

Integrating CA and CM into Audit, Risk and Compliance processes

26th WCARS

Rutgers University

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VP, Product Strategy & Alliances

ACL



CA and CM – Integration with A, R & C

- Enterprise Risk Management gaining momentum
- Increasing trend towards continuous risk and control assessment
- Internal Audit increasingly involved in assessment of effectiveness of ERM
- Technology is critical but under-utilized in Internal Audit and Risk Management



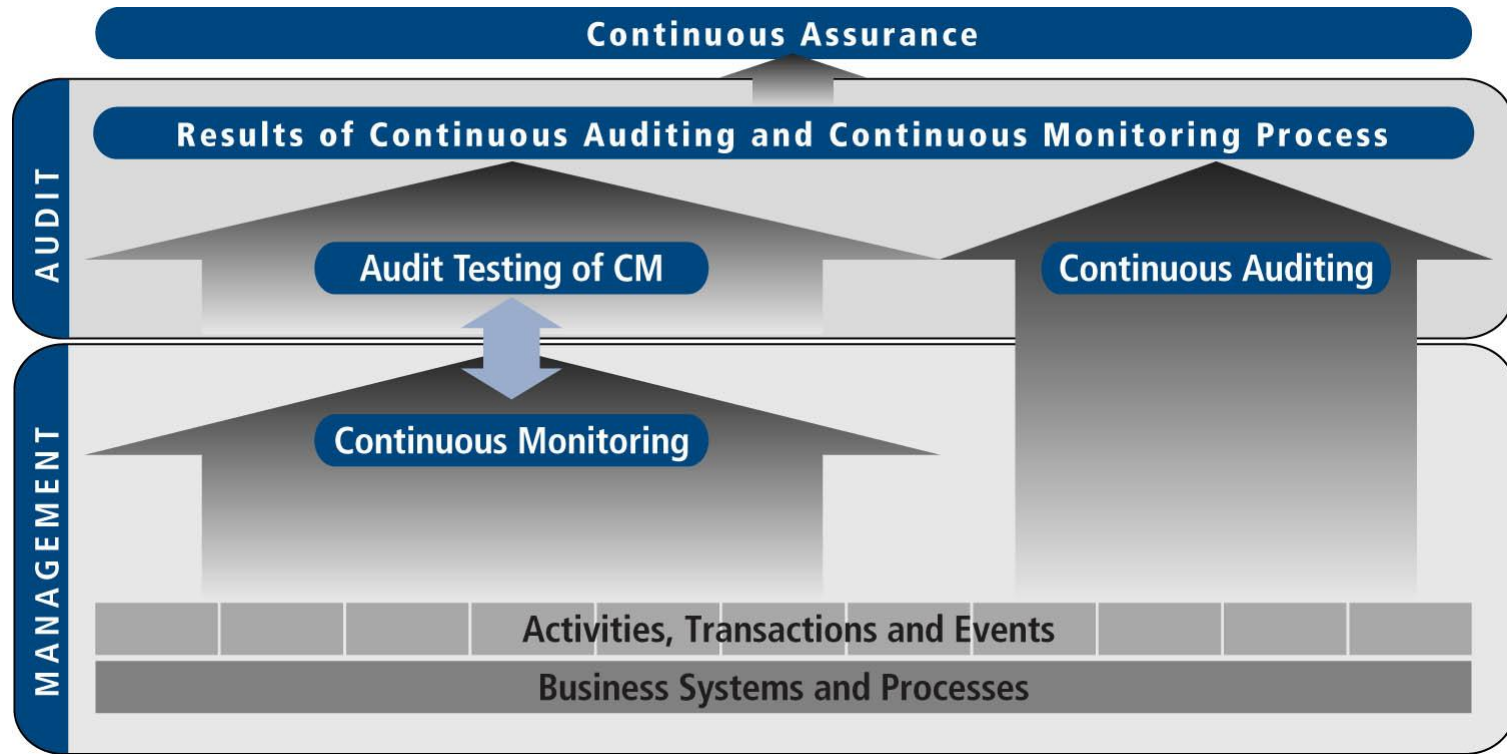
Audit & Risk Management

“ For almost four years now, I have been advocating that the internal audit profession embrace the challenge of providing assurance on the effectiveness of risk management. I believe it is the most significant opportunity for our profession in a generation. ”

Richard Chambers, President & CEO
Institute of Internal Auditors



CA and CM - An Integrated Approach



IIA Global Technology Audit Guide #3

CA and CM: Why is progress limited?

Consistent challenges

- Data access and acquisition
- Skills and knowledge of how to apply data analysis for audit objectives
- Alignment with risk management and control assessment

Best Practices

An integrated approach for technology in Audit, Risk and Control

- Technology and data analysis as an integral part of audit, risk and control strategy
- Risk and controls management systems in place
- CA and CM in operation
- Risk and controls management systems integrate with audit risk assessment and planning

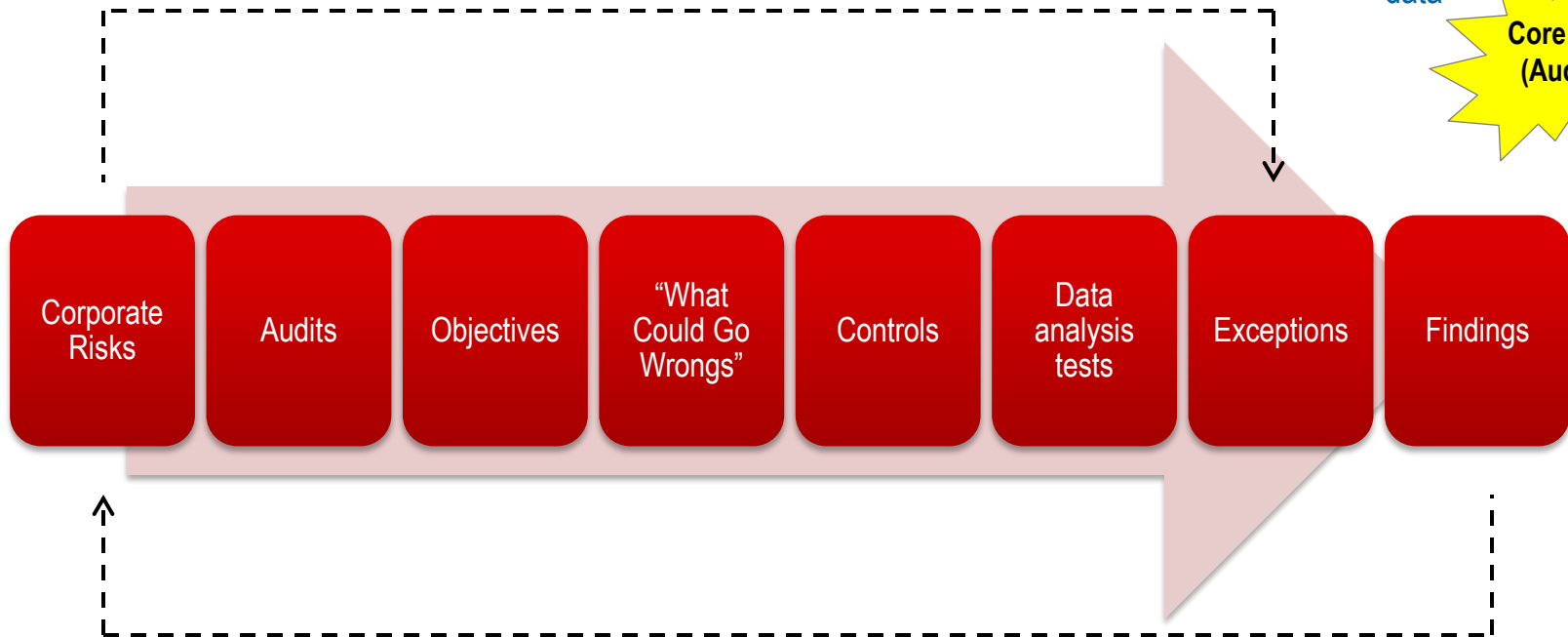
Transforming Audit

Data-Focused Risk assessment and Audit Process



Corporate risks become visible in **ACTUAL** transactional corporate data

Core Value (Auditor)



Audit findings and transactional exceptions link **DIRECTLY AND VISUALLY** to corporate risks

Core Value (Executive)



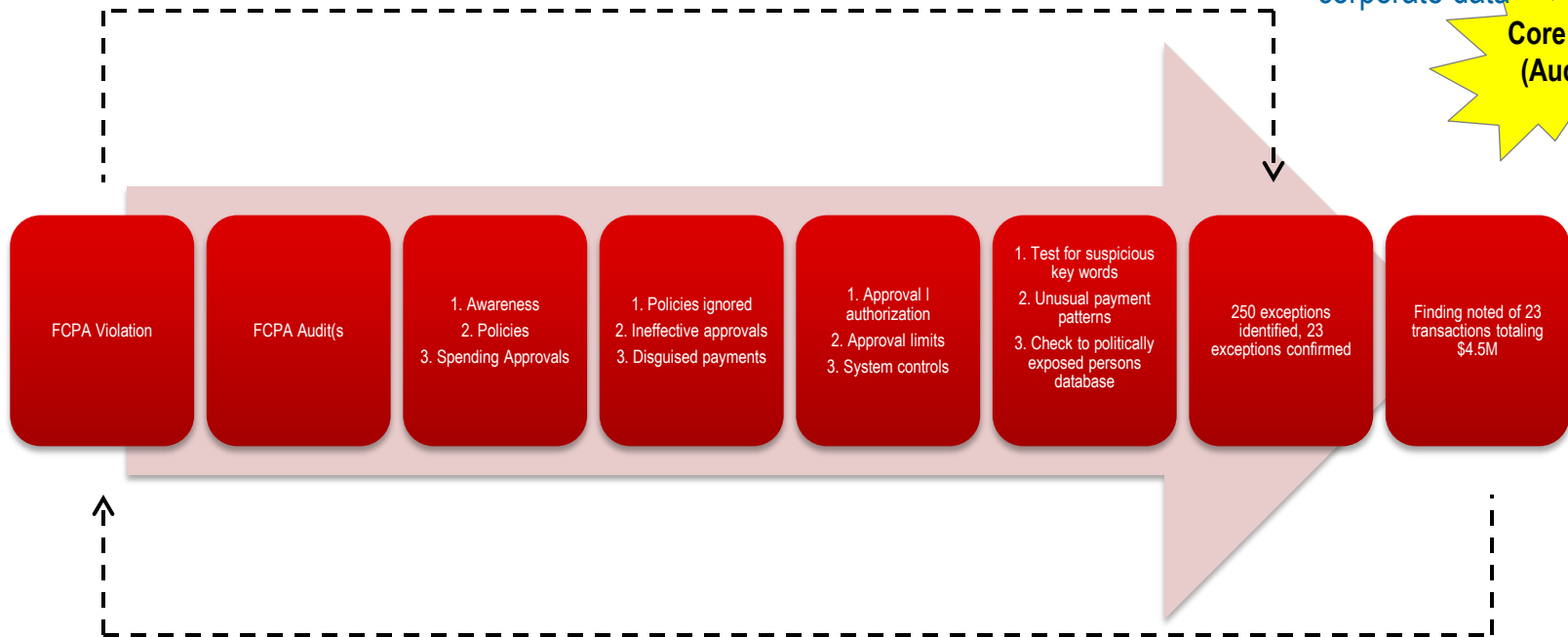
Transforming Audit

High-Impact, Data-Focused Audit Process



Strategic corporate risks become visible in **ACTUAL** transactional corporate data

Core Value (Auditor)

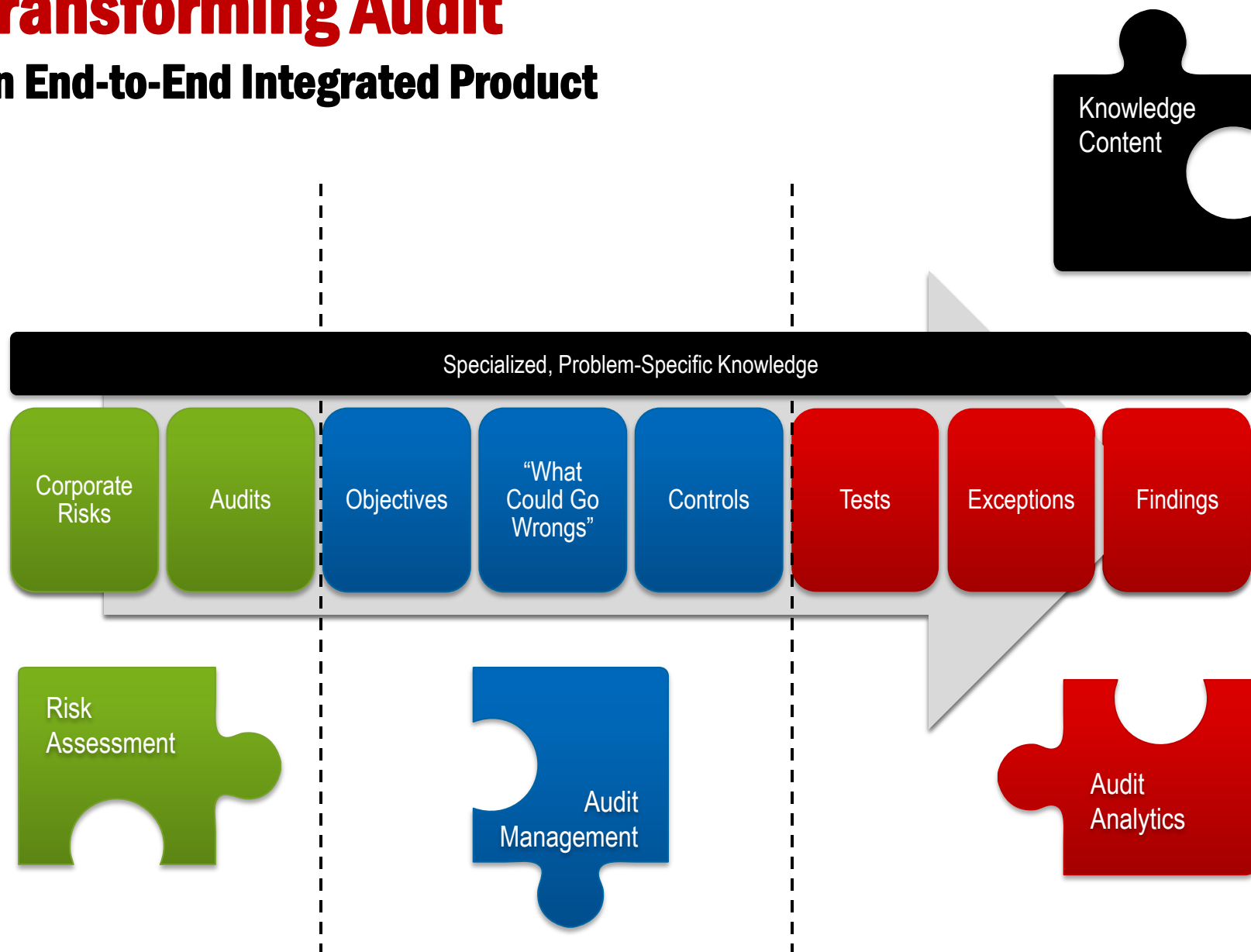


Audit findings and transactional exceptions link **DIRECTLY AND VISUALLY** to strategic corporate risks

Core Value (Executive)

Transforming Audit

An End-to-End Integrated Product



Technology-enabled Audit “Puzzle”



Technology-enabled Risk Management “Puzzle”



ACL Technology Solution

ACL Risk
Spring 2013

WP ACL | Workpapers

Purpose-built, all-in-one cloud-based audit management designed for simple use, instantly increases productivity.

DB ACL | Dashboard

Visualize, widely share and act on information uncovered in analysis testing across the business

EX ACL | Exception

Automatically distribute exceptions found during data analysis testing to multiple business stakeholders

AC ACL | Acerno

An add-in for Microsoft Excel® designed for working with data results produced by analytic systems

AX ACL | AuditExchange™

Server-based technology that lays the foundation to implement automated analytics and data sharing, remediation, reporting and continuous transaction monitoring

ADD-ONS for ACL DESKTOP

LK ACL | Direct Link

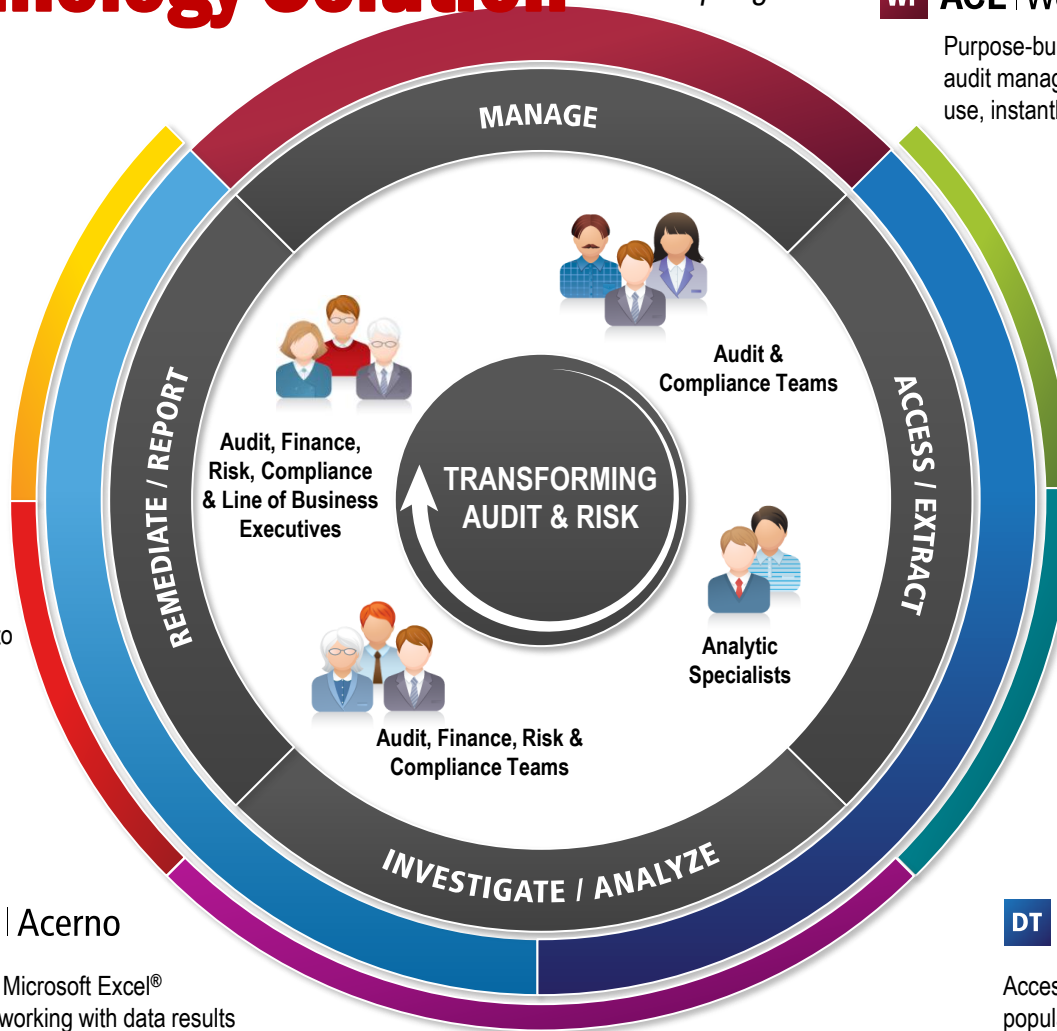
Enables secure, direct and seamless data selection and extraction capabilities for your SAP® ERP

IM ACL | Importer

Enhances ability to analyze data trapped in static reports, PDF files, XML files and other content-rich data sources

DT ACL | Desktop

Access and analyze complete data populations with easy and 100% coverage for superior assurance



Semi-Global Enterprises

Audit Universe History Reports Settings

Assess Accepted Audit Continuously Audit Mitigated

Assess

+ New

- 34
56%
Title of the risk
- 34
56%
Title of the risk
- Description of this risk will go beneath here. This can be as long as the user wants, it will just make the expanded longer to accommodate it.
- Assess
- 34
56%
Title of the risk
- 34
56%
Title of the risk

Title of the Risk

Accept

Mitigate

Scheduled for reassessment in 3 weeks

Risk Score

28

Risk Heat

56%

Description

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Cras eleifend augue sit amet ligula pellentesque ullamcorper euismod ut orci. Cum sociis natoquepenatibus et magnis dis parturient montes, nascetur ridiculus mus. Sed nec augue tortor, id adipiscing dui. Aenean quam lacus, ullamcorper id auctor non, varius at augue. Donec posuere dolor nec mauris consequat a imperdiet erat vehicula.

Processes

- Accounts Payable
- Accounts Receivable
- Inventory

Tags

- Lorem ipsum x
- imperdiet x
- varius x
- adipiscing x
- posuere mauris x

ACL RISK Risk Scoring

Auditable Entities

Likelihood

Impact

Auditable Entities	Likelihood	Impact	
Vancouver	Low Med High	Low Med High	2
Mexico	Low Med High	Low Med High	4
New York	Low Med High	Low Med High	9
Denver	Low Med High	Low Med High	2
Russia	Low Med High	Low Med High	4
San Francisco	Low Med High	Low Med High	9

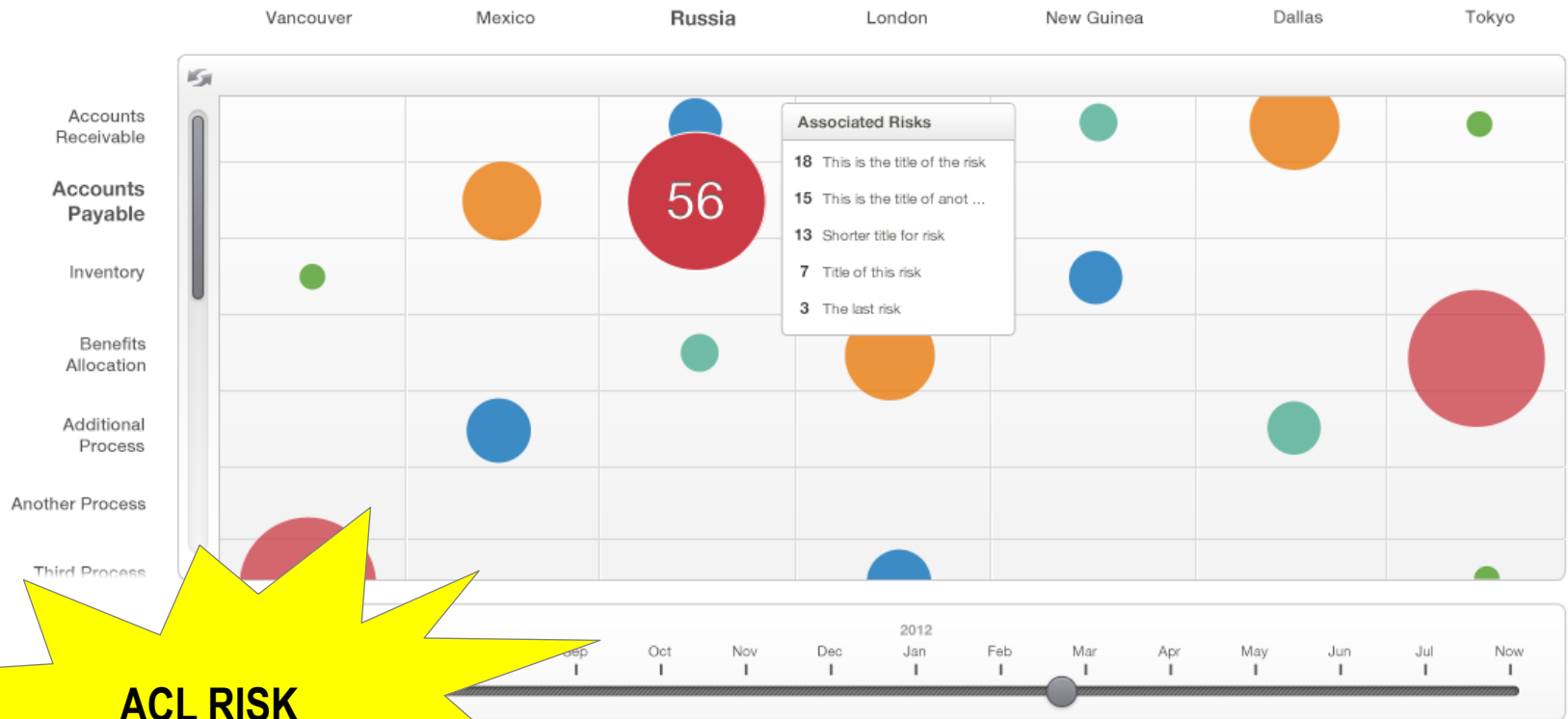
Semi-Global Enterprises

[Audit Universe](#) [History](#) [Reports](#) [Settings](#)

Reports

Filter by:

Export:



**ACL RISK
Risk Heatmapping**

Stark Industries

Findings & Remediation Tracker

Findings Report Builder

Select one or more filtering options.

Search
 Type
 Status
 Severity
 Owner

	Contains term Mexico	x
	Type is Finding ▾	x
	Status is Open ▾	x
	Severity = ▾ High ▾	x
	Executive Owner ▾ is Tom Nelson ▾	x

Save this report

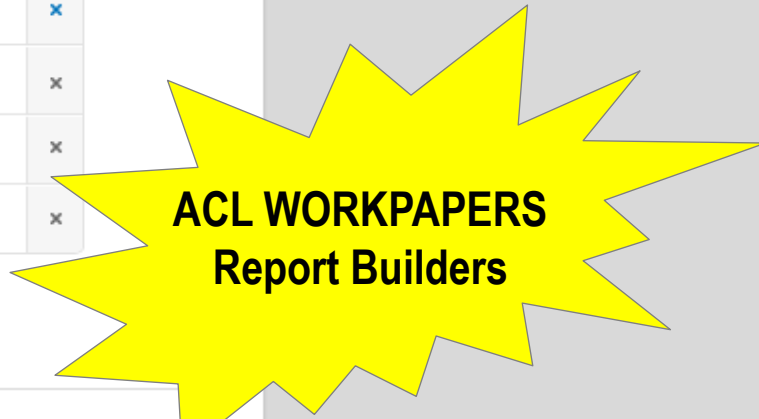
List

KPIs

Severity: High Type: Deficiency	Audit Name Up Here Out of a sample of 25 changes, there were 6 that had no evidence of user acceptance testing documented.	Details
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Severity: High	Audit Name Up Here Out of a sample of 25 changes, there were 6 that had no evidence of user acceptance testing documented.	Details

Saved Reports

- [Critical Mexico findings for Tom](#)
last run: Sep 10, 2012
- [Open Significant Deficiencies](#)
last run: Sep 2, 2012
- [Critical Material Weaknesses](#)
last run: Aug 24, 2012



Dashboard

Planning

Fieldwork

Reviews 2

Results

Findings 5



Status



To-Dos 4



Requests 6



Timesheets

Dashboard

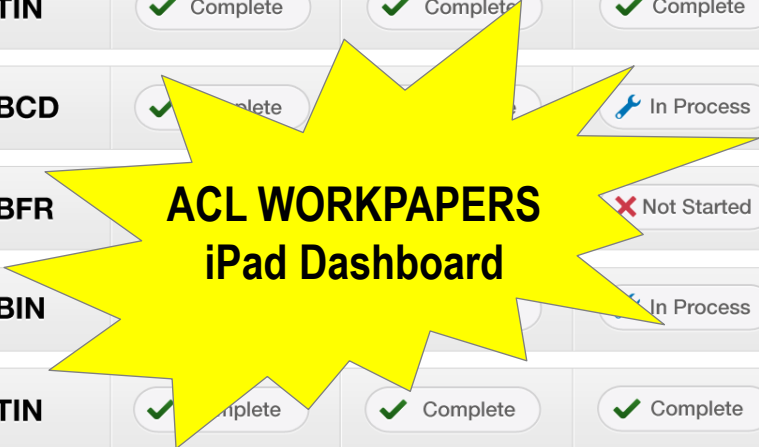
15
outstanding requests >

6
to-dos assigned to me >

0
reviews in my queue >

3
findings still open >

Sections	Narratives	RCM	Walkthrough	Testing	Reviews
CBCD	✓ Complete	✓ Complete	🔧 In Process	✓ Complete	✗ Not Started
CBFR	✓ Complete	✗ Not Started	✗ Not Started	🔧 In Process	✗ Not Started
CBIN	✓ Complete	✓ Complete	🔧 In Process	✗ Not Started	✗ Not Started
UTIN	✓ Complete	✓ Complete	✓ Complete	🔧 In Process	✗ Not Started
CBCD	✓ Complete	✓ Complete	🔧 In Process	✓ Complete	✗ Not Started
CBFR	✓ Complete	✓ Complete	✗ Not Started	🔧 In Process	✗ Not Started
CBIN	✓ Complete	✓ Complete	🔧 In Process	✗ Not Started	✗ Not Started
UTIN	✓ Complete	✓ Complete	✓ Complete	🔧 In Process	✗ Not Started



Semi-Global Enterprises

New Active All

Launcher Settings

Title of Engagement

The description of the engagement

12 Title of the control

Control test name that is very lo
Description of this test will go bene
just make the expanded card long

250 Title of the control

46 Title of the control

Comments



Jonathan Smith -

Lorem ipsum dolor s
veniam, quis nostrud

Duis aute inure dolor
proident, sunt in culp



Add a comment...

Control Test Name

Triggers

Help



If any of the following conditions apply:

New Condition Priority Idle

When a new exception is reported

Label = Value

If the exception is idle for 1 week

If the exception priority is Medium or higher

Then perform the following action(s):

Assign Escalate Notify Attributes

Assign to User name

Escalate to User name

Notify User name

Reset exception attributes

Save trigger

**ACL EXCEPTION
Define Trigger**

Title of the Engagement ▾



All Controls (76) ▾

The description of the control will appear here. If it is exceedingly long, part of it will be hidden, and revealed by clicking a link.

Purchase to Payment (41)

Split Payment (8)

Duplicate Payment (21)

Fuzzy Duplicates (19)

Gap Analysis (7)

Benford Variant (2)

Another Control Test (0)

Previous 30 Days

Exceptions generated	110	-
Backlog	44	↑
Average unresolved age	27	↓
Average time to resolve	12	↑
Confirmed	71	↑

17 other people on working on this

Mine All Status ▾
Oct 1, 2012 • Oct 24, 2012
Manage exceptions

Filter exceptions: Lorem Ipsum ✕

<input type="checkbox"/>	Priority	Owner	Date	Status	Indicator
<input type="checkbox"/>	—	Tom Larkin	Oct 24, 2012	New	\$1075.80
<input checked="" type="checkbox"/>	≡	Tom Larkin	Oct 24, 2012	New	\$1044.97
<input type="checkbox"/>	=	Tom Larkin	Oct 24, 2012	New	\$1103.45
<input type="checkbox"/>	≡	Mac Enchees	Oct 24, 2012	New	Nov 29, 2011
<input type="checkbox"/>	—	Mac Enchees	Oct 24, 2012	New	Nov 29, 2011
<input type="checkbox"/>	=	Mac Enchees	Oct 24, 2012	New	Nov 29, 2011
<input type="checkbox"/>		Mac Enchees	Oct 24, 2012	New	Nov 29, 2011
<input type="checkbox"/>	≡	Mac Enchees	Oct 24, 2012	New	Nov 29, 2011
<input type="checkbox"/>	≡	Hobart Gilford	Oct 24, 2012	New	Paula Sanford
<input type="checkbox"/>	≡	Hobart Gilford	Oct 24, 2012	New	Andrew Duprane
<input type="checkbox"/>	≡	Hobart Gilford	Oct 24, 2012	New	Felix Wong
<input type="checkbox"/>	≡	Hobart Gilford	Oct 23, 2012	Open	Megan Marpole
<input type="checkbox"/>	—	Amy Martin	Oct 23, 2012	Open	366
<input type="checkbox"/>		Amy Martin	Oct 23, 2012	Remediated	401
<input type="checkbox"/>	=	Tom Larkin	Oct 23, 2012	Under remediation	\$12.06

All Controls (76)

Manage Exceptions



Mine

All

Filter Status

Oct 1, 2012 - Oct 24, 2012

Assign to

Change Status

Set Priority

<input type="checkbox"/>	Priority	Owner	Date	Status	Payment Date	Amount	Invoice #	Part #	GL_ACC_ID	Username
<input type="checkbox"/>	—	Tom Larkin	Oct 24, 2012	New	Jun 10, 2011	22.33	13076	PT- 17090	280	ALC_1000
<input checked="" type="checkbox"/>	≡	Tom Larkin	Oct 24, 2012	New	Jun 10, 2011	22.33	13076	PT- 17089	230	ALC_1002
<input type="checkbox"/>	=	Tom Larkin	Oct 24, 2012	New	Jun 10, 2011	18.53	14608	PT- 23976	280	ALC_1004

Add a comment...



Add

Jonathan Smith - Posted 1 week ago

Lorem ipsum dolor sit amet, consectetur adipisicing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Ut enim ad minim veniam, quis nostrud exercitation ullamco laboris nisi ut aliquip ex ea commodo consequat.

Duis aute irure dolor in reprehenderit in voluptate velit esse cillum dolore eu fugiat nulla pariatur. Excepteur sint occaecat cupidatat non proident, sunt in culpa qui officia deserunt mollit anim id est laborum.

Hobart Gilford - Posted 12 days ago

Okay.

Hobart Gilford - Posted 12 days ago

Lorem ipsum dolor sit amet, consectetur adipisicing elit. Duis aute irure dolor in reprehenderit in voluptate velit esse cillum dolore eu fugiat nulla pariatur. Excepteur sint occaecat cupidatat non proident, sunt in culpa qui. Lorem ipsum dolor sit amet, consectetur adipisicing elit.

**ACL EXCEPTION
Action Exceptions**

Contacts and information

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www.acl.com

IIA GTAG's #3 and #16

