

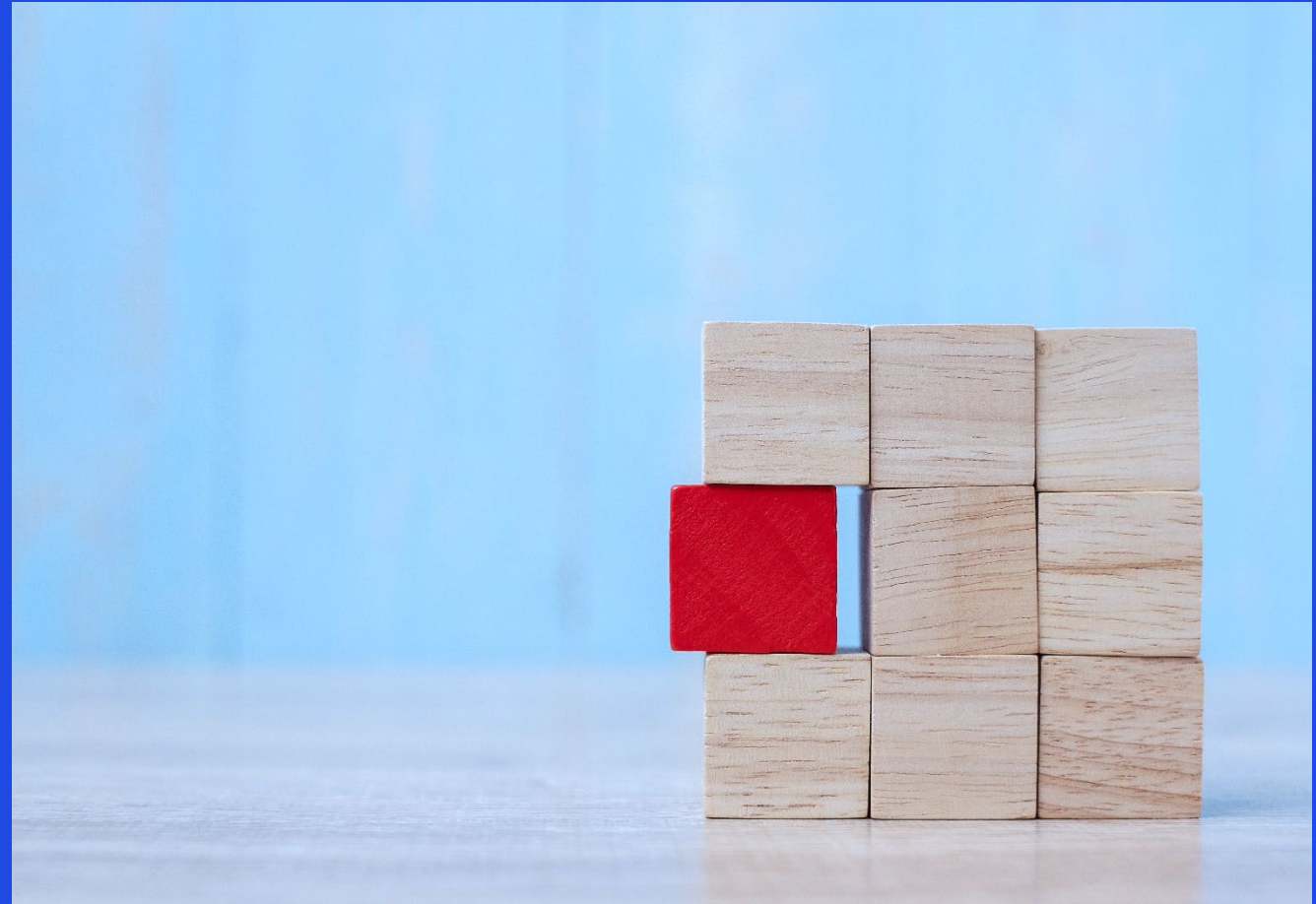


# Our Approach

## Managing Risk of End User Computing (EUC)

*An EUC is any application owned or operated  
outside of IT governance processes.*

September 2022



# Market Challenges and impact on End User Computing



## Reputational risk

Access and change controls are key components of mitigating data governance related risks. Depending on an organisation's EUC policy, the data contained within these EUC applications can more often than not be sensitive. Whether it is financial or personal data, if calculated incorrectly or exposed to the wrong audience it can have significant ramifications to an organisation's reputation in relation to trust and integrity.



## Regulatory Compliance

As EUC risks come under greater board and regulatory scrutiny, organisations face the challenge of developing a clearly articulated and transparent control framework that does not just manage the risks but can also assure stakeholders that the controls are reliable. With many organisations preparing for UK SOx by reviewing their Financial Reporting Controls Frameworks, they should ask themselves how they should go about finding, assessing, governing and monitoring EUCs within the business – Finance owned and more broadly.



## Audit Committee focus

The flexibility of EUCs means they are often utilised to complement core business processing applications. However, they often lack fundamental data and processing integrity controls, making them prone to errors. When EUCs are used in financial data processing this can significantly increase the risk of misstatement in statutory or regulatory financial reporting. This can be exacerbated when EUCs are owned upstream of Finance, perhaps with less awareness of how its outputs are consumed.

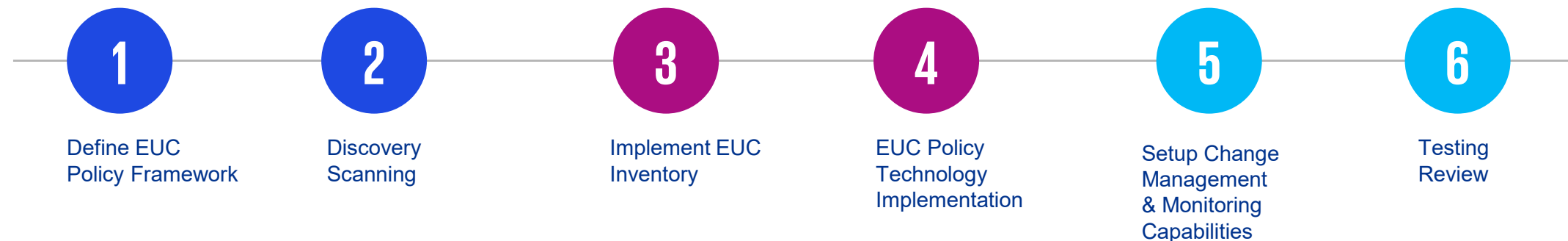


## Operational efficiency

Systems and application ecosystems evolve over time with the introduction of new technologies and changes to react to business needs. This often results in a proliferation of EUCs to satisfy those requirements that cannot be fulfilled by the tools and platforms available to the end users. The typical use case for this is Excel spreadsheets. As the number of EUCs grow, it builds in key person knowledge dependencies and typically erodes operational efficiency.

# The EUC Journey - How can we help?

Our EUC approach is defined along the end-to-end journey of EUC management as set out below. It is flexible and can be tailored to the individual business needs and the maturities of an organisation's policies, governance and systems.



## Define & Discover

The discovery phase starts with defining the criteria for what constitutes as EUC for the business and where they are located. This is typically done as a short, sharp assessment phase.

## Govern & Decommission

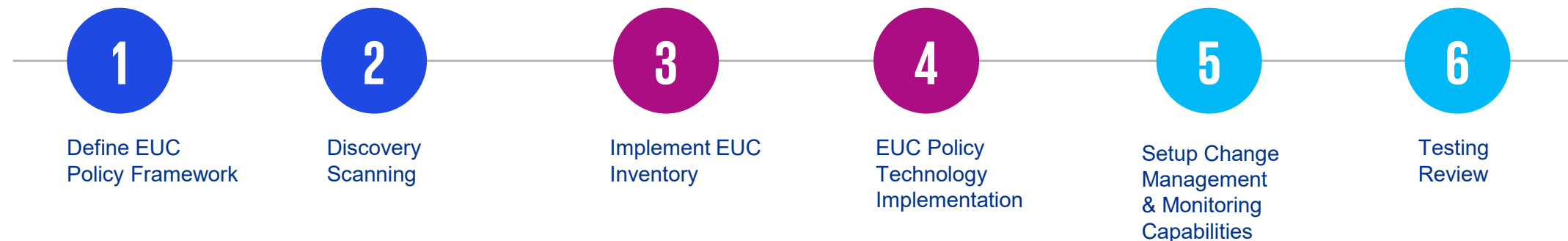
Through the use of technology, a central inventory of EUCs can be created that leverages workflow for attestation and approvals. It is typical during this process to identify and safely decommission EUCs.

## Monitor & Review

The monitor and review phase looks at reporting capabilities in order to monitor key EUC updates and assess business impacts. This facilitates change processes and audit trail, to bring transparency to EUC processes until they can be decommissioned.

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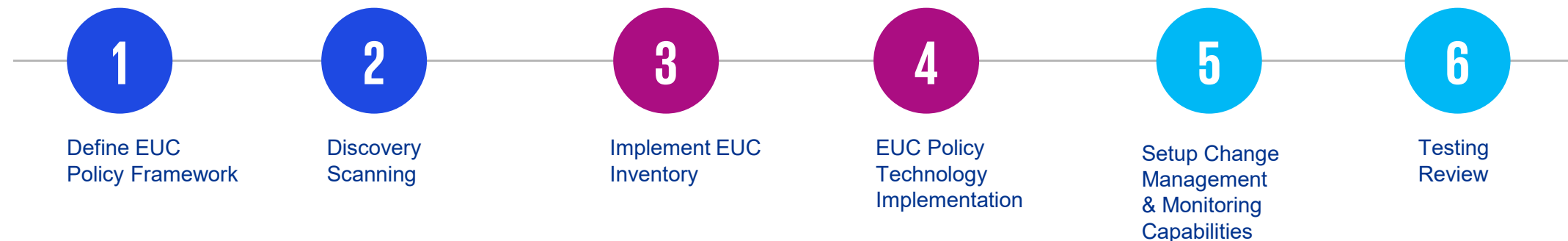
## Define & Discover

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- 1 Define EUC Policy Framework:** A framework to set out and establish controls for the development and maintenance of EUCs; including defining a risk assessment criteria to inform EUC complexity and business materiality impact.
- 2 Scoping & Discovery:** Support with defining the scope of coverage for EUC identification. Leverage technology to establish a consistent, automated and policy-based method to scan and identify a baselined EUC population.

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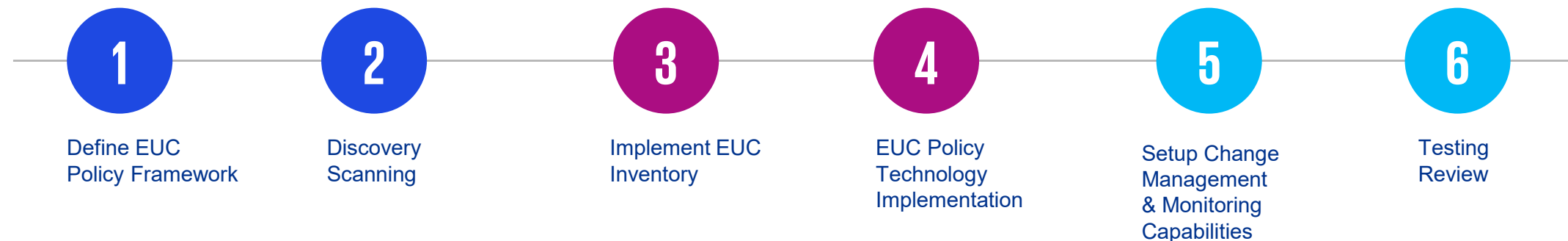
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- 3 Implement EUC Inventory:** Using an EUC software platform, build a central EUC inventory to provide a single version of the truth (and replace any manual spreadsheet-based inventory or catalogue).
- 4 EUC Policy Technology Implementation:** Putting in place a mechanism through implementing an EUC attestation workflow process to assess EUC compliance using a technology enabler.

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- 5 **Setup Change Management & Monitoring:** The process to facilitate governance over changes including ongoing monitoring, with the option to setup an automated workflow process to support the review and approvals process.
- 6 **Testing Review:** A review of an agreed scope of EUCs to test adherence to policy. If an EUC policy is in place, this can be done as part of scoping and discovery, or after an EUC governance implementation to check compliance.

# Client Case Study

# Decommissioning EUCs & strengthening the control environment

<b>Client Challenge</b>	<p>A large financial services organisation's Internal Audit function, reported that improvements were required to the EUC (End User Computing) control environment within Group Finance. The client asked KPMG to support reviewing and uplifting their EUC policy along with designing an approach to assess and if necessary, remediate 1,500 EUCs against that policy within a tight timeframe.</p>
<b>KPMG Response</b>	<p>KPMG supported the client with these challenges through five work packages:</p> <ul style="list-style-type: none"><li>• Planning mobilisation and policy assessment – Swiftly mobilised a team to create a workplan and approach of prioritisation to drive the reduction and remediation of EUCs. Reviewed, assessed and supported the required revisions to the EUC policy details within the Finance Risk and Control Framework.</li><li>• EUC review and assessment support – Working against the prioritisation plan, drove a programme of work partnering with the client to review EUCs that had been through a remediation process, assessing against the revised Finance Risk and Control Framework Criteria.</li><li>• EUC scanning pilot – In parallel to the EUC remediation, undertook a proof of concept to configure and calibrate a scanning technology (Mitratesh's Cluster 7) to identify EUCs across file shares. The success of this proof of concept led to the subsequent implementation across finance so that the client could regularly apply a consistent and automated method of identifying EUCs.</li><li>• EUC inventory design and implementation – Leveraging the Mitratesh's Cluster 7 Inventory Management System (IMS), designed and implemented a platform to facilitate governance and monitoring of EUCs including workflows and corresponding attestations.</li><li>• EUC ongoing monitoring design and implementation – Utilising Mitratesh's Cluster 7's ESM module (Enterprise Spreadsheet Manager) – this supplemented the client's EUC management lifecycle through automating the client's EUC risk assessment process to inform EUC complexity and business materiality of any new EUCs as well as changes to existing EUCs</li></ul>
<b>Business Benefits</b>	<p>All business critical EUCs successfully brought back in line with Internal Audit tolerance, supported by metrics from the independent testing of remediated EUCs against the revised policy. ClusterSeven was successfully implemented across Group Finance and fully embedded into business, as usual processes.</p>
<b>Deliverables</b>	<p> EUC Policy</p> <p> Prioritisation Plan &amp; Remediation Approach</p> <p> Review findings assessment</p> <p> Scanning Pilot</p> <p> IMS</p>

# Contact Us



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