



RiskWaves Cost Saving Auditing Functionality

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Contents:

- Process Context
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- Audit Modules
- Audit Preparation
- Audit Work Plans and Controls
- Audit Reports and Monitoring
- Learning

Applicable Platforms:

- Azure Cloud Remote App
- SQL Database
- Locally Hosted Solution

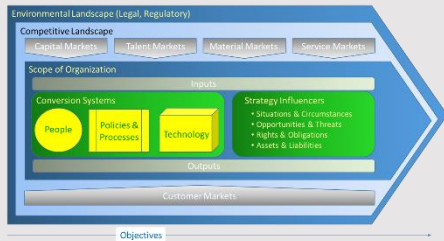


Process Context for Audit Committees and CAEs to Drive Audit Results

Value Chain Risk Universe Framework, Control Coverage Matrix, and RiskWaves
(Click Framework, Matrix, Excel Icon, and RiskWaves Logo for more information on each)

Objectives

Value Chain Framework



Risk Universe

- > Controllable Controlled
- > Controllable Uncontrolled
- > Partially Controllable
- > Uncontrollable

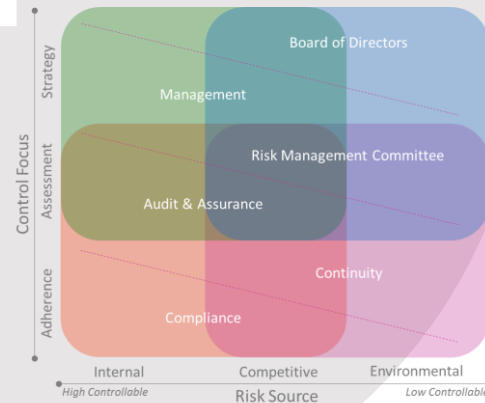
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Risk Waves

- > Uncontrolled Risk (See ERM)
- > Controlled Risks (Audit)

Coverage Matrix



In RiskWaves

Manage Audits from End to End

- Begin by mass uploading your audit plan for the year with Audit Objective, Type, Planned Start and End dates and a description.
- Next, open the Audit Browser to select an Audit, and add team members and their roles to the Audit while recording the actual start date.
 - The Audit Team is captured on the home page.
- Select which Audit Artifacts you will require.
 - Required Audit Artifacts are available with a click, as well as Audit Artifacts gaps.
 - Audit Artifacts are displayed on the home page.
- Audit Roles and Artifacts are created by you.
- Begin building your Work Plan by launching the Audit Builder, selecting your Auditee by Entity, Function, Process, Region and Location.
 - Related controls are displayed.
 - Unclick the controls you aren't auditing.
 - Submit to generate the records for Risks, testing, and response and add your own as required.
- Open your Audit Plan, and begin Assigning Tasks, Updating Status, and submitting Audit Artifacts.
- For a draft Audit Report Preso with or without management responses, click the Report button.
- Track responses in the Follow-Up module.

RiskWaves ERM Supports Audit Activities with a Module Architecture aligned with ISO and COSO Frameworks

Process for managing internal audits in RiskWaves (click Risk Responsibility coverage matrix for related information)



Risk Control Responsibility Coverage Matrix: Assessment

Establish Entity for Internal Audit

Record Audits by Owner and Audit Period in Objectives Module

Itemize Risks for Audits in Risk Module

RiskWaves positions your Internal Audit team to perform consultative Auditing in a supportive methodology based on continuous improvement as part of the RiskWaves ERM ecosystem.

- RiskWaves provides an electronic repository for internal audits, test procedures, exceptions, action plans, effectiveness validation, and results.
- RiskWaves makes reporting easier with instantly generated pivot tables to quickly dissect findings across your audit universe.
- Use statistical tools, treatment modeling, project plans, calendar functions, alerts and other features for more efficient and effective audits and a stronger partnership with your organization.
- Our approach shifts the focus of Internal Audits from “Grading” based on exception rates to evaluating the effectiveness of gap-closure measures.
- RiskWaves automation is extensive, including quality controlled imports of your annual audit plan and controls, and automated audit reports.

Record Procedures and Scope for Each Risk in Exposures Module

Record Exceptions and Tolerance in Exposure Analysis Module

Record Plans to Achieve Targeted Improvement in Treatment Module

Perform Follow-Up Retest as Appropriate in Follow-Up Module



E.g., “Risk of AP Matching Errors”; plus capture function, process, owner, related controls, priority, magnitude, driver, financial line item, risk source, and inherent rating.

Test for payments made to vendors without receipt in stated location during stated time-frame.

3 exceptions in 100 detected versus tolerance of 1 per 100. Apply to transaction run rate & exception cost to develop exposure and tolerance ranges and risk levels.

New control to reduce rate to 1% would save \$X and Cost \$Y. Captures name, description, owner, follow-up date, follow-up owner, action plan, project plan if applicable.

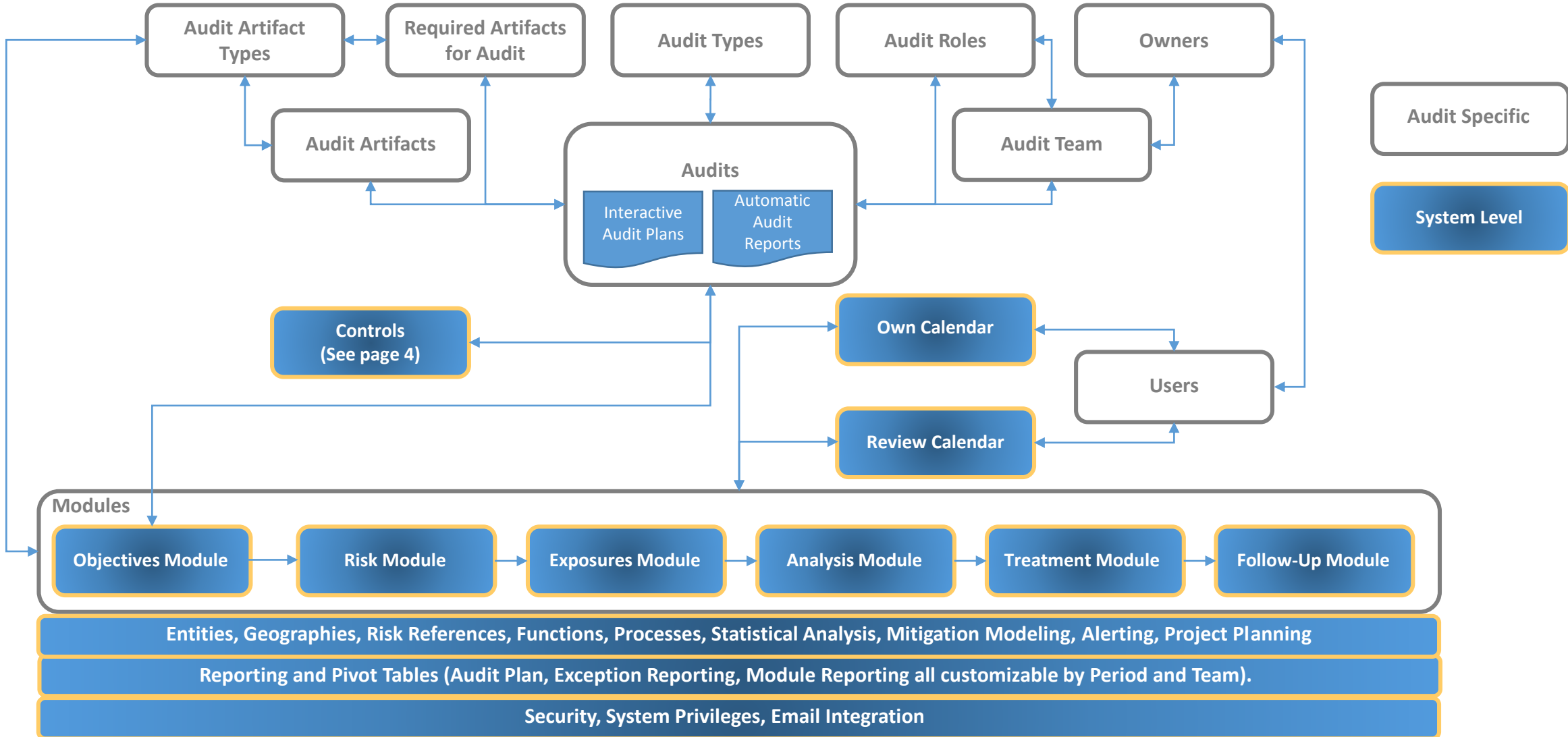
Record summary of results owing to treatment, results of any retesting, actual ROI, rate effectiveness, and note lessons learned.

Try RiskWaves for 60 days at no cost. We will assist with demos, training, and customization.

Later, we can extend your license for a locally shared version, or migrate you to the Azure SQL Cloud.

RiskWaves Modules are Complemented by Modules Specifically Designed for Audits

RiskWaves Audit Module makes it quick and easy to create, update, modify and report on audit activities. To illustrate, in one mouse-click the audit manager can identify and assign any missing but required audit artifacts.



RiskWaves Audits Enable Audit Leaders to Work Through Audits Effectively and Efficiently

Access the Audit Browser from the RiskWaves ERM Main Menu to Open the Audit.



RiskWaves Main Menu

Record Audit Objective in Audit Module

RiskWaves Audit Browser

Open Audit

RiskWaves Audit Module

Add dates, team, required artifacts, and click Audit Builder tool

Designed by experienced Auditors, RiskWaves is ideal for Audit Managers looking for improved efficiency without sacrificing the basics of Risk Based Audit and Consulting.

- An Audit Module lets the Audit Staff enforce audit standards including:
 - Required Audit artifacts
 - Schedule Adherence
 - Spell check
- RiskWaves includes an Audit Builder and an Audit Report Builder
 - The Audit Builder lets you pick the controls and in a click, build your Audit Plan (next page)
 - The Report Builder converts your audit information, findings and action plans into a presentation formatted report.
- All Risks are processed using the same modules as other organizational risks.

In RiskWaves You Can Go From a List of Controls to an Audit Plan in Under a Minute

RiskWaves puts the focus on you and your time with unique tools for crafting and executing your audit plans and risks.



The Audit Builder isolates controls by entity, function, process, region and location

Add Controls to Audit Objective

Objective ID: 22
Objective: Audit of Assets
Description: Provide assurance that controls over physical assets are functioning as intended.

Entity: Unicorp US | Function: Finance | Region: United States
Process: Accounting | Location: US HQ

Ctrl ID	Ctrl Name	Description
63	Cash Flow Statement	Each month before the 10th business day, a cash flow reconciliation for the prior month end must be completed. Any unreconciled items must be investigated and reported to the Controller.
64	Reconciliations	Each month before the 10th business day, all balance sheet accounts will be reconciled against the beginning and ending balances and any activity during the month. Reconciliations will be signed off on by local accounting management, with any discrep

* Clicking the Happy button above generates an end-to-end linked audit work plan with the ability to assign tasks, update status, and add artifacts

Objective Audit View

Audit of Assets
Owner: John Garfield
Entity: Unicorp Audit
Period: 2015
Audit Rating: 3

Risk: **Failure of Cash Flow Statement**
Owner: John Garfield

Exposure: Cash Flow Statement | Region: United States | Location: US HQ
Doer: Unassigned (DbClk to Add) | Reviewer: Unassigned | Status: Unassigned

Exposure Analysis: Cash Flow Statement observations
Doer: Unassigned (DbClk to Add) | Reviewer: Unassigned | Status: Unassigned

Response Type: User Defined
Treatment: Cash Flow Statement response
Owner: | Status: Draft
Trtmt Date: 2/22/2015 | Start: 2/22/2015 | End: 3/24/2015

Follow Up: | Owner: |
Due on: 3/25/2015

Risk: Failure of Reconciliations

Your controls can be pasted from a Spreadsheet and RiskWaves will add the necessary reference data including Internal Cross-Reference, Name, Type, Priority, Region, Location, etc.

Open Controls Browser from the Main Menu, and click the Import option

Browse Controls

Control ID	CtrlRef	Control Name	Control Level	Control Priority	Entity	Function Na	Process Nam	Region
60	1A	Management Approval of Operating Unit	High		Unicorp	Finance	Payments	Global
60	1A	Management Approval of Operating Unit	High		Unicorp	Finance	Payments	Mexico
60	1A	Management Approval of Operating Unit	High		Unicorp	Finance	Payments	United States
60	1A	Management Approval of Operating Unit	High		Unicorp	Finance	Payments	Canada
60	1A	Management Approval of Operating Unit	High		Unicorp US	Finance	Payments	Global
60	1A	Management Approval of Operating Unit	High		Unicorp US	Finance	Payments	Mexico
60	1A	Management Approval of Operating Unit	High		Unicorp US	Finance	Payments	United States
60	1A	Management Approval of Operating Unit	High		Unicorp US	Finance	Payments	Canada
60	1A	Management Approval of Operating Unit	High		Unicorp CAN	Finance	Payments	Global

RiskWaves Opens the Control Template . From there, just copy and paste the range of controls into the Control Import module and click Happy.

Control Import

ID	IntRef	CtrlName	CtrlPri	CtrlType	CtrlLvl	CtrlTf	CTLETF	CTLEff	CtrlFunct	CtrlPrce	Ctrl Description
(New)								0%			

	A	B	C	D	E	F	G	H	I	J	K
1	Ref	Name	Priority	Type	Level	Int Test Fr	Ext Test Fr	Eff	Function	Process	Description
2	1A	Managem	High	Preventat	Operating	Annually	Annually	100%	Finance	Payments	All Payments o
3	1B	Three Wa	High	Preventat	Operating	Annually	Annually	100%	Finance	Payments	All invoices m
4	1C	Expense R	High	Detective	Operating	Annually	Annually	100%	Finance	Payments	All employee e
5	2A	Cash Flow	High	Detective	Entity Lev	Annually	Annually	100%	Finance	Accountin	Each month be
6	2B	Reconcilia	High	Detective	Operating	Annually	Annually	100%	Finance	Accountin	Each month be
7	3A	Physical C	High	Detective	Operating	Annually	Annually	100%	Finance	Accountin	Each year, each
8	3B	Inventory	High	Detective	Operating	Annually	Annually	100%	Finance	Accountin	Each month, ea
9											

* Each control has its own Risk record (page 8), and each is broken into sub-records for each different location using the control in order to record testing results and developing treatments (users can add, edit and remove records in all the modules in addition to the control related records).

Fast Automatic Reporting and Monitoring Features

Why waste time creating presentations when RiskWaves will do it for you?
We can further customize your interfaces and reports with your logo and brand colors.

On the Audit Page, select colors, chose to include client responses, ownership and follow up data, and generate your report.

Report Formatting

	Fill	Font
Red	51	242
Green	102	242
Blue	153	242

Include Treatment Owner and Due Date? Yes
 Include Follow-up Owner and Due Date? Yes
 Include Management Response? Yes
 Artifact Containing Mgt. Response? Client Finding Response

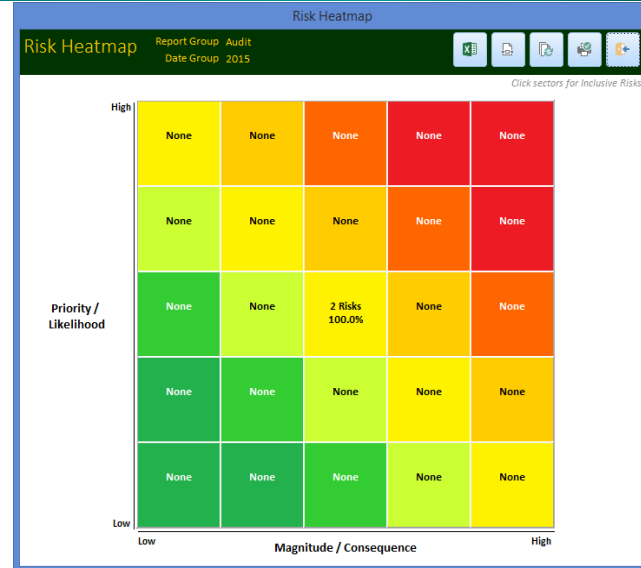
Audit of Assets
(Rating: 1A - Satisfactory)
Unicorp Audit
2015
John Garfield

Scope
Cash Flow Statement
Reconciliations

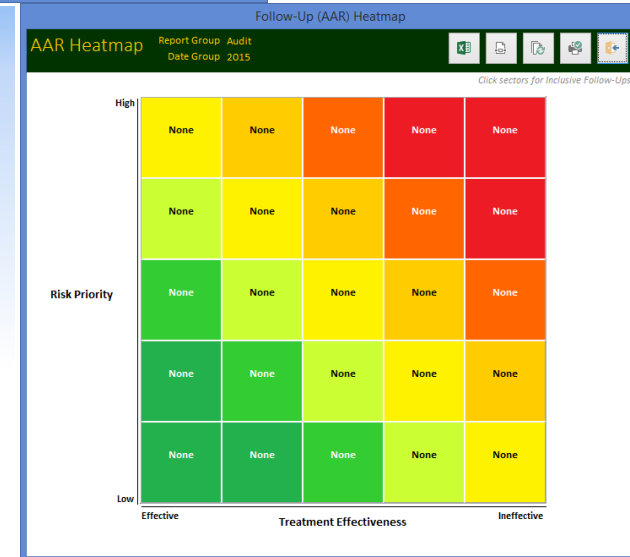
Risk: Failure of Cash Flow Statement

Exposure: Cash Flow Statement
Observation: Cash Flow Statement observations
Recommendation: Cash Flow Statement response
None
Mgt Response: No Response Record in Artifacts
Treatment Owner: TMS, Treatment Date: 3/23/2015
Follow Up Owner: TMS, Follow Up Date: 3/23/2015

Your presentation includes a Title page with the Audit Name, Auditor and Rating, a Scope Page, and any observations that required action (including the issue, the Treatment, the Treatment Owner and Due Date, and Follow-up Owner and Due Date).



In addition to lots of standard Follow-Up Reporting, RiskWaves includes Risk AND Follow-Up Heatmaps to protect the value your audits are adding.



A Learning Organization is a Growing One

RiskWaves captures control effectiveness information for you and allows you to establish customized learning key words for research based on Follow-ups.



Create Tag Names in the Keyword Tags screen, and associate them with Follow-Ups.

Keyword Tags

Tag ID	Tag Name	Follow Ups (select Follow Up and Save or Delete Tag Association)
4	Futures	
5	Puts	
(New)		Q1 XYZ Put Q2 2014 CAD Hedge

Select a Keyword Tag and Click the Binoculars to retrieve any noted financial and qualitative benefits or lessons learned.

Search For After Action Reviews by Tag

Keyword Tag:

TagNm
Futures
Puts

Knowledge search reports capture any Follow-Ups with the assigned Tag Name.

Knowledge Search Report

Tag: Futures

Effectiveness: Generally Effective

Follow Up	Benefit
Q2 2014 CAD Hedge	\$7,500
Risk Unit: Canadian Dollars	Risk Value: Net Benefit
Cost of CAD	\$7,500
Qualitative Mitigation Contingency	

Controls also include a link to reporting summarizing Follow-Ups for any Risks that cited the Control. So for Audits, these associations are automatic. Yet another way RiskWaves saves you time in reviewing not only Control Effectiveness, but validating testing frequency as well.

Controls

Control ID: 61 Internal Cross Ref. 1E

Control Level: Operating Unit

Control Name: Three Way Matching

Ctl Priority: High

Int Test Freq: Annually

Ext Test Freq: Annually

Ctl Eff Rating: 100% Ctl Gap:

Control Description: All invoices must be systematically matched against an open purchase order item as well as proof of receipt before being approved for payment.

Document:

Types:

Functions:

Processes:

Entities:

Regions:

Locations:

[Risks and Follow Ups related to this control!](#)

Note: Save Control before AddinTypes, Entities, Regions, and Locations for the controls. Controls without Entities will not appear as an option on Risk Records.

Created (Sys ID and Date): 0