

Case study: Pipex Communications plc

Testing and verification of customer data in preparation for an independent audit

Background:

Pipex Communications was launched as the first commercial ISP. It has grown to become one of the UK's leading telecoms operators. The company provides integrated telecommunications and internet services to a broad customer base consisting of consumers, SMEs and blue chip companies. Pipex's portfolio of services includes broadband, voice, data connectivity, hosting, security and WiMAX.

The project:

Clevercoms was asked to audit and test a randomly selected sample of customers from all Pipex entities and their subsidiaries. Our role was to pre-test the dataset and carry out a test audit to identify any issues relating to the quality of data so that they could be resolved prior to a full audit and ensure maximum revenues. Verification of the number of live customers by an independent auditor was requirement of a sale and purchase agreement.

Methodology:

The size of the dataset to be tested for each entity was agreed at the outset. The datasets provided were in varying formats. Therefore the Clevercoms team developed a template for sample selection. This ensured consistency in the selection process and completion within the tight deadlines set for the exercise.

As an audit requirement the datasets for each entity were divided into voice and broadband customers. Each of the subsets was then sorted – first by invoice number and then alphabetically. To validate this data a random selection from each grouping was identified and invoices requested.

An audit report was then compiled which outlined the results, highlighted issues of concern and made recommendations on how they might be resolved.

The process was repeated for a second time to ensure that all issues relating to the data had been resolved.

Outputs of the audit:

The test audit focused on the following areas:

- Identifying inconsistencies and anomalies in the datasets.
- Clarity in how the data was presented.
- Ensuring that information provided met the conditions of the sale and purchase agreement.

The benefits:

Following the first and second test audits Pipex was able to ensure that:

- All the information required for the independent audit was in place.
- Datasets were cleansed and there were no anomalies.
- Data from all entities was in a consistent format and therefore easily accessible to the auditors.

“Clevercoms helped us to ensure that we would successfully fulfil the requirements of the independent audit. They understood our business and the complex issues relating to the various entities. Industry knowledge, flexibility and meeting our deadline were critical to the success of this exercise. Clevercoms met our requirements on all counts.”

Mike Read, Chief Executive



88 Kingsway
London
WC2B 6AA

Tel: +44 (0)20 7681 6989
Fax: +44 (0)20 7841 1001
www.clevercoms.com
Email: info@clevercoms.com

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