



SOLUTION

Data Analysis
ACL™ Direct Link

APPLIED ANALYTICS

Consulting Services
Training
Support

INDUSTRY

Finance

REGION

Asia

KEY BENEFITS

Repetitive data analysis
Seamless SAP integration
Comprehensive process and control assurance
Reduced cycle times

ESSAR GROUP

GLOBAL CONTROLS AND PROCESS ASSURANCE WITH ACL TECHNOLOGY

The Essar Group is an India-based multinational conglomerate with an industry portfolio that includes manufacturing, refining, mining, infrastructure, transportation, utilities, and retail. The Group operates in more than 25 countries across five continents, employs 75,000 people, and posts annual revenues of US\$22 billion.

“ACL TECHNOLOGY PROVIDES SEAMLESS ACCESS TO SAP DATA AND THE ABILITY TO INTERACT WITH MULTIPLE SOURCE SYSTEMS, EFFICIENTLY HANDLING VERY HIGH DATA VOLUMES.”

- UMESH JADHAV, HEAD IT ASSURANCE

Objectives

A highly diversified international conglomerate, the Essar Group faced challenges in establishing an assurance process that met widespread government and stakeholder expectations. Key assurance areas include compliance, IT control effectiveness, process and operational assurance, and fraud prevention.

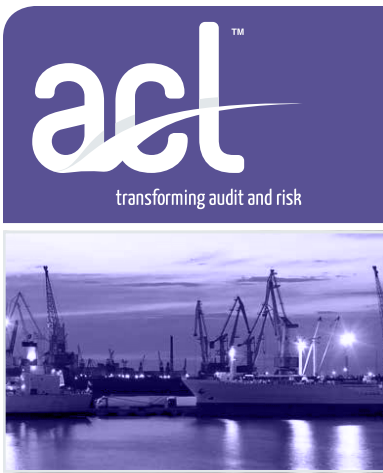
The Group leverages technology to manage almost every business function, leading to large data volumes, significant corporate fraud risk levels, and the need to verify controls against a global ERP environment. The Essar Group Assurance team aimed to implement fraud alarms based on predefined detection rules and establish a more rigorous audit process through automated data analysis. Minimizing dependence on IT support was identified as a critical way to further promote audit group independence.

Like most global firms, the Group also faces growing pressures to achieve compelling results with fewer resources and provide end-to-end process assurance. Management was eager to eliminate sample-based auditing and test complete populations, while embedding business process controls that support more informed decision-making.

Implementation and Planning

The Essar Group implemented ACL™ Analytics and ACL™ Direct Link for SAP® ERP to support a repetitive testing program. With clear audit and risk mitigation priorities, plus implementation support from the regional ACL channel partner, Essar has achieved 175 audit objectives with ongoing analysis across all steel companies, plants and geographies. Key testing areas and processes include Procure-to-Pay, Order-to-Cash, General Ledger, Inventory and Retail. The ACL solution can efficiently process 150GB of data and regularly identifies approximately 17GB in data exceptions for further review and analysis.

ACL Direct Link provides seamless SAP integration and standardizes data from multiple systems and platforms. The team has achieved 100% population coverage, based on pre-defined audit objectives, and has eliminated sampling and detection risks. The robust analytical platform quickly highlights exceptions and emerging trends. Audit staff can easily run the analytics and distribute reports – enhancing the efficiency and independence of the internal audit function.



“ESSAR’S SUCCESS USING ACL DIRECT LINK SUPPORTS OUR ONGOING INTEGRATION OF EACH BUSINESS UNIT INTO OUR OVERALL PORTFOLIO. OUR CONTINUOUS AUDITING FRAMEWORK ENABLES US TO MEET MANAGEMENT AND STAKEHOLDERS’ INCREASING EXPECTATIONS OF COMPREHENSIVE ASSURANCE SPANNING COMPLIANCE, IT CONTROLS EFFECTIVENESS, PROCESS AND OPERATIONS, AND FRAUD PREVENTION.”

- ARVIND CHOPRA
GROUP PRESIDENT

Results

By implementing ACL technology, Essar has:

- More effective P2P processes with reduced cycle times and redefined inventory lead times.
- Logical rationalization of sale price master data to provide revenue assurance.
- Stronger tracking processes for duplicate bill booking.
- Enhanced master data quality through integrity checks.
- Enhanced data quality control efforts across all business processes.

With consistent, repetitive data testing and seamless SAP integration, the Essar Group Assurance team has strengthened internal processes and controls, while enhancing compliance and minimizing fraud risk. Assurance effectiveness has improved by over 65%, and audit staff can focus valuable time and resources on high-priority control issues. In addition, the ACL solution easily tackles growing data volumes without sacrificing system performance.

Next Steps

The Essar Group plans to develop a Center of Excellence that will embed automated data analysis across the business and develop ongoing audit objectives. New Group verticals, including Projects, Energy, BPO and Shipping, are also implementing ACL technology to promote data governance and complete population testing.

A repetitive auditing framework – powered by ACL data analytics and Direct Link – have enabled the Essar Group to meet management and stakeholders’ increasing expectations for comprehensive assurance spanning compliance, IT controls effectiveness, process and operations, and fraud prevention. The Group is committed to building on its success and achieving global best practices for automated data analysis and controls assurance.

Impact Award Winner

Essar Investments Limited was the Grand Prize recipient for the 2011 ACL Impact Awards.

THE ACL
Impact
award | **WINNER**
2011

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accomplish with ACL.

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