Company Information Management (CIM)
Audit Report
Report # 2/15
March 11, 2015

Distribution:

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Introduction

In accordance with our 2014 Audit Plan, EDC Internal Audit performed an audit of the Company Information Management (CIM) project. The first releases of CIM have been foundational, focused on the institutionalization of company data governance at EDC and the implementation of an IT infrastructure to support company data governance. The institutionalization of company data governance has included the establishment of a data governance office (DGO), a centralized CIM team that sets the control standards, processes, and tools for maintaining and monitoring the integrity of company data, and a network of business stewards across EDC responsible for ensuring the on-going integrity of company data. An application called Universal Company Master (UCM) has been implemented to enable company data governance and will also enable the decommissioning of the Company Index (CI). Company data is currently limited to company name and company headquarter address. The intention is to extend company data governance beyond these two data elements through future releases of UCM and the related projects.

Audit Objectives & Scope

The objective of the audit was to evaluate the controls in place to maintain the integrity of company name and address. Specifically, this included an evaluation of the preventative controls that limit the number of users that can add/change/delete company data and segregate the ability to initiate, approve and record an addition, change or deletion. We also reviewed the monitoring or detective controls in place to identify and follow up on potential data quality exceptions such as duplicate records.

Internal Audit Opinion

In our opinion, *"Opportunities Exist to Improve Controls[1]"* surrounding company data. Sound control standards have been implemented with respect to the deletion of company records. However until CI is decommissioned, it is not feasible to implement preventative control standards for new additions or changes to existing records. During this interim period, reliance is on the Business Stewards to execute detective controls to identify and follow up on data quality exceptions on a timely basis. Business Stewards have been nominated, their roles and responsibilities have been defined, and tools commensurate with these roles and responsibilities have been designed. However, a company data governance policy has not yet been issued which would formalize roles and responsibilities, control standards, and convey both as a corporate priority. In the absence of this policy, most of the effort for maintaining the integrity of company data is falling to the CIM team. The CIM team has appropriately triaged their efforts to their capacity, however it is not scalable. In addition, although the configuration of

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[1] Our standard audit opinions are as follows:
- **Strong Controls**: Key controls are effectively designed and operating as intended. Best in class internal controls exist. Objectives of the audited process are most likely to be achieved.
- **Well Controlled**: Key controls are effectively designed and operating as intended. Objectives of the audited process are likely to be achieved.
- **Opportunities Exist to Improve Controls**: One or more key controls do not exist, are not designed properly or are not operating as intended. Objectives of the process may not be achieved. The financial and/or reputation impact to the audited process is more than inconsequential. Timely action is required.
- **Not Controlled**: Multiple key controls do not exist, are not designed properly or are not operating as intended. Objectives of the process are unlikely to be achieved. The financial and/or reputation impact to the audited process is material. Action must follow immediately.

UCM includes a sound control to identify potential duplicates, a transaction trail of the resolution of duplicates is not yet available. As a result, we were unable to confirm whether potential duplicate records are being addressed.

Management has identified effective action plans for resolving these matters and are included in Appendix A.

Audit Findings & Action Plans

1. Data Governance Framework

The standard controls for master data include a combination of both preventative and detective controls. This includes: user access controls that limit the number of people who can add, delete or change master data (preventative); formal change controls that segregate the ability to initiate, approve and record a change (preventative), and timely exception reporting and resolution process to address any errors (detective).

We found that sound control standards have been implemented with respect to the deletion of company records. However, until CI is decommissioned, it is not feasible to implement preventative control standards for new additions or changes to existing records. During this interim period, reliance is on the Business Stewards to execute detective controls to identify and follow up on data quality exceptions on a timely basis. Business Stewards have been nominated, their roles and responsibilities have been defined, and tools commensurate with these roles and responsibilities have been designed. However, a company data governance policy has not yet been issued which would formalize roles and responsibilities, control standards, and convey both as a corporate priority. In the absence of this policy, most of the effort for maintaining the integrity of company data is falling to the CIM team. The CIM team has appropriately triaged their efforts to their capacity, however it is not scalable.

Management has agreed to issue a company data governance policy. In addition, a detailed review of the roles and responsibilities relating to Business Stewards will be performed in order to assess appropriate workloads and assign sufficient resources.

Rating of Audit Finding - Major[2]
Action Owner – VP, Business Intelligence & Innovation
Due Date – Q4, 2015

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[2] The ratings of our audit findings are as follows:
- **Major**: a key control does not exist, is poorly designed or is not operating as intended and the financial and/or reputation risk is more than inconsequential. The process objective to which the control relates is unlikely to be achieved. Corrective action is needed to ensure controls are cost effective and/or process objectives are achieved.
- **Moderate**: a key control does not exist, is poorly designed or is not operating as intended and the financial and/or reputation risk to the process is more than inconsequential. However, a compensating control exists. Corrective action is needed to avoid sole reliance on compensating controls and/or ensure controls are cost-effective.
- **Minor**: a weakness in the design and/or operation of a non-key process control. Ability to achieve process objectives is unlikely to be impacted. Corrective action is suggested to ensure controls are cost-effective.

2. UCM Transaction Trails

The configuration of UCM includes a sound control to identify potential duplicates through a matching routine. However, we found that a transaction trail of the resolution of duplicates cannot yet be generated from UCM. As a result, we were unable to confirm whether potential duplicate records are being addressed.

Management has agreed to maintain a UCM based, or other satisfactory, transaction trail for the resolution of potential duplicate records placed into suspense as a result of the UCM matching routine.

Rating of Audit Finding – Moderate
Action Owner – VP, Business Intelligence & Innovation
Due Date – Q1, 2016

Conclusion

The audit findings and action plans have been communicated to and agreed by management, who has developed action plans that are scheduled for implementation no later than Q1, 2016.

We would like to thank management for their support throughout the audit.