



The Client

Hexcel develops, manufactures and markets lightweight, high-performance composites, including carbon fibers, reinforcements, prepregs, honeycomb, matrix systems, adhesives and composite structures, for use in the commercial aerospace, space and defense and industrial applications. Its products are used in a variety of end applications, such as commercial and military aircraft, space launch vehicles and satellites, wind turbine blades, automotive, bikes, skis and a variety of other recreational equipment. Hexcel has two segments: Composite Materials and Engineered Products. In February 2007, Hexcel completed the sale of its European Architectural business. In August 2007, the Company completed the sale of the Electronic, Ballistic and General Industrial (EBGI) portion of its reinforcements business.



The Challenge

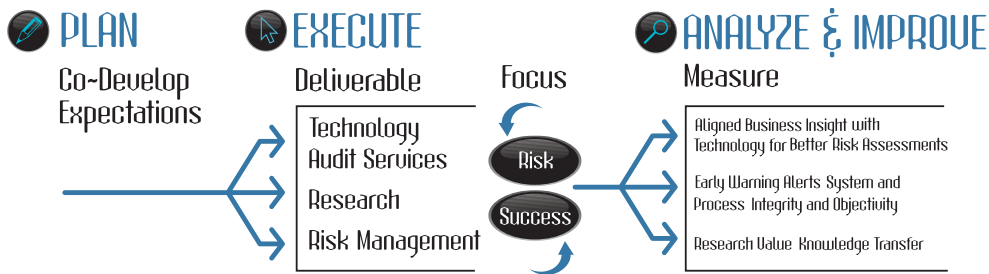
The Internal Audit department at Hexcel is very well established, and continues to manage and identify business and Information Technology (IT) risks within the organization. Included in the 2007 Internal Audit Plan developed by Hexcel, was a comprehensive review of the organization's payroll application, Lawson. For the review of the payroll application, the Director of Internal Audit wanted more than just a review of IT General Controls and limited transaction testing; he wanted a full scope review of the Lawson application, a review of the application's functionality in order to assess where automation of controls could be incorporated into SOX processes, and also a full scope transaction test to identify any anomalies within the payroll process for the prior 12-month period.

Given the annual audit plan of Hexcel, and resource limitations due to other organization initiatives, Hexcel sought outside expertise to perform the review.

After a period of vendor evaluations, Securance Consulting was selected.

"...prepared and able to meet all of our professional and technical requirements"

- Director Internal Audit, Hexcel



Securance's Solution

During the second quarter of 2007, Securance performed an assessment of the organization's primary payroll application, Lawson.

To achieve the objectives of this project, Securance performed the following activities:

- Specific scope general controls review over the Lawson payroll application;
- Review of access controls to the 'Employee Master File';
- Review payroll-specific module application controls;
- Performance of positive & negative transaction tests;
- Manual recalculation of employee gross & net periodic pay, and comparison to system calculated output;
- Analysis of payroll transaction history and identification of potential anomalies occurring within the past 12 months (July 2006- June 2007);
- Review of access to the Lawson security and program libraries;
- Review of AS/400 security controls; and
- Segregation of duties review for the Lawson payroll specific related modules.

As a result of the procedures performed, Hexcel's Internal Audit department was able to complete a full-scope process and IT review of the organization's payroll process and payroll system.

At the time of the review, Hexcel completed the sale of the EBGI portion of its reinforcements business, which was the primary administrator of the Lawson application. As a result, it was necessary for Hexcel to transfer administrative functions to new roles within the organization. The application is being upgraded to the latest version of Lawson in 2008.

The project was completed on budget and feedback from management and Internal Audit staff was excellent.

Securance will assist Hexcel with the application's implementation and upgrade by providing pre- and post-implementation reviews in 2008, and will continue to work with Hexcel in providing IT Audit and Security services.



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