

Client's challenge

A US payer, which sells health, dental and life insurance; annuity products; and related services to employers and individuals, faced a critical IT challenge. Several audit findings related to SAS 70 reports and Sarbanes-Oxley compliance brought this challenge—centered on risk management, systems development and systems change management—to the forefront.

The payer's IT organization wanted to improve its performance in system availability and effective applications development. System downtime had reduced client profitability by affecting employee productivity. Likewise, rework within the application development process had caused inefficiencies and lost productivity.

In short, the payer needed to balance complex compliance requirements with efficient and reliable IT capabilities. The payer also sought a more scalable set of IT processes and systems to allow it to pursue growth opportunities.

PricewaterhouseCoopers' Advisory solution

PricewaterhouseCoopers took a multifunctional approach to solving the client's problem. A diverse team of experienced performance improvement, change management, Healthcare Advisory, and Systems and Process Assurance professionals worked closely with the payer in key functional areas:

IT Policy Management: We developed and recommended that management adopt a policy management process to create and maintain policies, standards and procedures. Then we helped the payer develop more than 15 IT policies.

IT Risk Management: We developed an IT risk management methodology that enables the IT organization to perform risk assessments and to embed risk management into other processes, such as problem management and change control.

Internal Controls Evaluation: We developed the payer's internal controls framework, which encompassed testing plans to evaluate the operating effectiveness of IT controls and processes to allow the IT organization to evaluate internal controls.

Process Documentation and Integration: We brought experienced technology and process professionals to work with the payer's IT staff to document and implement processes for systems development, change control, incident management, backup and IT operations.

Change and Learning: We helped the client develop a communications plan and a stakeholder management plan for its compliance program. The team also coordinated more than 60,000 hours of training for client staff and assisted with the organizational design and realignment required to make the program successful.

Program Management: We supported the project management office (PMO), overseeing more than 15 work streams, 6,000 tasks and 200 consultants and employees. The PMO provided weekly updates to the integrated project plan, status reports, and risk and issues logs.

Impact on the client's business

By the end of this 17-month engagement, the payer had addressed all open audit issues and was prepared for full Sarbanes-Oxley compliance. Related improvements in IT systems and processes helped the client reduce system downtime by 40 percent. The client also realized a 5 percent gain in IT productivity.

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