



The Pantry

S U C C E S S S T O R Y

The Client

Headquartered in Sanford, North Carolina, The Pantry, Inc. (Pantry) is the leading independently operated convenience store chain in the southeastern United States, and one of the largest independently operated convenience store chains in the country. As of November 2007, the Company operated 1,644 stores in eleven states under select banners, including Kangaroo Express(R), its primary operating banner (tracy, maybe we can add the Kangaroo logo here). The Pantry's stores offer a broad selection of merchandise, as well as gasoline and other ancillary services designed to appeal to the convenience needs of its customers.

Total revenues for The Pantry, Inc. are approximately \$6.9 million. Total assets are approximately \$2.0 million. The Pantry, Inc. has further strengthened their market position by steadily upgrading the merchandise side of their stores, which average approximately 2,600 square feet of selling space. They continually fine-tune the merchandise offerings, with more substantial changes in store layouts and product mix from time to time.

The Challenge

In its initial year of compliance with Sarbanes-Oxley (SOX), The Pantry disagreed with the information technology (IT) deficiencies reported by its external auditing firm. While there was a disagreement, IT personnel did not clearly understand how to interpret the deficiencies or develop a remediation plan. The deficiencies ranged from technical network authentication settings to process-related improvements. Additionally, it was initially determined that 20+ applications were in-scope for SOX compliance based on a preliminary understanding of each application's criticality to the organization.

Securance Consulting was immediately engaged to assist The Pantry in reviewing and responding to the external audit deficiencies, and to develop a risk-based approach for determining in-scope applications, based on their knowledge of Securance Consulting was immediately engaged to assist The Pantry in reviewing and responding to the external audit deficiencies, and to develop a risk-based approach for determining in-scope application, because of their knowledge of SOX; IT controls; and the number of former 'Big 4' consultants they employ.



The Pantry.

**"...summed up
with three words -
knowledgeable,
flexible, and
available"**

The Pantry

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Securance's Solution

Securance Consulting assembled a team of former 'Big 4' IT risk consultants; reviewed the external audit firm's deficiencies, and successfully challenged some of them. The successful challenges were based on the following:

- clarification of the control statements, and determination that some controls were not 'Key' for SOX Compliance purposes;
- provision of additional technical and corroborating audit evidence; and
- provision of detailed explanations to the external firm's lead auditor related to leading practice and practical technical security configurations for applications and network devices.

Ultimately, the deficiencies were reduced by 30%.

Securance Consulting also completed a risk-based assessment of all of The Pantry's applications to confirm the list of in-scope SOX applications.

The project was deemed a success by The Pantry's IT personnel and the external audit firm. Securance Consulting continues to provide The Pantry with superior IT risk management intelligence.



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