

Information Assurance Services for Private Equity Firms

TODAY CYBERSECURITY AND INFORMATION TECHNOLOGY DUE DILIGENCE MUST PLAY A KEY ROLE IN CREATING LASTING SHAREHOLDER VALUE.

In 2016, two months after Verizon announced its plans to acquire Yahoo for \$4.83 billion dollars, Yahoo disclosed that at least 500 million user records had been compromised, delaying the deal as both parties struggled with the implications of the largest data breach in history. Today cybersecurity must be a top priority early in the transaction due diligence process to mitigate risk factors that can have a negative impact on value.

Aprio's Information Assurance practice advises private equity funds, middle-market companies and large corporations with middle-market investments, providing the cybersecurity and IT due diligence services that identify potential risks that can have an adverse effect on valuation and strategic objectives.

A new definition of assets

A company's data and IT infrastructure represent some of its most significant assets (and liabilities). Yet today most buyers and investors tend to focus their due diligence efforts on a target's financial and tax information. Aprio can provide you with assurance that the right things are being done to protect the integrity, availability, privacy and security of your target company's information systems and, inevitably, your interests.

While IT and cybersecurity due diligence will not eliminate the risk from a deal, they are essential to making informed decisions regarding pricing, terms and the decision to purchase or invest. Whether you are buying or investing in a company or you are a seller seeking to prepare for the sales process, Aprio will work with you to understand how IT and business operations can impact value.

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The benefits of working with us:



Mitigate IT Risks

Mitigate, transfer and avoid data privacy, security and transactional risks.



Smoothing integration

Understand the connection between technology and the business's current and future operations.



Protect shareholder value

Identify IT obstacles that can impact value and impede the realization of synergies.

Aprio's IT and Cybersecurity Due Diligence services

Situational Assessment: Gain a thorough understanding of a target company's IT environment through the collection and creation of documentation describing networks, dataflow, applications, servers and third-party providers. This includes the specific attributes of:

- Local and wide area network design and configuration
- Application versioning and licensing
- IT operations management and organization
- The role of third parties and third-party risk management
- Current and projected operating and capital resource requirements of target's IT environment

Risk Management Assessment: Understand the extent to which risk management is currently designed, deployed and practiced to address the inherent risks, including:

- Organization structure and personnel practices
- Policies and procedures – information security policies, recovery and retention, access rights, authentication, detection, backup, recovery, vendor management, incident management, etc.
- System-based controls – network architecture, local access, remote access, authentication, monitoring, architectural redundancy, backup, etc.
- Physical controls – personnel access, safeguarding of equipment, media

Recommendations: As appropriate, Aprio will identify recommendations relative to addressing significant risk management gaps (management, personnel/organizational, technical, physical, and cyber / tech E&O insurance).

About Aprio

Since 1952, clients throughout the U.S. and across more than 40 countries have trusted Aprio for guidance on how to achieve what's next. As a premier, CPA-led professional services firm, Aprio delivers advisory, assurance, tax and private client services to build value, drive growth, manage risk and protect wealth. With proven expertise and genuine care, Aprio serves individuals and businesses, from promising startups to market leaders alike.

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