

SUCCESS STORY



GLOBAL PHARMACEUTICAL
COMPANY USES IDEA® TO INCREASE
SCOPE OF AUDITS AND REDUCE
MANUAL SAMPLING

HIGHLIGHTS

- IDEA used for analysis of accounts payables and receivables, payroll, travel expenses, inventory and IT security logs
- Enabled early identification of cost savings opportunities and non-compliant activities
- Easy data analytics tool so every team member could become proficient in its use, eliminating the need for a dedicated expert
- Improved ERP controls across the entire organization

CHALLENGE

Based in India, Dr. Reddy's Laboratories Ltd. (DRL) is a global pharmaceutical company that manufactures and markets a wide range of medicinal products. With operations in more than 20 countries, the company's internal audit team needed a robust data analysis tool to enhance their auditing capabilities. The team wanted to conduct audits more often than their standard schedule of every two years, and hoped to reduce their reliance on manual sampling methods.

The solution they were looking for would have to allow them to analyze accounts payables, payroll, accounts receivables, inventory management, operating and travel expenses, and IT security logs. It also had to be easy to use so that multiple members of the team could use it proficiently rather than having to rely on a sole dedicated expert.

SOLUTION

DRL chose IDEA® Data Analysis software as their tool of choice, finding it more feature-rich and easier to use than similar products. The company was also swayed by the many customer references that attested to the exceptional customer service and support offered by CaseWare Analytics and its regional partner, Sama Audit Systems & Software.

After choosing their data analysis tool, internal audit at DRL formed a dedicated team to perform periodic reviews of identified areas. Multiple review cycles were implemented in those areas, depending on the risks involved and controls in place.

RESULTS

By changing their team structure and using CaseWare IDEA, internal audit now provides the Management & Audit Committee of the Board with regular and higher levels of assurance. The team has been able to expand the scope of their audits—without having to limit the number of samples—in high-risk areas with large amounts of data, such as sales, procurement, inventory management and operations.

By analyzing DRL's SAP data, IDEA has helped identify gaps, including:

- Incorrect tax conditions in purchase orders on vendors, which resulted in excess payment
- Compliance with the marketing policy and field force claims
- Short availment of input credit on purchases

Overall, the company has more quickly identified non-compliant business transactions, cost savings opportunities and fraud risks. Using IDEA has also led to more detailed root cause analysis of control breakdowns within their systems, allowing the company to take corrective action to improve overall quality.

The software has exceeded our expectations. Our organization now gets reports on exceptions every month on identified areas. Finance and Supply Chain teams now have greater insights to get corrective actions flowing quickly.



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About CaseWare Analytics

CaseWare Analytics is home to IDEA® Data Analysis and the CaseWare Monitor continuous monitoring platform. Our software solutions are built on a foundation of industry best practices and expertise, enabling audit, compliance and finance professionals to assess risk, gather audit evidence, uncover trends, identify issues and provide the intelligence needed to make informed decisions, ensure compliance and improve business processes. We offer solutions that meet the needs of auditors, analysts, purchasing card managers, compliance officers and more. With 40 distribution offices worldwide, CaseWare Analytics' products and solutions serve more than 400,000 professionals in 90 countries.

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