



Technology for Business Assurance

Continuous Auditing and Monitoring technology - the next generation

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19th World Continuous Auditing Symposium
Rutgers Business School
November, 2009

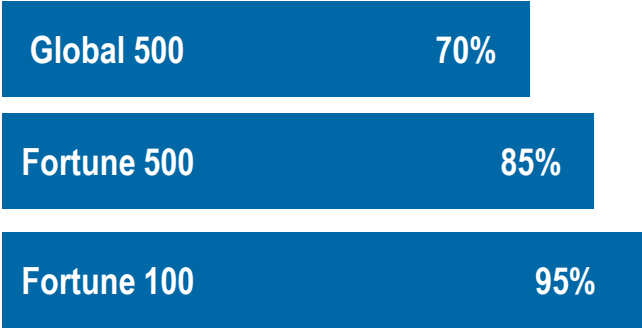
John Verver CA, CISA, CMC
Vice President Services & Product Strategy
ACL Services Ltd

ACL - 22 Years of Data Analysis in Audit

Clients include 222,000+ licensed users, 14,000 organizations in 150 countries

Commercial





Public Sector



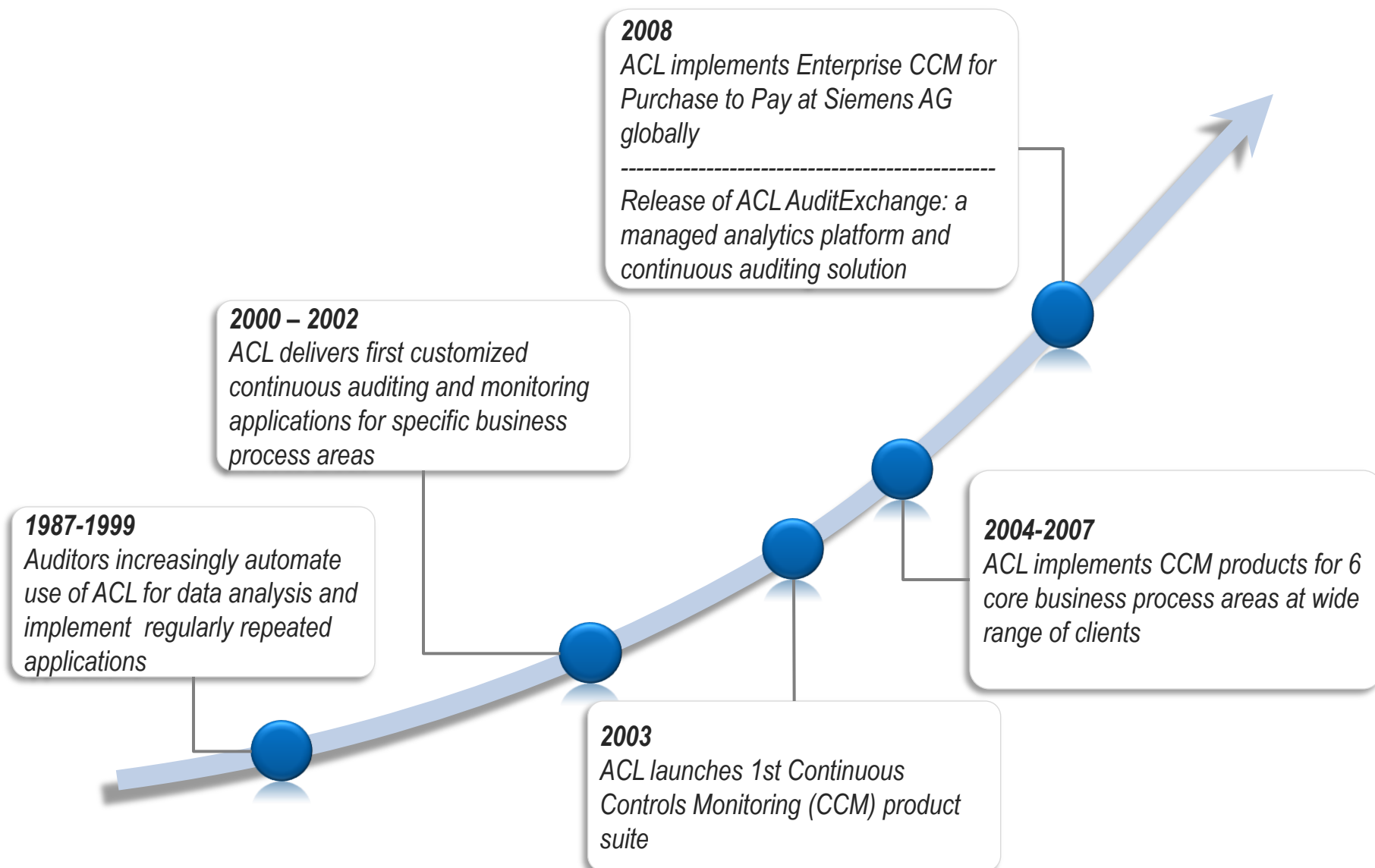


Public Accounting / Business Services





ACL Evolution of Continuous Auditing and Monitoring



September 2009:



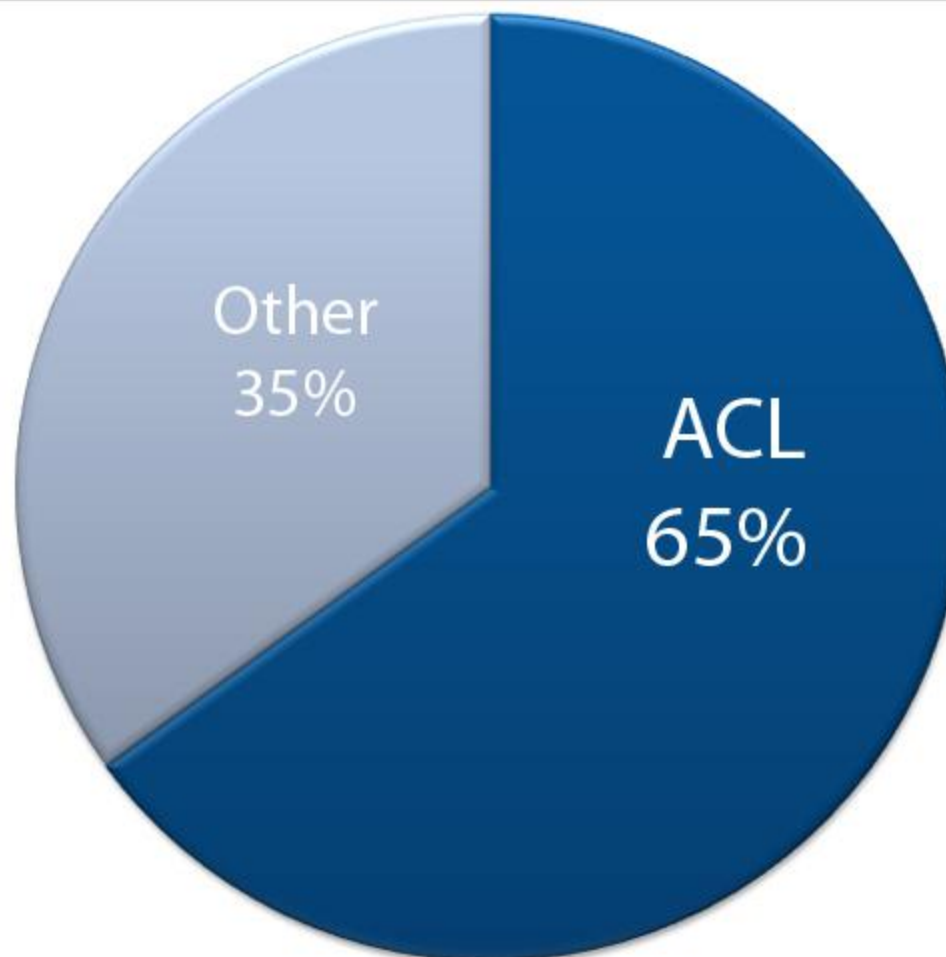
an integrated solution for
Continuous Auditing & Continuous Monitoring

IIA Software Survey: Continuous Auditing



The Institute of
Internal Auditors

*IT Audit Benchmark
Study 2009*



Other: Excel, IDEA, Inhouse,
Oracle, PeopleSoft, Proprietary,
Showcase Query

What did we learn from years of practical experience of continuous auditing and monitoring?

- Wide range of approaches
- The continuum of analytics
- CM is increasingly driven from CA into the business – by audit

Continuum of Audit Analytics



- One-off analysis and testing



- Automated analyses and tests
- Managed and deployed from a central environment



- Continual execution of automated audit and monitoring tests to test compliance and identify errors, fraud and waste on a timely basis



ad hoc



repetitive



continuous

Technology Analysts

“Continuous controls monitoring for transactions (CCM-T) is an emerging governance, risk and compliance technology that monitors ERP and financial application transaction controls to improve financial governance and automate audit processes.

CCM-T ensures that business rules and policies are effective, reduce compliance and audit costs, and support risk management.”

Continuous Controls Monitoring for Transactions: The Next Frontier for GRC Automation
Paul Proctor & French Caldwell
Gartner

Moving Towards Continuous

PROMISE & REALITY

Continuous auditing can be a boon, but getting it right is not easy, according to a recent survey:

BENEFITS

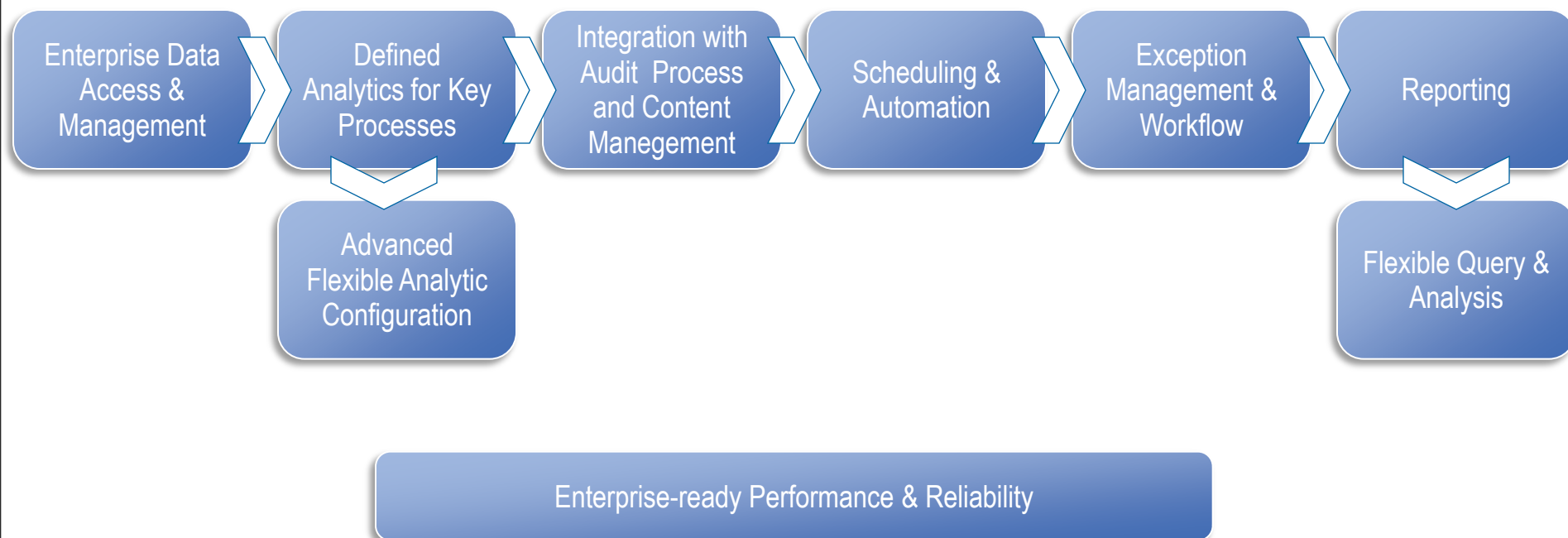
- ✓ Greater coverage
- ✓ Ability to test 100% of the population
- ✓ Steady monitoring of changing risk levels
- ✓ Independent assurance of key controls
- ✓ Lower audit costs

OBSTACLES

- ✗ Understanding the underlying information system
- ✗ Accessing the required data
- ✗ Ability to manipulate the data
- ✗ Poor data integrity
- ✗ Finding auditors with required skill sets

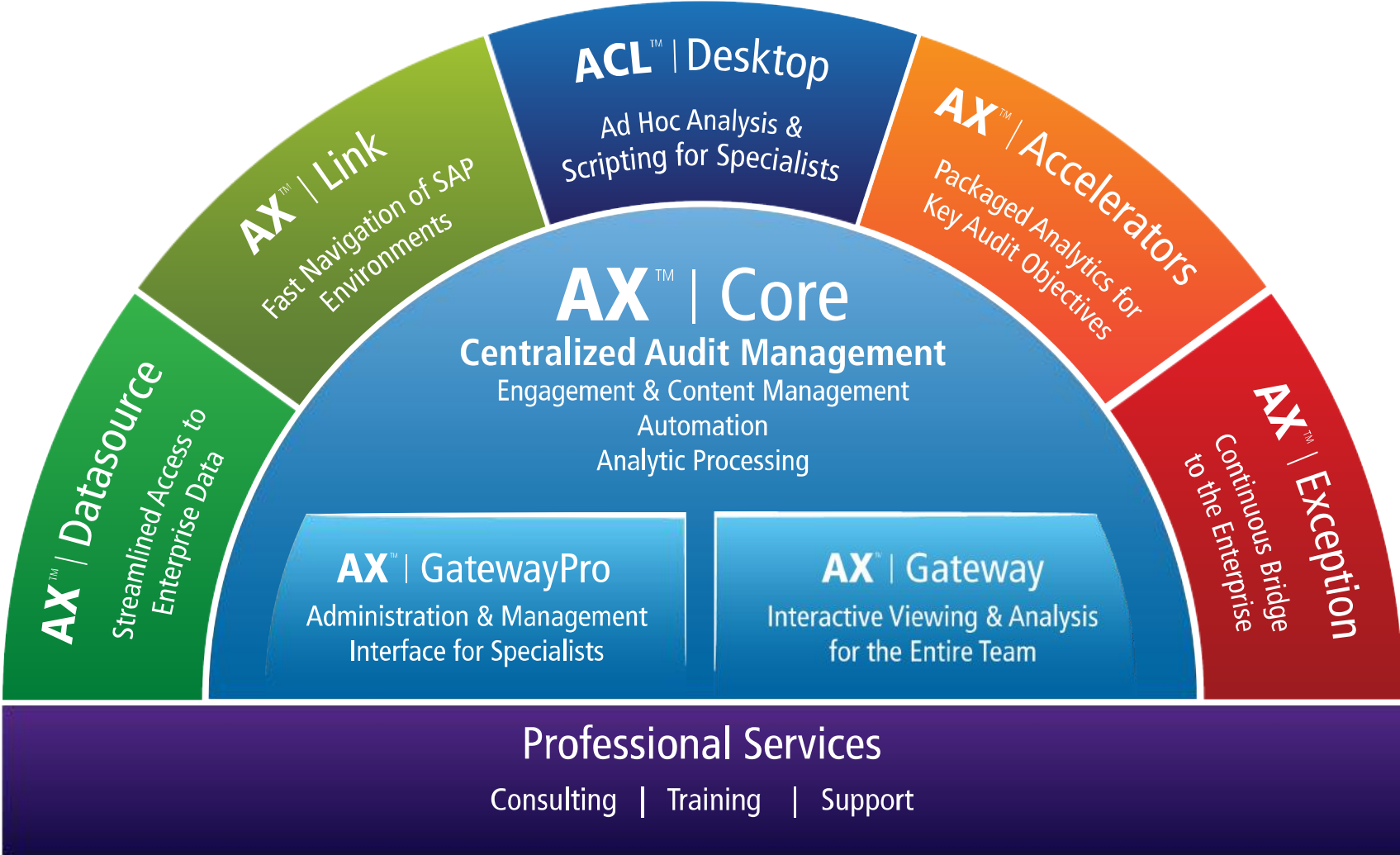
Source: Institute of Internal Auditors

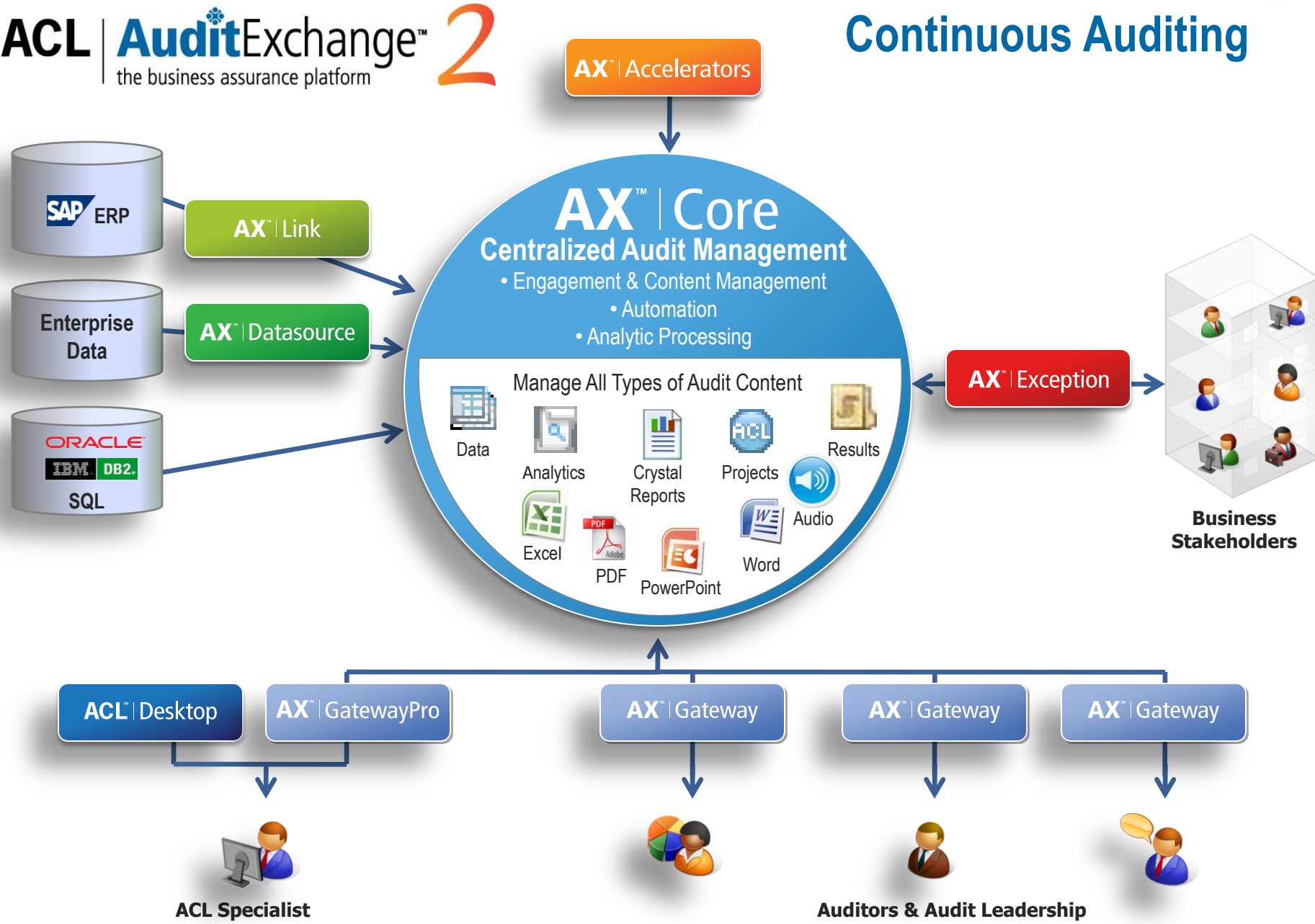
CA and CM ...Practical Technology Requirements



ACL | AuditExchange™ 2

the business assurance platform

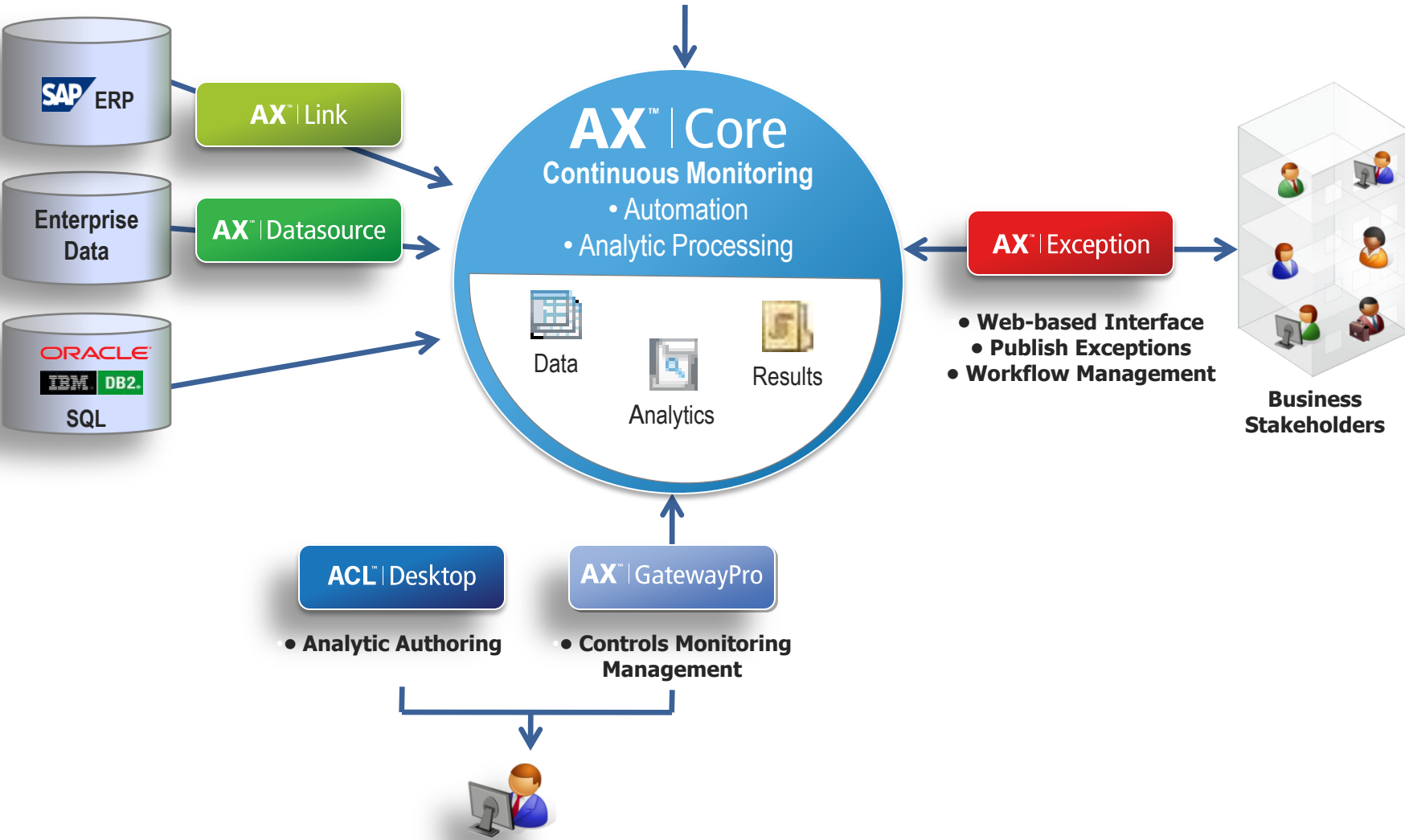




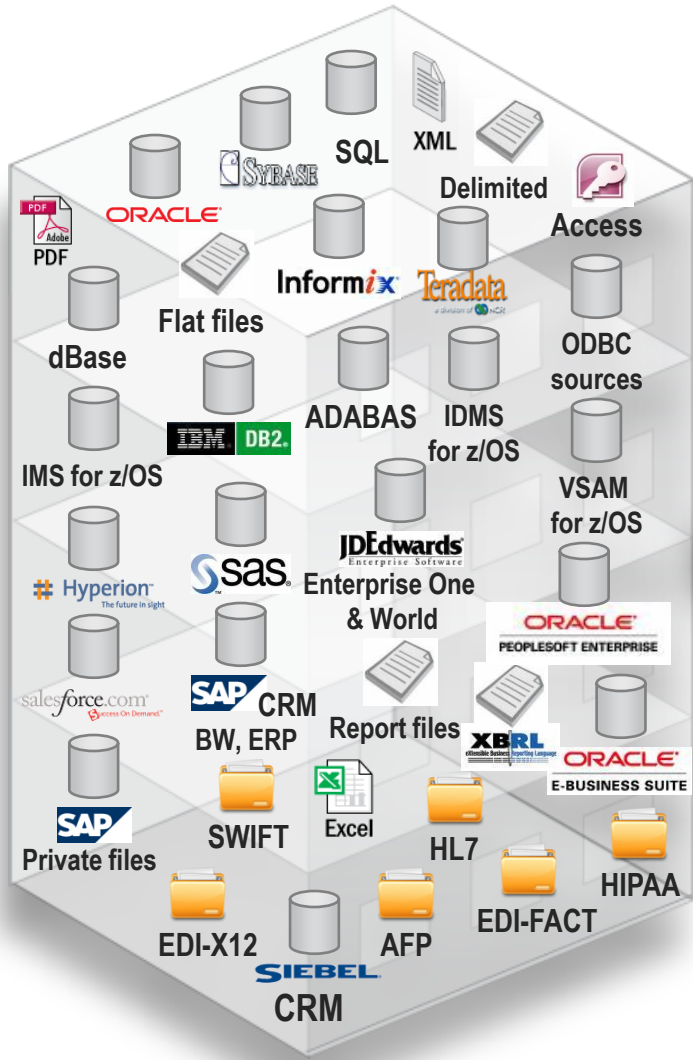
Continuous Monitoring

AX[™] | Accelerators

- Business Process Areas



AX™ | Datasource



Provides access to multiple data sources

Schedule large data extracts on a recurring basis

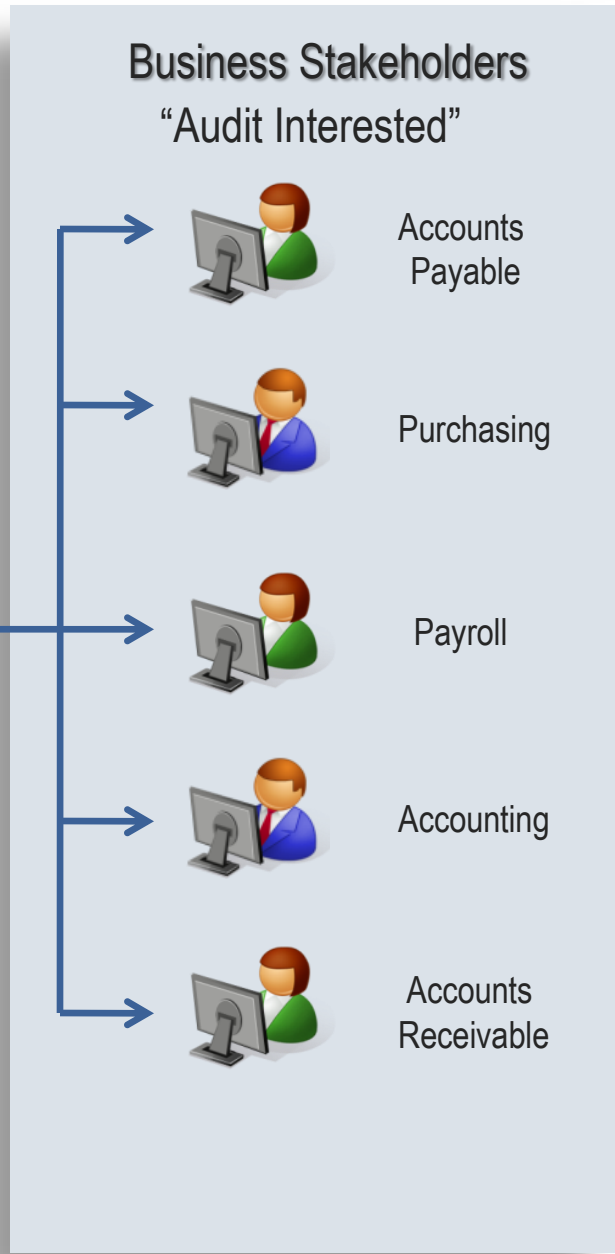
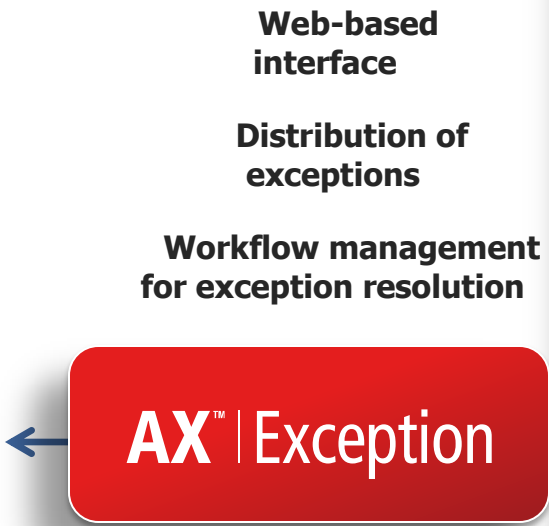
Mask sensitive information



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AX™ | Exception



Palomar Pomerado Health



“ Audit Exchange 2.0, with the AX Exception component, has improved our controls monitoring across the business. **We have automated both audit testing and distribution** of the results for appropriate follow up. It now runs seamlessly and we have an audit trail that confirms exceptions are reviewed and dealt with. This is a much better alternative to sending audit reports with attachments, to people who may or may not answer, and then manually cutting and pasting auditee feedback back into audit reports. ”

Tom Boyle, District Audit Officer

Dun & Bradstreet

Activity: Technology

Employees: 4,900

Size: 100 locations

“AuditExchange 2.0 will fundamentally transform how we manage spending and evaluate compliance. Reporting that was previously non-existent will now provide senior leadership with a clear picture of our control environment.”

Hal Laughlin, IT Audit Manager
Dun & Bradstreet



Decide with Confidence

- Continuous monitoring for enhanced controls & regulatory compliance
- Significant cost recoveries and ROI
- Timely exception reporting and communication to stakeholders
- Higher quality audits with full data coverage

Siemens Financial Services, Inc.



“ AX Exception is going to **improve how we work with internal business units.** We are already getting questions and suggestions about additional analytics based on the first few reports we provided to them. And it's much easier now for the managers to track and follow-up on issues. We previously sent out spreadsheets, which had become largely unmanageable due to their size and complexity. ”

Jason A. Gross, Vice President, Controls Management

Changing the Game



an integrated solution for
Continuous Auditing & Continuous Monitoring
