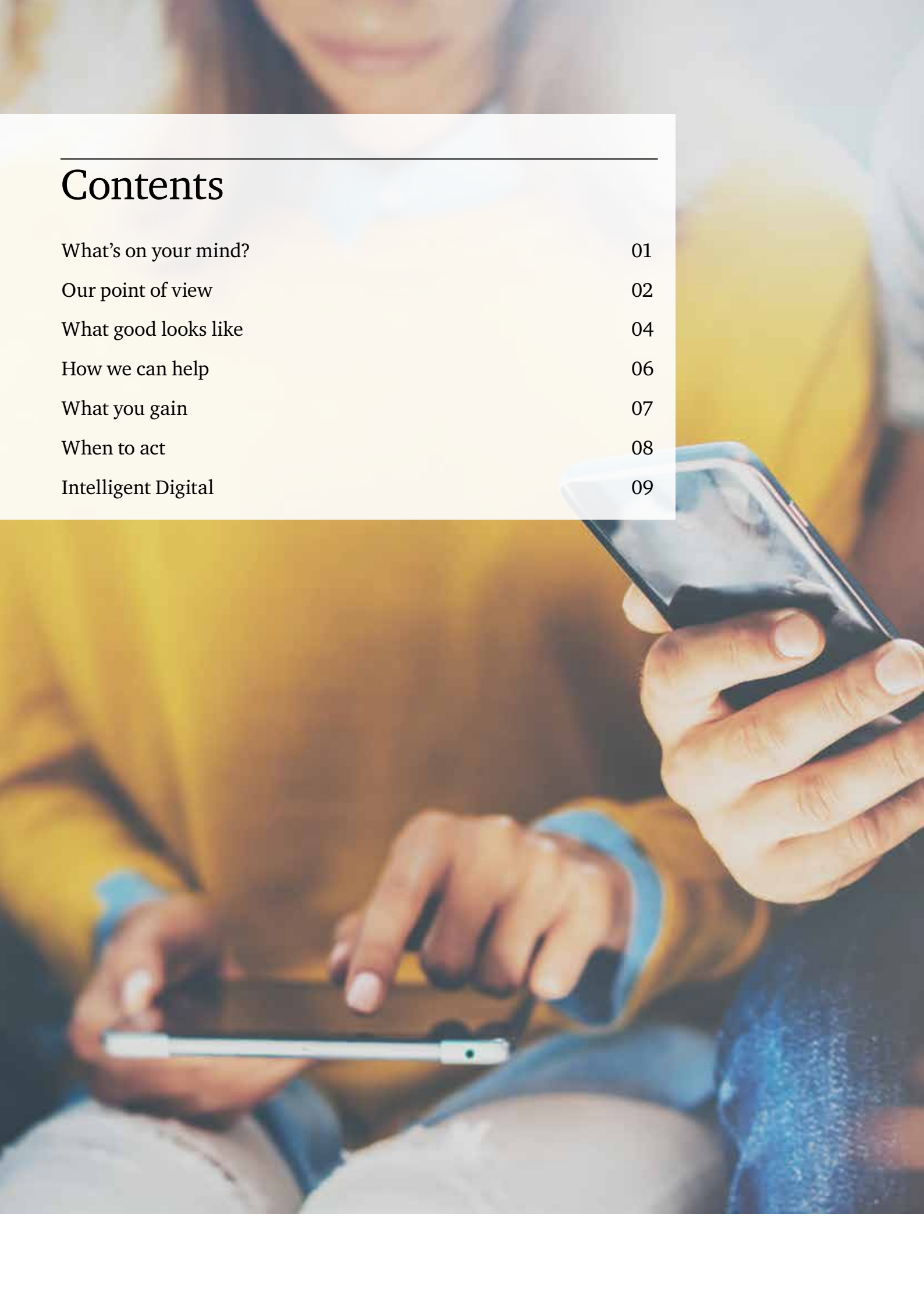
What's on your mind?

Many businesses understand the need to optimise their internal processes and controls to enhance efficiency and manage risk. At the same time, business leaders, key stakeholders and the wider public must have confidence that this process is being executed effectively.

Failure to assess and optimise business controls can have far-reaching impact on overall levels of performance, resulting in weaker financial results. It is also essential that visibility be maintained into how businesses are managing key risk categories, e.g. financial reporting, anti-bribery and corruption, operational, commercial, compliance risk, etc.

To ensure confidence in the control environment, management must have visibility into, and understanding of, the effectiveness of the existing control processes within a business. Ensuring the robustness of these controls is integral to the delivery of sustained success.

The consequences of a weak control environment can be problematic for any business, with challenges ranging from an increased exposure to risk from a lack of regulatory compliance through to financial implications in the form of heavy fines or other sanctions. Public trust in a business can also be easily eroded when organisations are seen to have failed to mitigate foreseeable risks as a result of poor control procedures.

Without an in-depth understanding of the control framework, there can be no optimisation. Below are some of the common concerns we hear about from clients when it comes to effectively managing their internal processes and controls:

"Our key challenge is reducing costs whilst staying appropriately controlled and maintaining our license to operate."

"We need our controls to continue to work despite changes in our people and products and we need to know if they stop working."

"Processes and controls across our business are too siloed and the controls are not performed in a consistent way given the variety of our systems and processes."

"We don't see the end-to-end process or who's next in the process, our shared service centre is a black box."

"The business has grown so much I can't touch the sides any more and we want to avoid any unpleasant surprises."

Our point of view

PwC believes that an efficient and robust business control environment, which is sustainable through business change, is the foundation needed to achieve organisational objectives.

An examination of front-to-back processes gives enhanced clarity into corporate structure. This provides the opportunity for organisations to further benefit from existing infrastructure alongside opportunities for standardisation and efficiency improvements. Making informed decisions based on evidential analysis is at the heart of this process.

The implementation of control activities based on these findings, which are designed to an appropriate level of precision to mitigate identified risks, will ensure competitive advantage and compliant activities are maintained for the long-term. In addition, an active and dynamic review process helps to ensure the control framework remains relevant to its goals.

What good looks like

Together with PwC, our clients can secure
tangible benefits that drive greater productivity,
improved efficiency and give peace of mind that
control frameworks are in a healthy state.
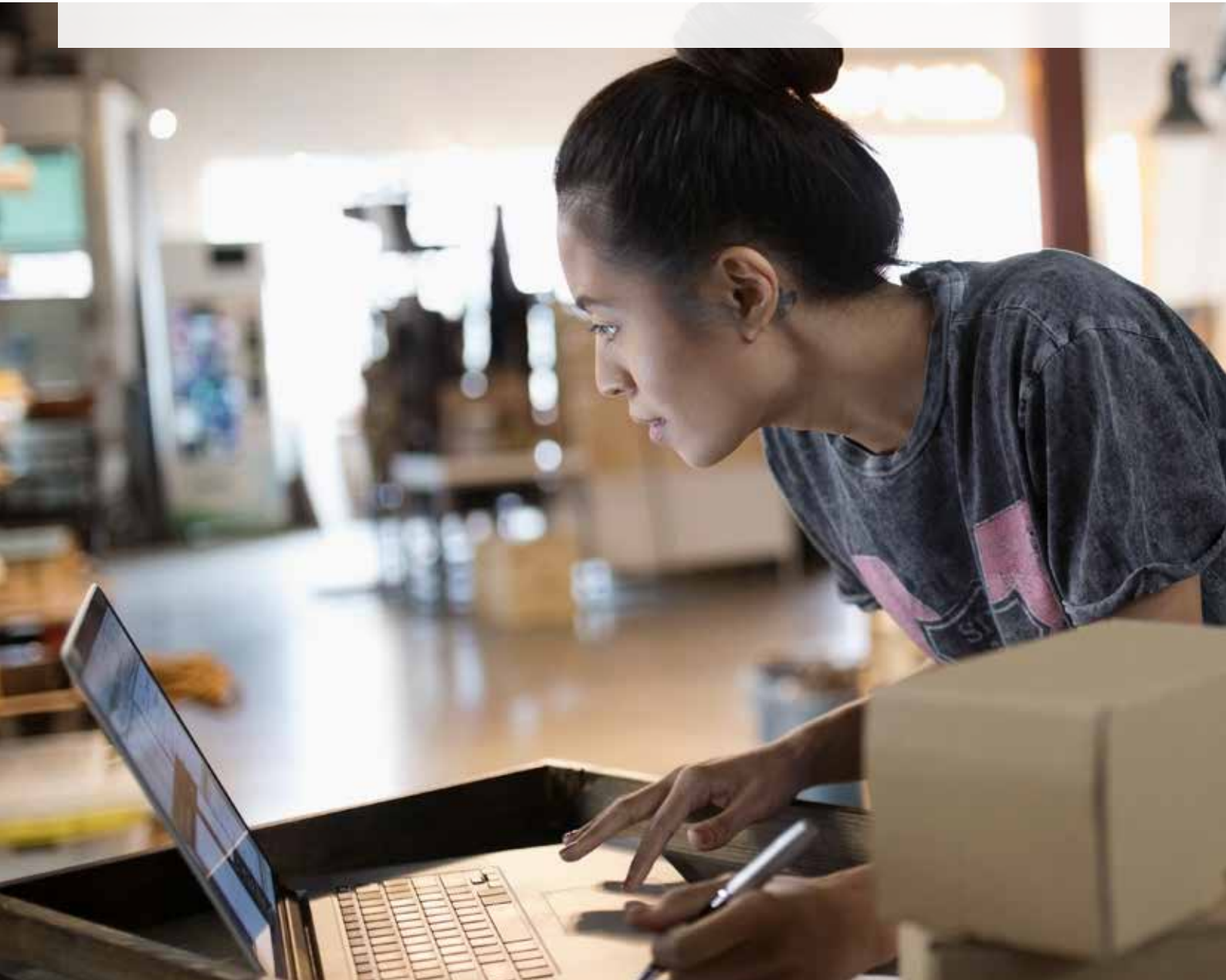
Some of the reasons our services prove so useful to clients include:

Workable methodologies that drive practical solutions

We are able to provide an in-depth analysis of your current control environment, the flow of data within your business and the controls needed to ensure all activities are carried out in line with industry best practice and regulatory requirements.

The tools at our disposal include: comprehensive data analytics, real-time information gathering, development of clear risk management frameworks, and automation opportunity identification.

Striking the right balance between controls and efficiency

Increasing regulatory oversight and the complex nature of business decision-making means organisations must operate appropriate controls concerning all aspects of relevant 'controllable' business risks. However, when it comes to ensuring high levels of productivity and efficiency whilst managing risk, these two conflicting demands can prove to be stifling.

As a result, we aim to ensure our advice factors in these contending points of view. We help to create a control environment that not only limits exposure to risk, but also facilitates enhanced business performance through cost-effective and efficient delivery.

Trusted business partnership growing stronger over time

PwC are your partners for the long-term. We offer regular contact so businesses can come to us whenever they require support; not just in the area of controls assessment and optimisation, but across a wide range of risk assurance disciplines.

We have a strong global presence, so can easily mobilise our teams to support you with knowledge of local regulations and requirements. We always ensure our services are tailored to meet your current and future needs.

Strong track record of success

At PwC, we have considerable experience of working alongside clients to deliver successful programmes of controls assessment and optimisation. Some standout examples of our positive results include:

- Helping to test the robustness of sustainability controls around rogue trader risk for a global bank, identifying specific processes that had a high risk of change and failure.

- Following a controls maturity assessment, we designed and implemented a controls framework for a listed manufacturing business that supported a central view of the company's controls compliance and gaps across 17 territories.

- Supporting a FTSE 100 multinational biopharmaceutical company that was able to secure global consistency in its control environment. Insights from the programme led to further standardisation, increased automation and rationalisation of controls.

How we can help

At PwC, we offer a range of services designed to meet the needs of our clients in the area of controls assessment and optimisation.

Our services include:

Clear articulation of existing processes
Real-time information gathering and a clear understanding of the current control framework and flow of information helps our clients to define areas of excellence and gaps in compliance and risk mitigation, which can then be fixed.

Assess and confirm compliance is within risk appetite
We speak with business leaders and individual departments/teams to outline the appetite for risk in relation to corporate activities. This information then allows a tailoring of active processes and controls to maximise performance in line with business' goals.

Get the best out of staff through knowledge transfer and training
PwC will assist your people in understanding your policies, procedures and controls. We align individual roles and responsibilities with corporate goals through knowledge transfer and training, helping to embed changes in your business and support new ways of working.

Evaluate quality of information and how it flows through your business
We help to evaluate and improve the processes and systems used to obtain or generate information within your business. We are then able to evaluate its relevance and reliability to support improved decision-making, as well as ensuring core information is used properly to enhance governance and the internal control function.

Facilitate change through aligned corporate structures, people, processes, systems and data
Developing controls and compliance procedures that align to your corporate identity and goals helps drive enhanced performance. This is achieved through assessing endemic cultural behaviours, data, automation and information relevance/quality, as well as implementing suitable governance practices to deliver improved efficiency and peace of mind.

We also ensure that all activities are undertaken in a sensitive and thoughtful manner, actively working alongside key staff members and stakeholders to deliver a service that is mindful of intrusiveness and does not impact sensitive relationships.

What you gain
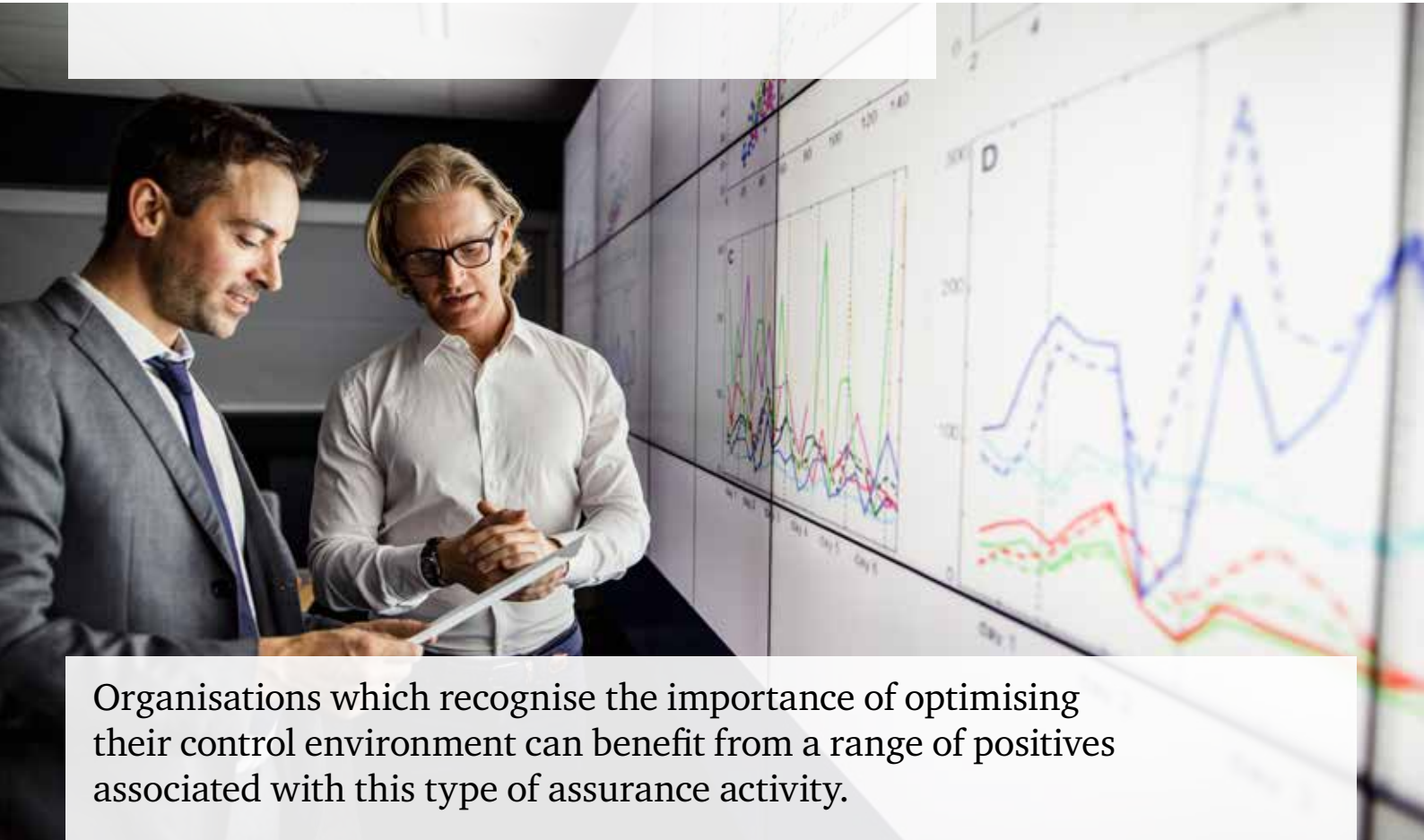
Organisations which recognise the importance of optimising their control environment can benefit from a range of positives associated with this type of assurance activity.

At PwC, we've seen how our partners are able to:

- Ensure management understand their processes and identify areas for improvement
- Assess and confirm that compliance with regulations is within risk appetite
- Give management the confidence they require in the effectiveness of their control environment
- Ensure all implemented processes and controls are sustainable and fit-for-purpose

We also pride ourselves on creating strong and lasting relationships that develop over time, as the needs of our clients evolve in line with their changing goals and the shifting corporate landscape.

When to act

Knowing when to seek support in controls assessment and optimisation is also important, so here are some of the common actions and triggers that lead clients to ask for our help:

Your business is experiencing significant growth and/or you've made significant acquisitions
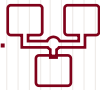
Your business has been through an internal restructure

You are considering a possible listing or trade sale in the next 24 months

Regulatory changes are forcing you to re-think your compliance processes

Your risk appetite or risk environment has changed significantly

You discover fraud has taken place in your business

Your businesses processes seem inefficient or controls seem ineffective

Your peers are able to obtain performance data (including their month end figures) faster than you

Informed executive decision-making is impaired due to a lack of timely, reliable information

Intelligent Digital

At PwC, we are harnessing the power of Intelligent Digital, helping our clients to rethink their futures and reshape their own world. We are using business understanding, innovation in technology and human insight to help solve important problems, meet human needs and make a difference to society.

Growing regulatory oversight and the need to keep pace with a changing legislative landscape means working to implement the strongest processes and controls to manage your organisation's compliance risk. As a result, investing in the latest technologies and innovations to streamline this process is essential.

At PwC, our Intelligent Digital mindset means we support our clients in the use of the newest practices and tools to do just that. We evaluate the quality of data within your organisation and how it flows around your business to enhance reliability and better ensure a stronger controls framework that is optimised to meet your needs.

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#IntelligentDigital

Get in touch

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