

## Case Study

### Government Contracting Assessment

#### Assessment Overview

CIS was retained by a top ten pharmaceutical manufacturer to proactively assess the compliance and efficiency of its government contracting group. Because maintaining ongoing compliance with government contracting regulations is vital, the group had undertaken several internal initiatives, including:

- Monitoring the development and maintenance of government contracts,
- Improving government contracting processes to make them more efficient, and
- Updating policies and procedures related to these processes.

The group looked to CIS to obtain independent verification that their initiatives had been successfully implemented, and that they were sufficient to ensure compliance with government requirements. The group also requested an evaluation of its audit readiness, to ensure it could adequately and appropriately respond to requests from external parties and/or government auditors. Finally, the government contracting group asked CIS to provide a set of industry best practices, based on the experiences and subject matter expertise of CIS' consultants, which would allow them to become "Best in Class" in their government contracting operations.

#### Assessment Scope

CIS concentrated its assessment on determining the group's audit readiness from a contract compliance perspective, paying specific attention to the audit trail.

In performing this assessment, CIS evaluated the contracting process and contract records to identify any current or potential compliance risks. In order to adequately assess the contracting process, CIS selected a sample of recent FSS offers, contract actions/modifications, and contract maintenance processes for review.

#### Assessment Methodology

In order to effectively evaluate the compliance and audit readiness of the contracts and actions selected, CIS performed the following review functions:

1. CIS reviewed the corporate guidance documents and standard operating procedures (SOPs) that govern the contracting processes.
2. CIS interviewed contracting personnel to determine their roles in the contracting process, and documented their understanding of those roles in the form of Interview Narratives, which were reviewed and approved by the interviewees.

3. CIS reviewed processes and contract records retained by the government contracting group, based on the following standards:
  - a. Requirements established by regulatory governing bodies (when applicable);
  - b. Requirements established by internal policies and procedures;
  - c. Specific terms and conditions outlined in contracts / modifications (when applicable);
  - d. Industry "Best Practices," as observed and identified by CIS.
4. CIS assessed the overall Audit Readiness of the government contracting group, with regards to each of the functions listed above.
5. CIS documented suggested opportunities for improvement within project work papers, based on risk prioritization, to optimize group compliance, performance and efficiency.

## Assessment Methodology

CIS assessed the government contracting group on several criteria, including compliance with government regulations and internal directives.

CIS also developed a rating system, in alignment with the manufacturer's corporate culture, to evaluate the government contracting group and classify findings noted during the assessment.

## Assessment Deliverables

CIS provided the government contracting group with the following deliverables to describe the results of the assessment, suggest ways for the group to become "Best in Class" and provide them with the tools to implement these suggestions:

1. Assessment Report
  - a. Findings
  - b. Risk Prioritization
  - c. Audit Readiness Scorecard
  - d. Recommendations
2. Assessment Test Matrices (work papers)
3. Assessment Presentation

## Assessment Benefits

The government contracting group benefited from the assessment performed by CIS in several ways:

1. First, the group met its internal directives of performing a comprehensive internal assessment to fulfill an annual monitoring requirement, and evaluating its compliance with government and internal requirements and performance to industry standards.
2. Second, the group was able to identify the key risks associated with their processes, and develop effective controls to mitigate these risks, using the Risk Prioritization Grid provided by CIS.
3. Third, the group was able to increase the likelihood of a successful future audit outcome using the Audit Scorecard provided by CIS. Specifically, CIS identified areas where processes or procedures could be enhanced to improve audit readiness.
4. Fourth, the group was able to identify needed updates in its policies and procedures to make them more accurately reflect their day to day tasks.
5. Finally, CIS was able to validate the considerable effort the government contracting group had already put forward to improve compliance and audit readiness. By recognizing the improvements implemented by Management, and providing achievable next steps, the government contracting group was able to move forward in their goal to be "Best in Class."