

# Challenges and Complexities Around Home-Grown IT Systems

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Matthew McLachlan, CAPM

November 4, 2020

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# Featured Presenter



**Jason Pikoos**

**Partner, Financial Operations  
Practice Leader**

**Connor Group**

# Jason Pikoos' Biography

- Jason is a Partner at Connor Group and leads the Financial Operations (FinOps) practice. Jason is an expert in helping clients drive business transformation and improve processes, systems, controls and organizational changes. Jason works across all finance functions helping clients define their business strategy and goals, setting up and deploying broad based process improvement initiatives for critical business process, assessing and advising on organizational structure, developing process dashboards including key operational and financial metrics, assessing working capital and cash flow management processes and reporting, and serving as the lead project manager for a variety of large global projects.
- Jason was formerly a Director in the Project Management Office at McAfee and a Director at KPMG in its advisory practice. Jason also served as an auditor with Andersen, KPMG and PwC. During his career Jason has served clients such as Google, Polycom, VMware, Sony Picture Entertainment, Sun Microsystems, Hyperion and Johnson & Johnson.
- Jason graduated from the University of Cape Town with Honors in Finance and Accounting

# Featured Presenter



**Matthew MacLachlan, CAPM**  
Director  
Connor Group

# Matthew MacLachlan's Biography

- Matt is a Director in Connor Group's FinOps practice. He has over 8 years of experience assisting finance and accounting organizations in evaluating and improving their organization, systems and processes including the assessment of internal controls. He has also worked with multiple high-growth companies to evaluate, define, develop, and remediate their internal control frameworks with the ultimate goal achieving SOX readiness and compliance. Additionally, he has also worked with clients to identify and implement process and system improvements across all key business cycles – procure to pay, order to cash, financial reporting, inventory, etc. He has also assisted clients with developing complex financial models in MS Excel & MS SQL Server to support key business initiatives and management decisions.
- Prior to joining Connor Group Matt was a Manager with Grant Thornton's Seattle office in the Business Advisory Services practice. Here worked with clients in a similar capacity to improve their operations and assess client's SOX environments. In addition, he also led numerous SOX 404 and SSAE-16 audits across various industries from manufacturing, retail, and software.
- Matt is a Certified Project Management Associate (CAPM) through the Project Management Institute (PMI). He graduated Magna Cum Laude from Cal Poly San Luis Obispo with a degree in business administration and concentration in information systems.

# Learning Objectives

*Upon completing this webinar, you will be able to:*

1. Identify the top financial reporting challenges associated with home-grown IT systems.
2. Recognize best practices around data, reporting, and controls (including SOX) in a home-grown environment.
3. Discuss key change management considerations when implementing changes in a home-grown environment.

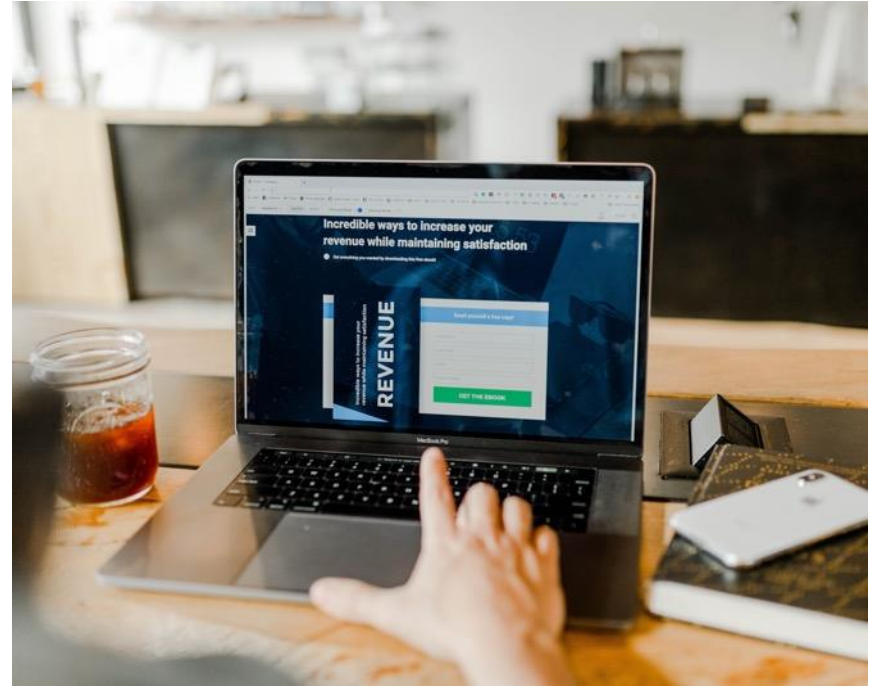


# Session Agenda

- What do we mean by home-grown IT systems
- Why companies build their own systems
- What unique challenges stem from these systems
- A few best practices for home-grown systems
- Deploying process/control changes in a home-grown environment

# Homegrown Systems

- Application that is built in-house
- Code is proprietary
- Typically support and delivers customer facing product
- Manages some aspects of financial reporting/accounting



# Polling Question 1

Does your company use, or have plans to use, a home-grown system which supports some aspect of financial reporting?

- a) Yes
- b) No

# Polling Question 1 Results (Placeholder)

# Home-grown Systems: Why?

- Access to capabilities
- Enable speed and flexibility
- Provide competitive advantage
- Tightly woven product and financial functionality



# A Few Key Terms

- Micro services
- Agile development
- Continuous deployment
- Code repository



# Home-grown Systems: The Challenges

- Identifying all the key systems and services (scoping)
- Managing access at the developer and user level
- Lack of documentation and experience with controls
- Organization culture and disaggregated ownership



# Polling Question 2

Which team is the most common owner of IT systems in your environment?

- a) Engineering/IT
- b) Finance/Accounting
- c) Ownership isn't clearly defined
- d) Other



# Polling Question 2 Results (Placeholder)

# Home-grown Systems: Best Practice #1

- **Scoping:** identifying the financial systems and services
- Start at the end – the financials
- Follow the data – trace all data through systems to sources
- Identify all services/applications that create, move, transform and store the data
- Identify all tools that support the identified services/applications



# Home-grown Systems: Best Practice #2

- **Monitor Access:** allow agility and monitor behaviors
- If developers “must” maintain broad administrative access
- Focus controls on monitoring (detect) vs. limiting (prevent)
- Monitor:
  - Who coded, deployed and approved changes
  - Who made changes to the database
  - Who made changes to PROD code



# Polling Question 3

Have you performed a SOX and controls **systems** scoping exercise?

- a) No, or not familiar with this process
- b) I am familiar but have not performed one myself
- c) Yes, I have performed one 1-2 times
- d) Yes, I have often done this

# Polling Question 3 Results (Placeholder)

# Home-grown Systems: Best Practice #3

- **Leverage Code Repo:** getting list of changes and managing scope
- Designate specific folders for financial services/applications
- Manage/limit access to these financial folders
- Use pull request procedures and repo capabilities to enforce system changes process



# Polling Question 4

How often are major systems changes performed with cross-functional input or testing?

- a) Nearly all of the time
- b) Sometimes
- c) Rarely
- d) Never

# Polling Question 4 Results (Placeholder)



# Home-grown Systems: Implementing Change

- Focus on objectives NOT the controls/solution
- Start early, give yourself time and engage broadly
- Training and education – likely needed multiple times
- Find an approach that aligns with the culture and organization



# Questions & Answers

*Use the Q & A Panel to send your questions to our panelists.*



**Jason Pikoos**  
Partner, Finance Operations  
Practice Leader  
Connor Group



**Matthew MacLachlan, CAPM**  
Director  
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**Neha Lagoo Ratnakar**  
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# Thank You to Our Featured Presenters!



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# Final Reminders

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