

# FORVIS

## Internal Controls & Working from Home

SACUBO Fall Workshop

# Meet the Presenters



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# Learning Objectives

- Explain new risks in remote and hybrid working environments
- Identify unique IT security concerns when working from home
- Recognize the internal control challenges in a remote environment

# Polling Question



- Does your institution allow you to work remotely?
- How many days each week?

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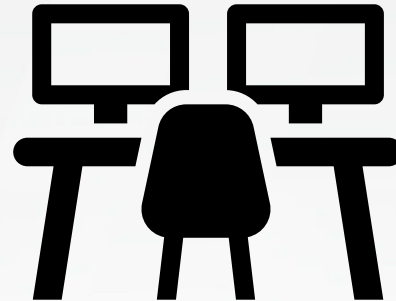
# Polling Question



- How many of your institutions have an open position in finance/accounting?
- Have you considered hiring a remote employee?
- Has your institution changed its views on hiring remote workers based on an inability to fill open positions?

# McKinsey & Company American Opportunity Survey

Americans are embracing flexible work—  
and they want more of it



# McKinsey & Company American Opportunity Survey

- McKinsey worked alongside the market-research firm Ipsos to query 25,000 Americans in spring 2022
- 25-minute, online-only Ipsos poll conducted on behalf of McKinsey between March 15 and April 18, 2022
- Adults aged 18 and older from the continental United States, Alaska, and Hawaii was interviewed online in English and Spanish

# McKinsey & Company | American Opportunity Survey

Of job holders in the United States, 58 percent—the equivalent of 92 million people—say they can work remotely at least part of the time.

Availability of remote-work options, % of employed respondents (n = 13,896)<sup>1</sup>

Offered remote work on a full-time basis

35

Offered remote work part-time or on occasion

23

Not offered remote-work opportunities<sup>1</sup>

42



Number of workers, extrapolated<sup>2</sup>

55 million

36 million

66 million

Note: Figures may not sum, because of rounding.

<sup>1</sup>Includes respondents who answered "I don't know" (1%).

<sup>2</sup>Of 158,105,000 employed people; US Bureau of Labor Statistics, Apr 2022.

Source: McKinsey American Opportunity Survey Spring 2022

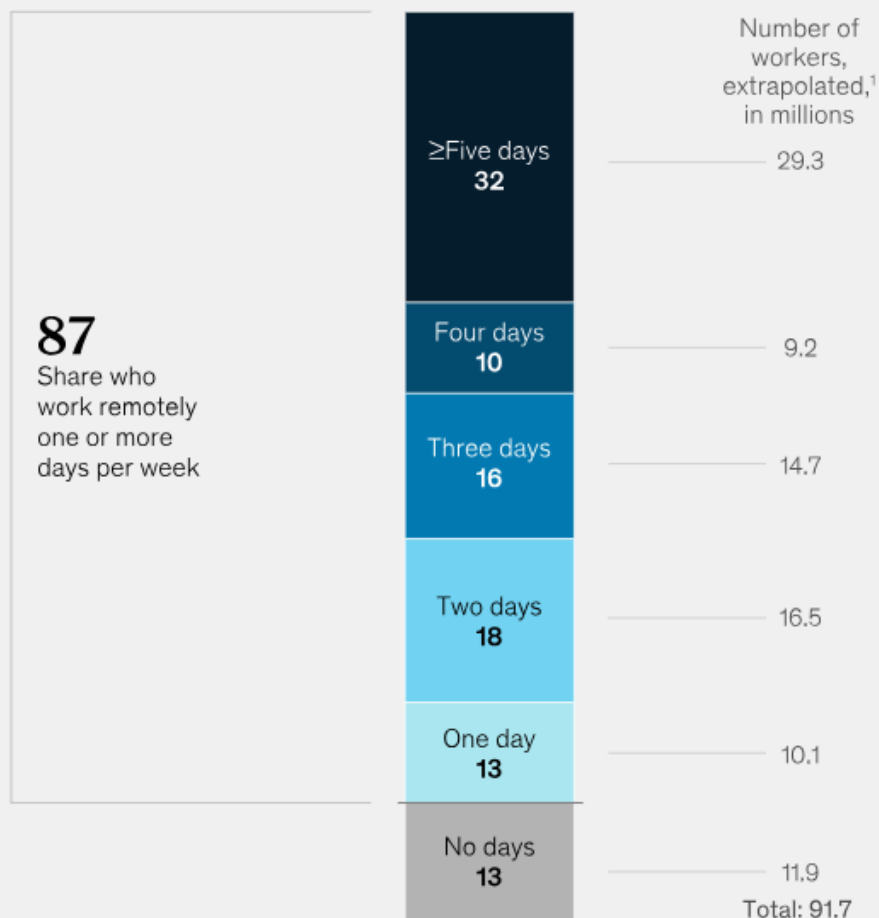
McKinsey  
& Company



# McKinsey & Company | American Opportunity Survey

Among employed respondents given the option to work remotely, 87 percent take employers up on that offer.

Days worked remotely per week, % of employed respondents with remote-work options (n = 13,896)



Note: Figures may not sum to 100%, because of rounding.

<sup>1</sup>Includes 158,105,000 employed people; US Bureau of Labor Statistics, Apr 2022; 35% of respondents reported having the option to work fully remote, and 23% reported having the option to work from home on occasion/part-time.

Source: McKinsey American Opportunity Survey Spring 2022

# McKinsey & Company | American Opportunity Survey

## Takeaways

Most industries support some flexibility, but digital innovators demand it.

Job seekers highly value having autonomy over where and when they work.

Employees working flexibly report obstacles to peak performance.

# Journal of Accountancy

**Future C-suite  
leaders banking  
on continued  
hybrid work  
model**

**August 9, 2023**

Changes necessitated by the pandemic and enabled by the constant march forward of technology have altered the way we work forever, so it's not surprising that an attempt to return to the pre-pandemic norm could come at a cost to workforce morale at the least and quite possibly to the talent pipeline itself.

**Flexibility is the  
new normal**

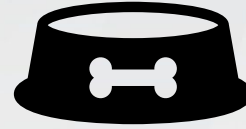
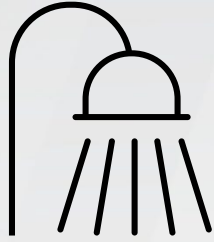
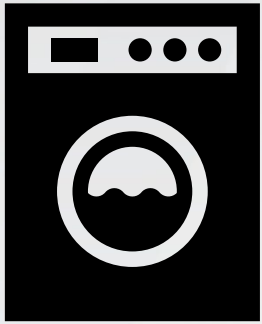
# Challenges when working from home

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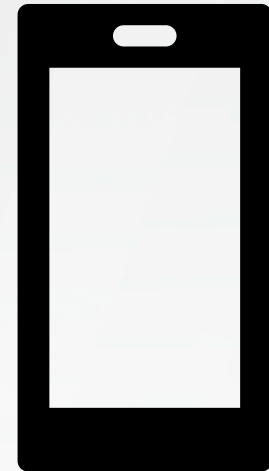
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## Remote Working Distractions

- Family/Friends Interruptions
- Social Media, Email & Online Entertainment
- Pet Distractions
- Outside Noises
- Housework
- Cooking
- TV



# Journal of Accountancy

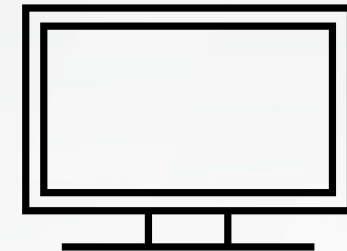
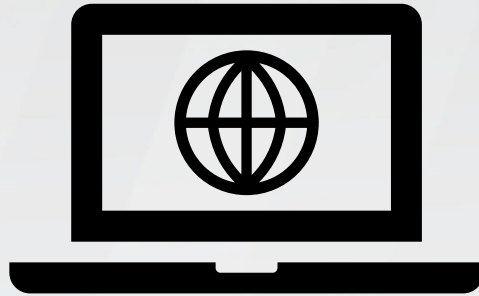
## 8 tips for fending off digital distractions

- 1) Block off time to focus on specific tasks – use 50 or 90 minute intervals
- 2) Consider turning off your notifications
- 3) Find a system of prioritizing your inbox
- 4) Manage your calendar efficiently
- 5) Articulate your communication preferences
- 6) Strive for consistency over speed
- 7) Schedule your communication
- 8) Take real breaks



# COVID-19, College Students, & Distractions

Defining a new  
baseline of  
distraction



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# Baseline of distraction

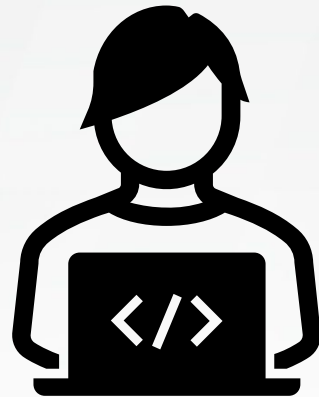


- What is your baseline of distraction/focus when working from home (as a %)?
- Is it different from when you work in the office?
- Have you ever multi-tasked during a zoom meeting?
- Multi-tasking is a **MYTH**



# IT controls when working from home

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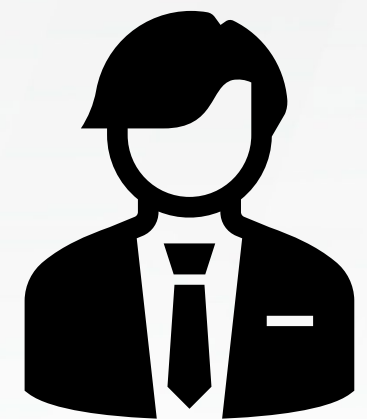
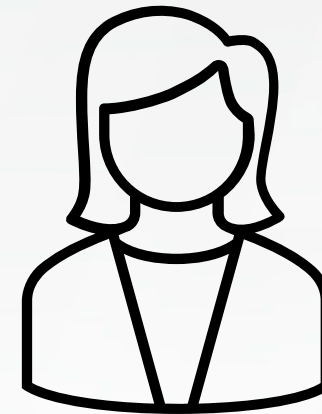
# Polling Question



- For those who WFH...
- On a scale of 1-10, with 1 being no comfort and 10 being absolute comfort
- How comfortable are you that IT controls are properly functioning when you work from home?

# Key Internal & IT Controls Around Remote Work

- Employee Security Awareness Training
- Segregation of Duties
- Authorization/Approvals
- Reconciliation/Review
- Physical Security
- System Access Controls
- Data Backup/Encryption
- Limit Local Administrator Access
- Patch Management



# ISACA

## Five Key Considerations When Securing a Work-from-Home Workforce

July 6, 2020

**Working from home creates opportunities for new threats and vulnerabilities that must be evaluated...** attackers quickly adapted their methods to leverage the inherent weaknesses created in work-from-home environments...

With tools such as the Shodan search engine, which can be used to identify exploitable Internet-connected devices in home networks, adversaries have systematically been attacking home routers, Internet of Things (IoT) devices (i.e., smart televisions, digital video recorders [DVRs]), printers and other computing devices that can be used for attacks such as denial-of-service (DoS), ransomware, malware injections and others.

To combat these threats, it is important to apply the same vulnerability analysis techniques used in enterprise environments using existing case studies and thoughtful analysis.

# ISACA

## Five Key Considerations When Securing a Work-from-Home Workforce

July 6, 2020

**Conducting virtual site reviews for high-risk or concerned workers is essential...** Audit and security professionals can help high-risk workers identify and remediate security and privacy deficiencies in their work-from-home environments using virtual risk and security site reviews.

By having a guided and targeted video conversation with the home worker, security professionals can help remote workers identify and mitigate risk in their home work areas.

Some common risk examples that are often identified in virtual site reviews are sensitive materials scattered across a work environment, windows where unauthorized individuals may be able to see information displayed on screens without the worker's knowledge, open work areas where family members and random individuals could easily overhear conversations and view materials without restriction, and items that may divulge private details about a worker or their family that an adversary could use as part of a targeted attack.



# ISACA

## Five Key Considerations When Securing a Work-from-Home Workforce

July 6, 2020

### **Incorporating work-from-home considerations into security awareness training benefits everyone..**

Security awareness training should be updated to reflect remote-work-specific guidance and requirements. If an organization can introduce content to the home worker that is beneficial to them both professionally and personally, they are more likely to follow and even embrace the guidance.

As a result, remote workers will often intuitively increase their overall security posture while operating in a work-from-home environment. For example, helping users understand the importance of keeping their home-network-connected devices updated with the latest security patches or ensuring they are using strong encryption and passwords on their home wireless network can strengthen their overall security posture.

# ISACA

## Five Key Considerations When Securing a Work-from-Home Workforce

July 6, 2020

**Promoting good information security hygiene for work-from-home environments reduces threats.** Good information security hygiene focuses on foundational and typically unsophisticated capabilities that must be regularly attended to and can dramatically reduce the threat and vulnerability surface area of a remote work environment. Examples of security hygiene activities that both an organization and a remote worker can actively follow include the following:

- Patching, updating and configuration security-hardening of an organization's technical assets and the technical assets operating on common networks in the work-from-home environment
- Following clean desk, work area and whiteboard practices where the environment is cleansed at the end of each workday
- Consistent use of privacy screens on monitors and displays where sensitive data are or could be displayed
- The use of segmented work areas from the general home environment with lockable doors or barriers to limit unauthorized individuals from entering the work-from-home area at inopportune times
- Regular changing of passwords and use of multifactor authentication, where possible, for access to enterprise and home environment technology assets
- Logging off or engaging password protection on computing displays whenever they are left unattended (instead of waiting for standard timers to engage)

# IT Control Risks with Remote Work

- **Social Engineering/Cyberattacks**

- 1) **Phishing**

- “An online scam enticing users to share private information using deceitful or misleading tactics.

- 2) **Ransomware**

- Ransomware is a type of malware identified by specified data or systems being held captive by attackers until a form of payment or ransom is provided.

- 3) **Remote Desktop Protocol (RDP) Hacking**

- Common way for hackers to access valuable password and system information on networks that rely on RDP to function.

- 4) **Denial-of-Service (DoS) Attack**

- Occurs when legitimate users are unable to access information systems, devices, or other network resources due to the actions of a malicious cyber threat actor.

- 5) **Zoombombing or Zoom Raiding**

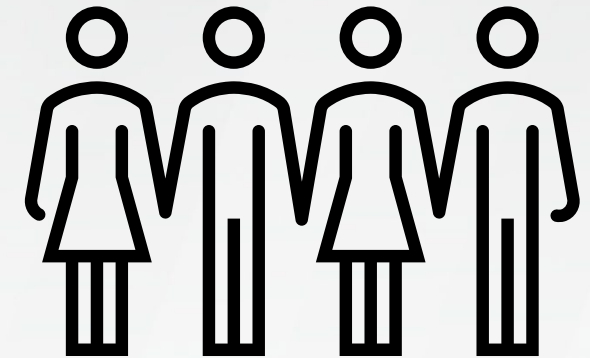
- Type of cyber-harassment in which an individual or a group of unwanted and uninvited users interrupt online meetings over the Zoom video conference app.





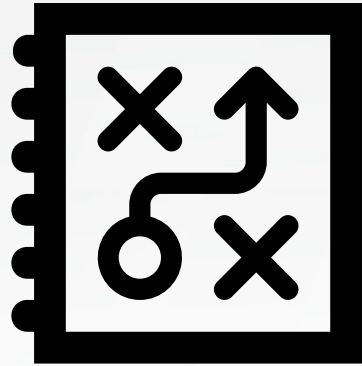
# What Can Team Members Do to Manage Technology Risk?

- Maintain Consistent Communication with Managers & Team
- Be Skeptical of Emails, Links, Attachments, Apps, and Phone Calls from Unknown Parties
- Don't Install Unauthorized Software or Suspicious Apps on Company Devices
- Don't Allow Others to Use Company Computer or Accounts
- Don't Permit Unknown or Insecure Devices to Connect to the Same Network—Wireless or Otherwise—as Your Company Devices
- Follow Company Policy and Process for Validating Customer/Vendor Identity
- Don't Share or Change Company Information without Approval
- Don't Bypass Company Policies or Processes



# Internal control challenges when working remote

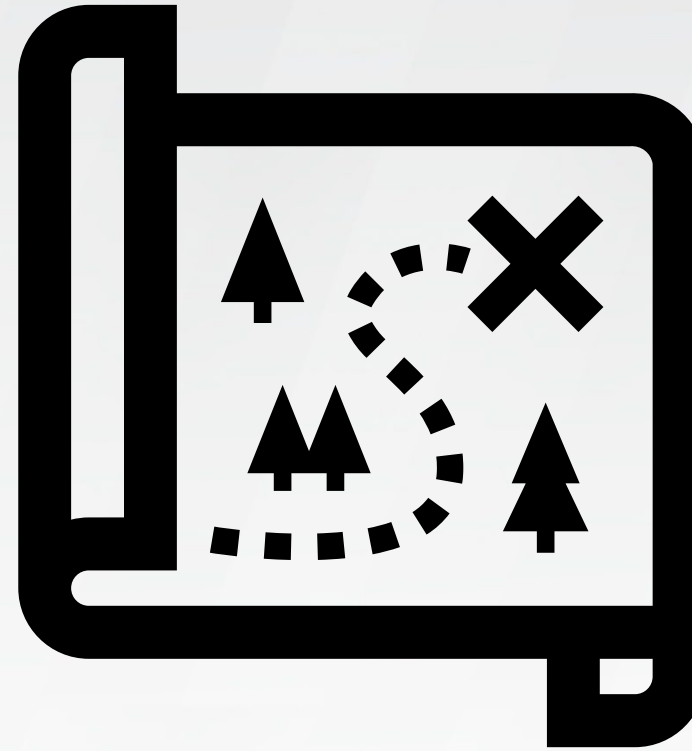
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# Internal Controls, Working from Home, and a Conceptual Framework



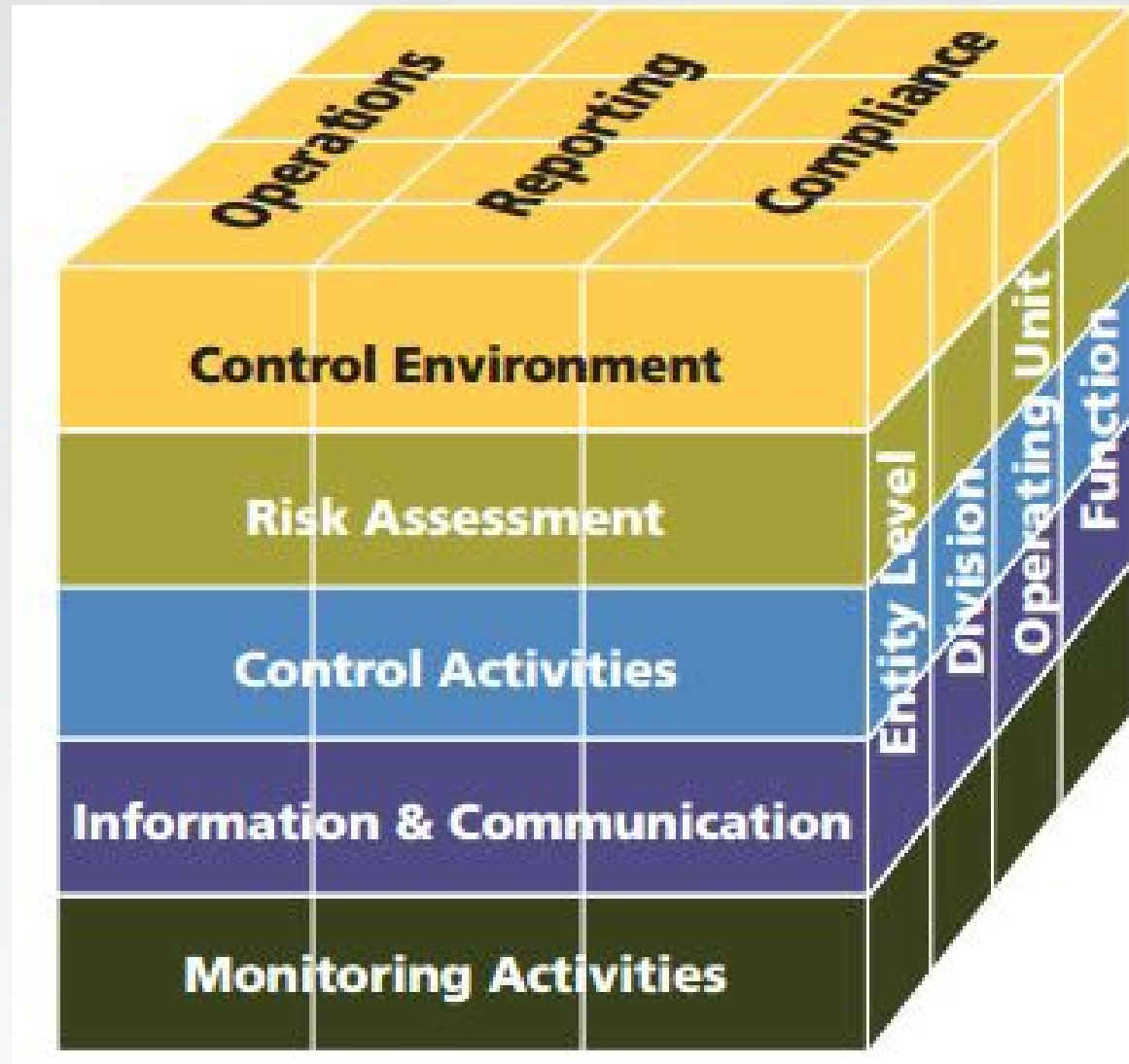
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# The COSO Cube

How does working from home impact the standard elements of the COSO Cube?

What elements are now more difficult?

What elements are now more important than before?



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# The COSO Cube

- Impacted?
  - The tone at the top
  - The human element
  - Staff education and training
  - Commitment, loyalty, dedication, etc.
  - Tenure
  - Turnover



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# FORVIS Audit Level 1 Training on Internal Controls

## Risk Assessment

What We  
They Do?

What Can  
Go Wrong?

What Do *We*  
Do About It?

### Understand Process

*How do transactions get recorded in the financial statements?*

### Assess Risk

*How can material misstatements occur in the financial reporting process?*

### Evaluate Design of Controls

*Do controls, individually or in combination, prevent or detect & correct material misstatements?*



# Process Re-engineering

- Institutions have altered their implemented processes, procedures and internal controls to adapt to the remote nature of business. There may have been things that were previously done in person or that utilized paper copies. Institutions can't bypass controls just because it seems difficult in a remote world. Re-engineer processes where necessary and possible.



# Illinois CPA Society

Internal Controls  
in a Remote  
World

Ten steps to  
developing  
robust remote  
internal controls

**#1: Reexamine segregation of duties.**

**#2: Take advantage of technology.**

**#3: Track, document, and confirm.**

**#4: Know your data.**

**#5: Find new lines of communication.**

**#6: Assess cyber risk.**

**#7: Get leaders involved.**

**#8: Draw attention to ongoing monitoring.**

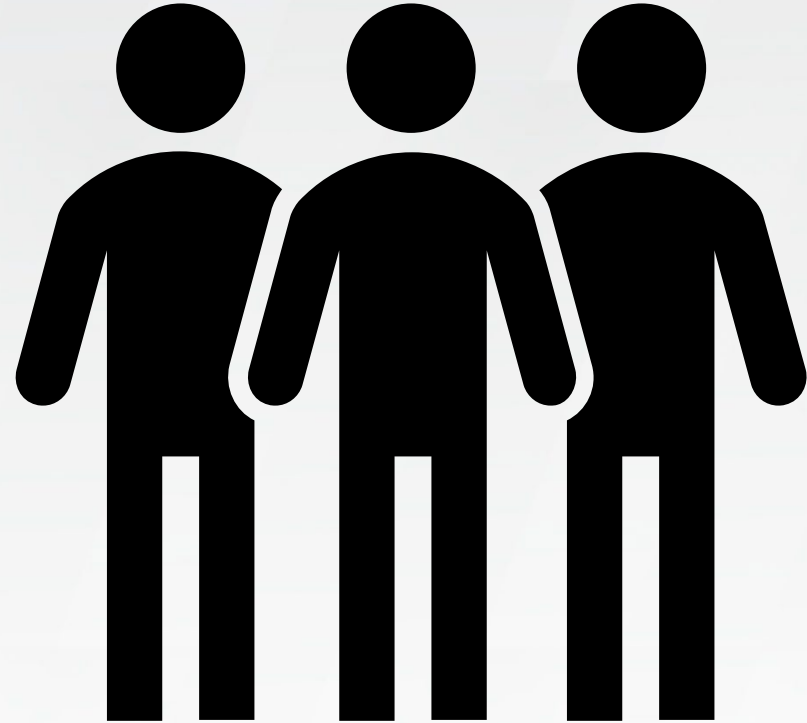
**#9: Remember the human element.**

**#10: Communicate with your clients.**



# In Closing...

The Human Element



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# Fast Company

A psychologist explains how working remotely impacts your relationship with your boss

August 18, 2023

Five recommendations for cultivating a good relationship with your boss when working remote:

- 1. Be super clear outlining your goals and objectives:** Nudge them into managing and measuring your performance for what you deliver.
- 2. Keep them frequently updated on progress:** Let them monitor your progress as often as they can or want to. Ideally, give them access to any live or real-time data on how you are performing.
- 3. Schedule the necessary in-person time:** Meeting in person is key to recharge trust and reinvest in the emotional and psychological connection that can make online meetings more tactical, operational, and task oriented.

<https://www.linkedin.com/pulse/psychologist-explains-how-working-remotely-impacts-your-relationship/>

# Fast Company

A psychologist explains how working remotely impacts your relationship with your boss

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Five recommendations for cultivating a good relationship with your boss when working remote:

**4. Don't disconnect from the team:** Whether your colleagues and teammates are working from home or at the office—especially if they are mostly at the office when you are not—be sure to keep in close contact with them, understanding not just the ins and outs of their working routine but also whichever personal or social aspects they are willing to share. Being physically distant doesn't mean you must be emotionally disconnected.

**5. Be open to change:** If there is evidence to suggest that working remotely has led you to be less effective than you were at the office, accept it and offer to return. Unless, of course, you are determined to avoid it (in which case you may consider changing jobs altogether).

# Questions?

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# Thank you!

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