



Continuous Assurance Model

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Agenda

Continuous Assurance Model

- Ongoing Risk Assessments
- Ongoing Control Assessments

Integration with 3 Lines of Defense Illustrations

- Automated Application Controls
- Employee Expenses
- Manual Journal Entries

Questions & Answers



Continuous Assurance Model

Continuous Assurance

Continuous Auditing by Internal Audit

Ongoing Risk Assessment

Ongoing Control Assessment

Audit Testing of Continuous Monitoring Performed by Management

Continuous Auditing Ongoing Risk Assessment

Identify and assess levels of risk to the achievement of business objectives.

Considers a combination of financial and unstructured data

- Analyzing trends
- Correlating outliers
- Highlighting potential exposures



Continuous Auditing: Ongoing Control Assessment

Assurance related to control objectives

Considers the interrelationship of IT and manual control mix

- Automated controls are designed in the application
- IT general controls across the entity
- Manual business process controls

Optimized by monitoring change to a baseline



Ongoing Control Assessments Leverage Interdependent Controls

Define Control Objectives

- Authorization
- Completeness
- Accuracy

Determine Key Controls

Business Process

Control Objectives

Automated (Application) Controls

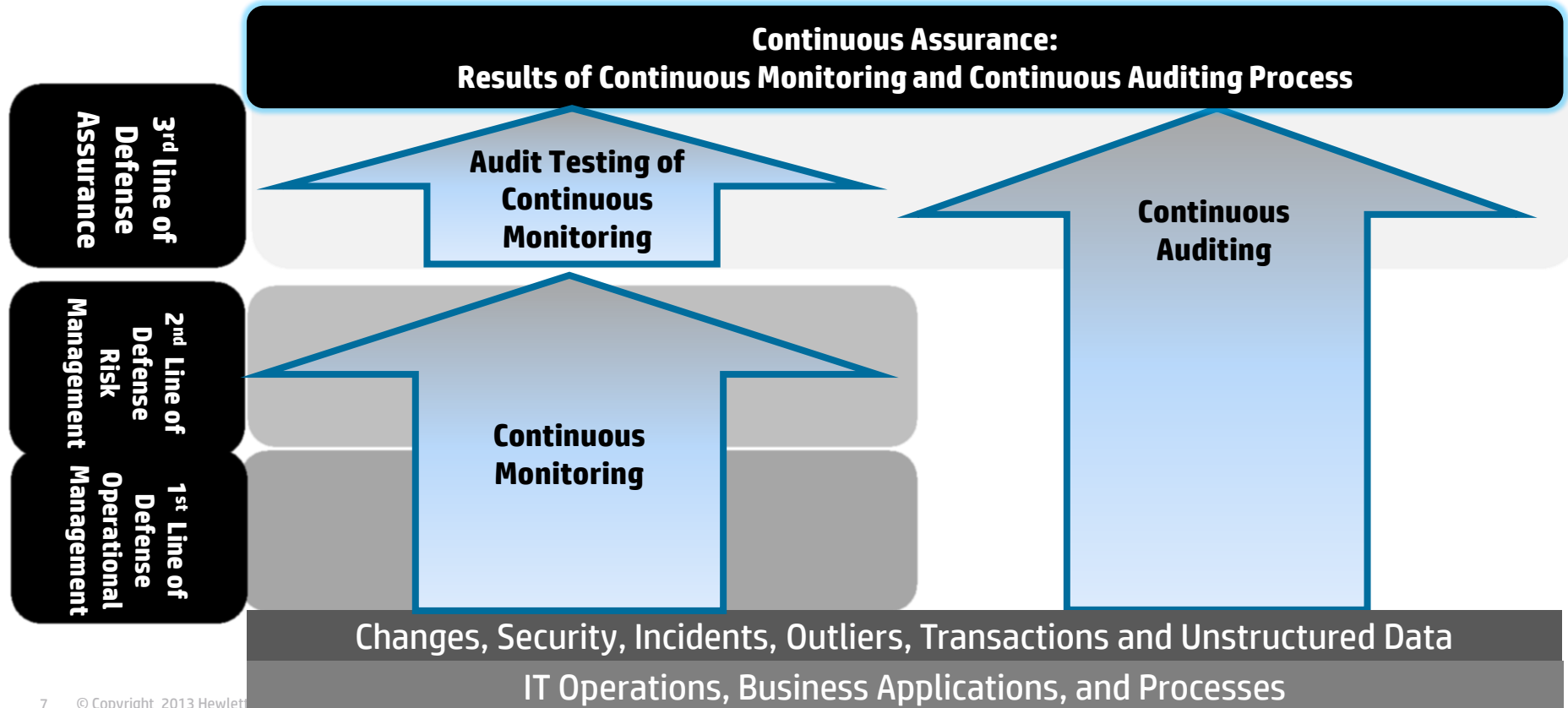
- Changes
- Security
- Incidents
- Outliers and Transactions

IT General Controls:

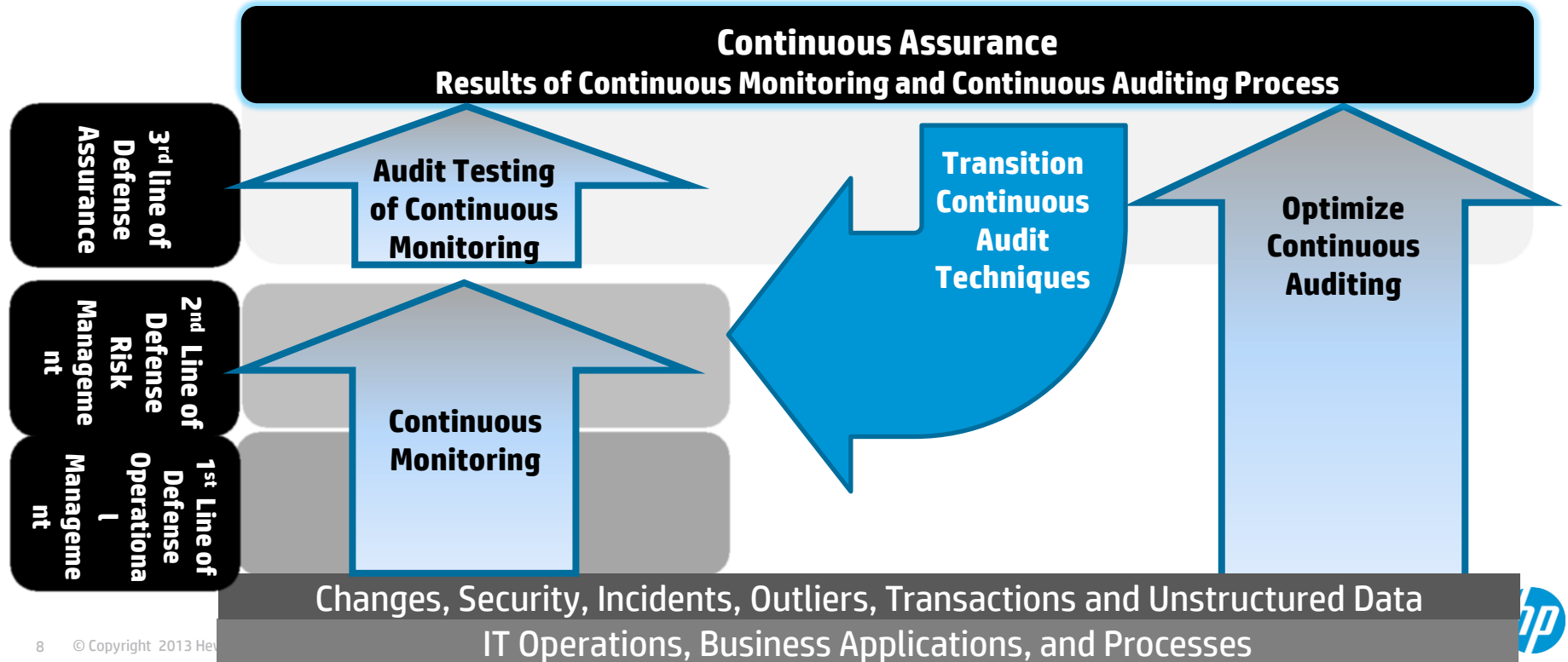
- Database
- Operating System
- Network

Evaluate Baseline Condition of Controls (Still Active and Functioning) and Measure for Subsequent Changes

CA Relationships to Third Line of Defense



Transition Continuous Audit Techniques to Second Line of Defense



Ongoing Control Assessment Illustration

Application Controls Benchmark Report

Base Audit:	SOX - C2C App Controls - Velocity - 2008 (2008067) ▼		
Initial base month and base year are determined by date of last audit.			
Base month:	July ▼	Base year:	2013 ▼
Compare month:	January ▼	Compare year:	2016 ▼

[→ details](#) [→ exit page](#)

Please select controls:

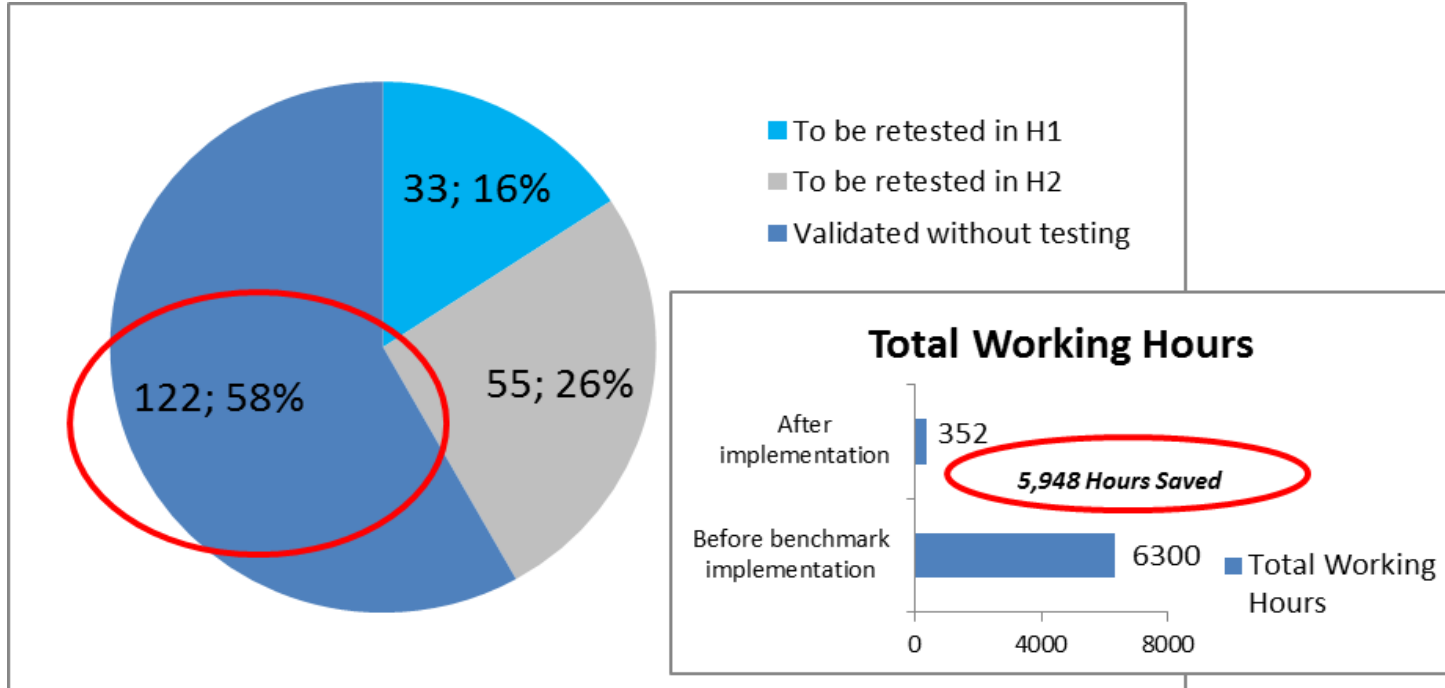
Customer-to-Cash Controls

- All controls
- AUTO - Sales Order sys includes Cust'r Mdata C2C 0 (01)
- AUTO - Sales Order sys includes Material Mdata C2C (02)
- AUTO - Pricing data sys copied C2C 03 (03)
- AUTO - Backlog Pricing sys adjust'd C2C 04 (04)
- AUTO - Order Loads sys checked C2C 05 (05)
- AUTO - Credit Filter sys applied C2C 06 (06)
- AUTO - Rev Acct sys set C2C 07 (07)
- AUTO - Rev Post sys includes transit delay C2C 08 (08)
- AUTO - Invoice sys req's PGI C2C 09 (09)
- AUTO - Rev sys requires PGI C2C 10 (10)
- AUTO - A/R Aging sys gen'd C2C 11 (11)
- AUTO - EDI Payment sys in place C2C 12 (12)
- AUTO - Lockbox Payment auto posts C2C 13 (13)

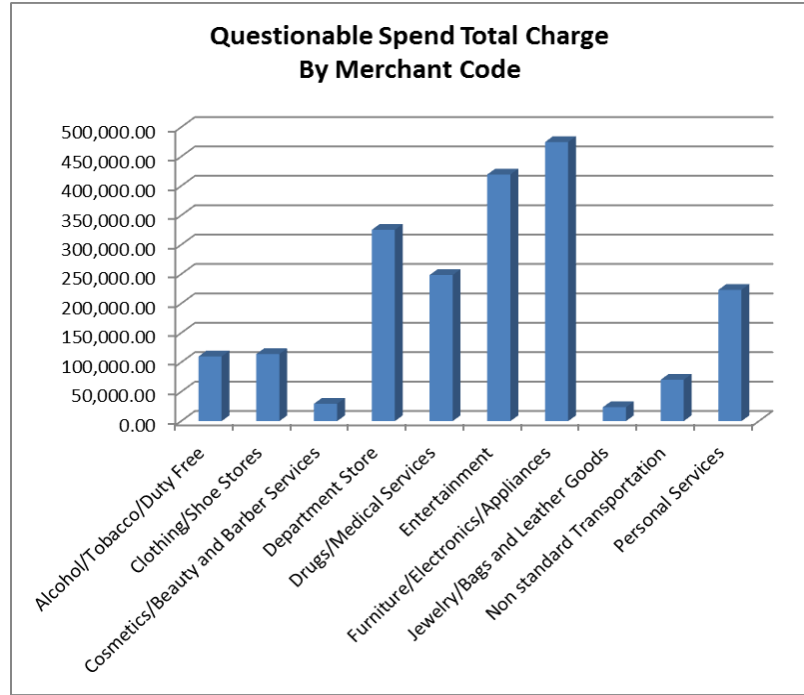
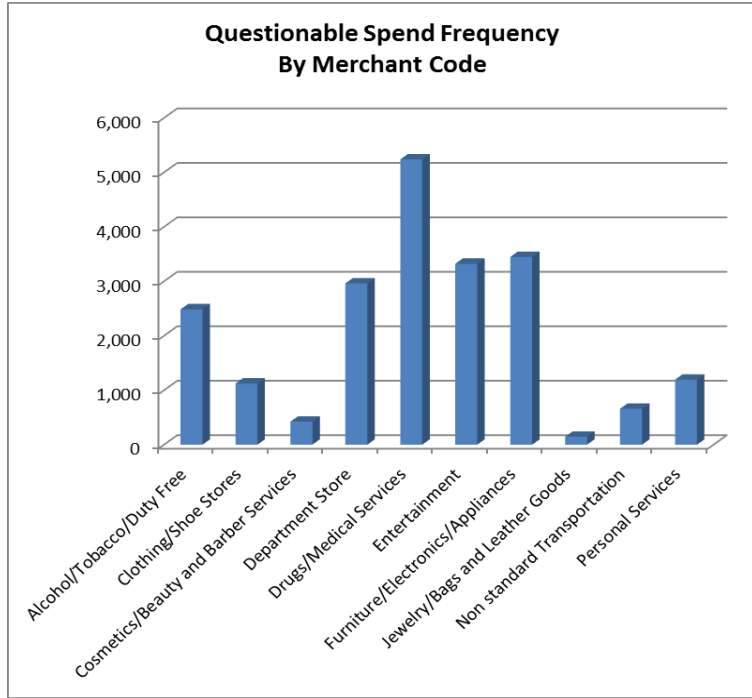
unchanged	
unchanged	
new entries	changed entries
unchanged	
unchanged	
unchanged	
unchanged	
unchanged	
unchanged	
unchanged	
changed entries	deleted entries
unchanged	
unchanged	



Ongoing Control Assessment: Optimize by Benchmarking Automated Controls



Ongoing Risk Assessment: Gain a Better Perspective of Employee Expenses by Matching Card Service Reports

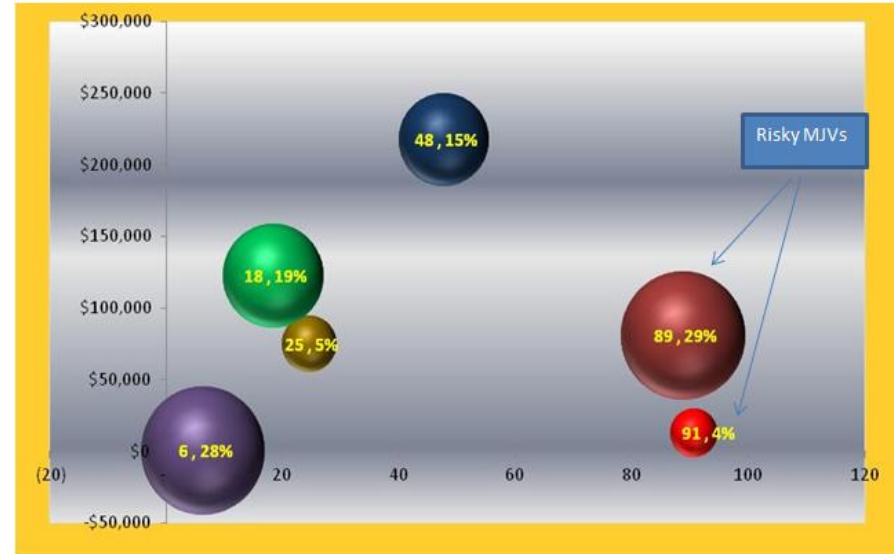


Ongoing Risk Assessment : Manual Journal Entries

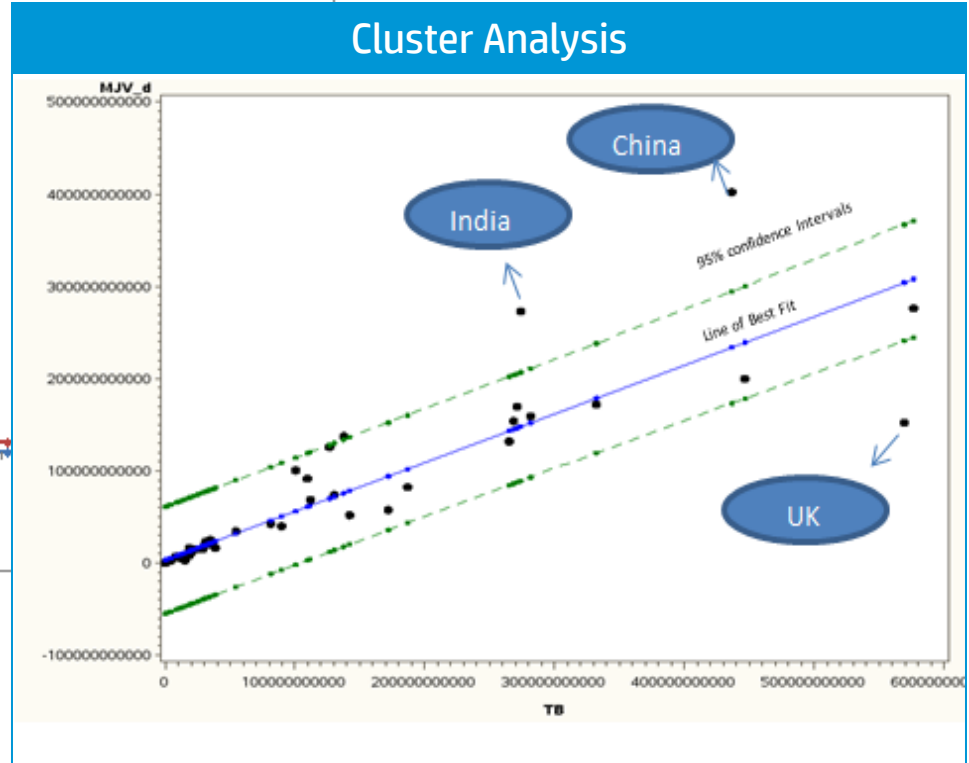
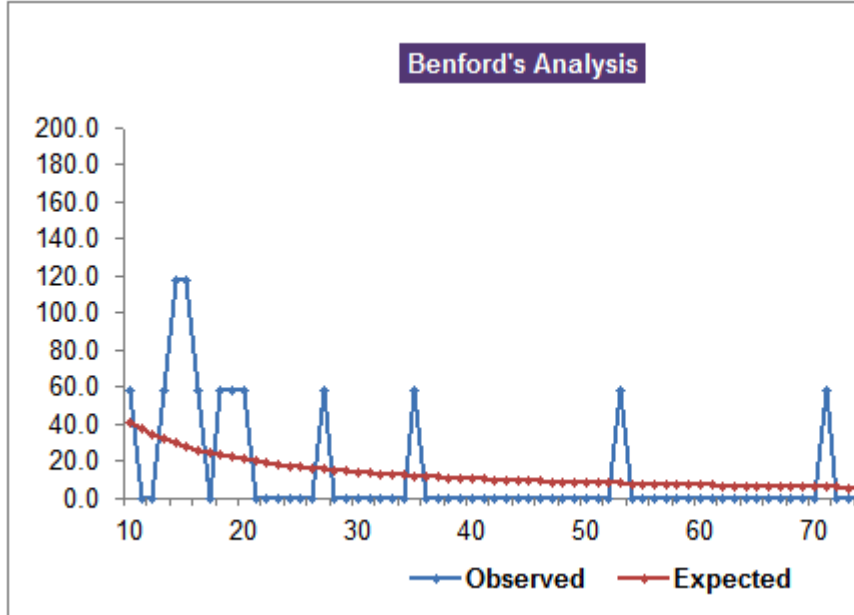
Grid Analysis

		TB Amount (\$)		
		< 1 Million 1	1 to 4 Million 2	> 4 Million 4
MJV Amount (%)	0% to 9 %	1 Country A	2 Country I	4 Country H
	10 % to 29 %	2 Country B Country C	2 Country G	4 Country E Country F
	> 30%	3	2 Country J	4 Country D

Cluster Analysis



Ongoing Risk Assessment: Manual Journal Entries



CA/CM Application Architecture

Audit Data Standards

Major Source Data feeds

FlashPRO
Trident
Aspen/Infominer
Eclipse
EDW
VCI (Credit Inf.)
HR data
Vista/JDEdwards
AssureNet/R.Net
Emp Exp Mgt

Wave 1

Wave 2

SAS Server

ACL AX Server

Automation of datasets

Automated CA/CM solutions

DSAS Database

GL

Fixed Assets

Contra

Special Pricing

Channel

SAP KPI Tool

Dashboards:
- LHJE
- Fixed Assets
- Contra

Financial Solutions team, PPS Finance Business strategy

Finance and Compliance (SOX) team

Channel and Contra Practice area



Audit Data Standards

DSAS Database Table Content Query

DB Schema:	Audit Data (Standards)	DB:	<input checked="" type="radio"/> DEV <input type="radio"/> ITG <input type="radio"/> PRD
Table:	GL_Details - last updated on:05/25/2012	<i>Select below, which output type you want to use:</i>	
Maximum number of rows:	10 (0 = no limitation)	<input checked="" type="radio"/> Web Components <input type="radio"/> Excel <input type="radio"/> CSV	

[→ select fields](#) [→ run query](#) [→ add filter](#) [→ back](#)

Select the fields to be included in the query. (Blank = select all)

JOURNAL_ID
JE_HEADER_DESC
JE_LINE_DESC
SOURCE
BUSINESS_AREA
FISCAL_YEAR
PERIOD
EFFECTIVE_DATE
ENTRY_DATE
USER_ID
GL_ACCOUNT
AMOUNT
AMOUNT_CD_IND
AMOUNT_CURRENCY
ENTRY_DATE_TIME
REPORTING_AMOUNT

Enter filter values for the query:

Filter for JOURNAL_ID:	=	CA00*
Filter for JE_HEADER_DESC:	=	
Filter for JE_LINE_DESC:	=	
Filter for SOURCE:	=	
Filter for BUSINESS_AREA:	=	
Filter for FISCAL_YEAR:	=	
Filter for PERIOD:	=	
Filter for EFFECTIVE_DATE:	=	
Filter for ENTRY_DATE:	=	



Thank you

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