

Due Diligence: IT Action Plan

1. Obtain a copy of the IT strategy plan, security policy and other relevant policies introduced by senior management. Comment on the procedures management have implemented to ensure that strategy plans are realized and what processes have been introduced to ensure that staff adhere to security considerations.

1. The effects of Year 2000 computer problems have been identified and verified by an independent party. Obtain copies of all reports and certificates verifying Year 2000 compliance.

2. Comment on the extent of Year 2000 testing even if Year 2000 compliance certificates were obtained.

3. Evaluate any required or possible system changes which will be needed to meet _____ Group Requirements. An estimation of the costs involved in migrating to _____ Group Standards should be prepared.

4. Obtain copies of recent external/internal audit reports relating to IT systems. Ascertain whether significant concerns were corrected timeously.

5. A complete and accurate hardware and software inventory obtained and verified. Hardware categorized into area, department, usage, processor, peripheral devices, network card and stand alone software.

6. Ascertain what changes are planned (hardware and software) and document the motivation for such changes. All planned changes should reflect the needs as established in the IT strategy plan presented to senior management.

7. Valid licenses or agreements are obtained for all software on site and are verified.

8. _____ specific systems:

* Obtain full details of the computer controlled decanting system. If developed specifically for _____, ensure that the considerations identified in point 10 is addressed.

* _____ maintain that there current sales processing and delivery system provides an impressive service level in terms of fast turn-around of orders. Obtain proof that service levels are satisfactory and meet _____ service levels (e.g. orders placed before 12.00pm are delivered to the customer by the next day).

* _____ was created to monitor cylinder movement. Verify the reliability of this system and whether cylinders can be tracked to any locations.

9. For any software developed in-house, the following considerations apply:

* Were any people or companies involved in the writing the software other than the employees from _____. If so, obtain a copy of all relevant agreements, details of arrangements, etc.

* Do any employees have any rights in relation to the software? If so, obtain details of any contractual agreements.

* Do any arrangements between _____ and a third party for the development of software exist? If so, obtain copies of any arrangements.

10. Maintenance contracts for routine computer systems, specialized computer equipment and machinery are identified and details obtained.

11. Warranties for all routine computer systems, specialized computer equipment and machinery are identified and details obtained.

12. All IT equipment not owned by _____ is identified, and full details on amounts still outstanding obtained.

13. Comment on the extent of long term licenses with software suppliers and the cost of such obligations should _____ no longer require such licenses.

14. Ascertain what new systems (software and specialized hardware) are currently in the process of development and whether an approved system development methodology has been applied.

15. Ascertain whether _____ has granted out any licenses in respect of software it uses.

16. Outsourcing agreements for IT processing are identified and copies of all such contracts retained. This includes consultants and other contract personnel currently involved with _____'s IT operations.

17. Ascertain what precautions management have introduced to prevent computer virus attacks and what monitoring and corrective tools are available to eradicate detected viruses.

18. Software in escrow is identified and details provided.

19. Ascertain whether management have performed a detailed risk assessment of IT related risks and that the suggested IT Strategy plan addresses the risks identified in the risk assessment.

20. Obtain a copy of actual/budgeted IT costs for the past 3 to 5 years. Verify that past expenditure was well controlled and that regular report-backs to the steering committee were provided.

21. If possible, obtain a copy of any IT cost forecasts for the next 5 years. Obtain comments on any significant expenditures and verify that all suggested expenditures are supported by the IT strategy plan.

22. Obtain an organizational chart of the IT reporting structure and a representation of the network topology.

23. Obtain detailed job descriptions and recent appraisals for all IT personnel and ensure that they reflect current operating practices.

24. Comment on the controls implemented to ensure segregation of duties within the IT operations. Verify that segregation of duties has been maintained between the following:

- * System development and maintenance
- * Systems development and operations
- * Systems development/maintenance and information security
- * Operations and data control
- * Operations and users
- * Operations and information security

25. Ascertain whether the organization's senior management have appointed a steering committee to oversee the IT function and its activities. If applicable, obtain copies of minutes of the IT Steering committee meetings (if any).

26. Obtain a copy of _____'s system development methodology and change control procedures and that it is compatible with Afrox's existing framework.

27. Interviews with IT personnel are conducted to determine current operating practices.

28. Additional Concerns