

ACL ESSENTIALS FOR ERP PROCESSES CONTROLS

Get insight into your material process health, compliance risk & financial exposure to better deliver on your strategic mission.



**Continuously monitor process risk and measure process health. Analyze trends.
Protect revenue. Improve budgeting and forecasting accuracy.**

ACL Essentials are a suite of premium analysis apps that continuously assess critical ERP processes. There are 11 pre-built process controls available, which you can spin-up at a fraction of the cost, time and effort of traditional ERP process controls. Each is available standalone, or can be bundled in a mix-and-match solution.

Every organization, whether public, private or government, faces operational and compliance risk daily. While every organization is unique, many underlying operational processes—and risks—are identical. Skill or time constraints mean that few organizations are able to use the massive data they produce each day. ACL Essentials, powered by the ACL platform, are pre-built, process-ready tests that continuously monitor your transaction data with little human intervention. Unlike ERP controls, ACL software does all analysis at the actual data transaction level, rather than the configuration level, ensuring 100% of transaction events are reviewed for control violation—without slowing you down.

By implementing even a few processes, customers experience quick time to value and typically recoup the annual subscription cost within months. And since Essentials are ERP-agnostic, you can integrate disparate enterprise systems to spot risks that are usually missed. With ACL Essentials on the job, you can sleep soundly knowing that risky transactions and process control gaps aren't overlooked and potentially undercutting your operational excellence, margins, or compliance.



Figure 1: Mitigate risks in the payroll cycle by implementing process controls.

ERP & APPLICATION SYSTEM AGNOSTIC

Platform independency means ACL technology can stitch together data from disparate sources to identify the riskiest of transactions for further review.

BENCHMARKING

Receive an annual report based on anonymous, aggregate data from other customers who are running the same process controls, so you can benchmark your results against your peers.

NEXT GENERATION REPORTING

Distill data into meaningful, actionable reporting. Give your data and recommendations an executive context by building a narrated storyboard using ACL's suite of KPI and data visualization tools.

INDEPENDENCE & OBJECTIVITY

Independence from your ERP platform means objective oversight of your ERP platform. And trusted data connectors means low impact on IT.

A TRUSTED PROVIDER

Based on 30 years of consulting experience across industries and geographies, ACL Essentials provide quick wins to accelerate the value of your technology investment.

CONTINUOUS PROCESS CONTROL

Need more hands? Analytics work 365/24/7 without breaking a sweat—and can automate the assignment, escalation and notification of red flags when stakeholders need to review and remediate ERP leaks.

60%

Global ERP processes

- » Accounts Payable
- » Accounts Receivable
- » Assets Management
- » Cash Disbursements
- » General Ledger
- » Human Resources
- » Purchase Order Management
- » Salaries & Payroll
- » Sales Analysis
- » Stock & Inventory
- » Vendor Management

10%

Organization-specific processes

- » Organization/agency best practices
- » Different/multiple, ERP, IT data systems
- » Organization specific policies, limits, thresholds
- » Regional regulation / legislation

30%

Industry-specific processes

- » Banking & Financial Services – AML, closing, electronic transfers
- » Insurance – claims, underwriting, actuarial, re-insurance
- » Healthcare – billing accuracy, coding, admissions
- » Manufacturing – shipping, receiving, requisitions, billing
- » Retail – purchasing, merchandising, refunds/credits
- » Utilities – meter management, billing, payments
- » Telecommunications – assurance, fulfillment, exception handling
- » Mining – mining, milling, refining, decommissioning
- » Health Services / Pharma – research & development, patents, clinical trials
- » Public Sector – government services, taxes, entitlement programs

Figure 2: 60% of process areas are common across all organizations. ACL Essentials provide a cost-effective, efficient way to continuously monitor these mission critical areas for risk.

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The pre-packaged ACL Essentials analysis apps have allowed us to see immediate value from our data analytics program. We've quickly progressed from a focus on expected risk in theory to actual risk in reality by taking a targeted approach to analyzing data from our ERP system. We've been able to cut costs and gain greater insight into supplier interactions, which we have already utilized in supply chain negotiations. It also helps us to track and improve efficiencies and causes us to question why and how we did certain things.

– Leslie Marie, SRI Group

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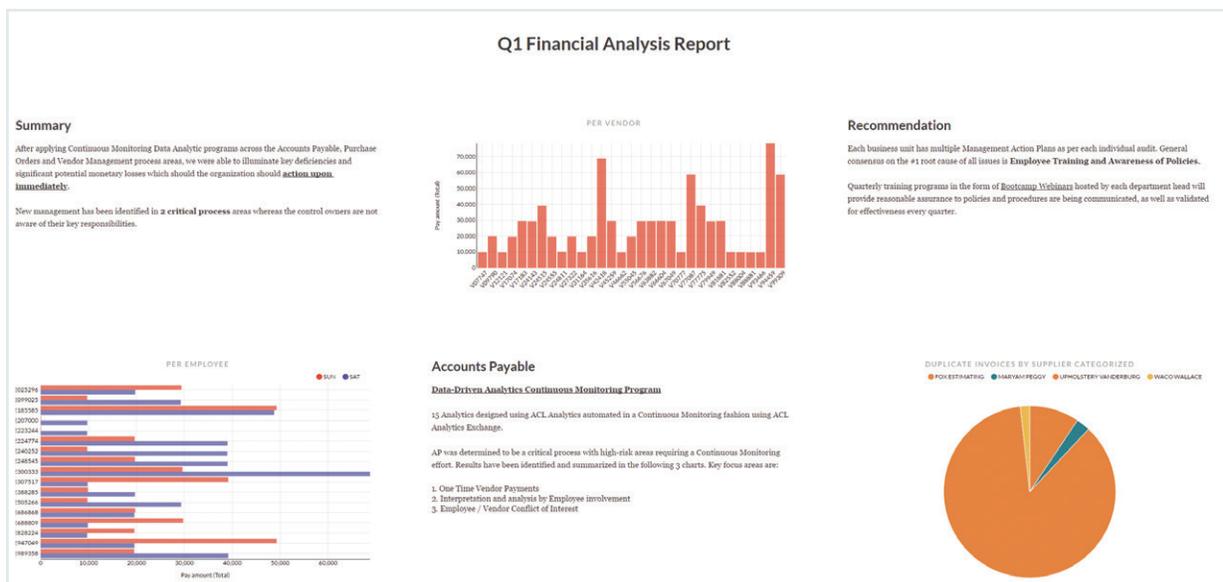


Figure 3: Summarize key insights from ERP process monitoring.

ACL Essentials cover the following critical business process areas:

PURCHASE-TO-PAY CYCLE

Accounts Payables

Sampling or manually cross-matching purchases orders (POs) with invoices simply doesn't provide adequate risk oversight over this material process. Assess 100% of your payables dataset to know with certainty whether your requisitions and vendor billing processes are healthy and accurate.

Sample Analytics:

- » Identify instances of PO date occurring after invoice date
- » Identify invoices paid greater than the PO amount approved
- » Identify instances of vendor paid by both PO and sundry expense

Purchase Order Management

Track purchasing patterns and trends to monitor the adherence of company policies, keep expenses low, and illuminate problematic sub-processes

Sample Analytics:

- » Identify split POs with same vendor / same material / same creator, within X days
- » Find duplicate POs with same vendor / same material / same quantity
- » Identify goods received vouchers that are 30 days past PO approval date

Vendor Management

Ensure that your vendors are approved and have been vetted for compliance against your organization's vendor management take-on / registration process.

Sample Analytics:

- » Trend word usage in journal entry (JE) names and line descriptions to better visualize monthly activity
- » Map ledger-focused unusual key words to identify entries worthy of discussion
- » Determine the letter fingerprint of monthly JE titles and their rate of change

Cash Disbursements

Ensure your cash disbursement controls, such as access, authorization and segregation of duties (SoD) are effective, and that payments made accurately and when due.

Sample Analytics:

- » Identify suspicious disbursements
- » Review large vendors with large disbursements in a specified time frame
- » Detect vendor billing errors

Stock and Inventory Management

Alleviate inventory management risks by testing for theft, loss, leakage, churn and lifecycle. Transactional data may reveal vendors with persistent quality issues, or locations with stale inventory or excessive leakage or returns.

Sample Analytics:

- » Highlight negative stock quantities
- » Pinpoint all items with a zero cost price
- » Determine the net realizable value of an asset

ORDER-TO-CASH CYCLE

Accounts Receivable

How quickly receivables are paid directly affects your cash flow, and properly balanced cash flow is essential for stability. The faster you can identify and collect outstanding receivables, the faster the cash can be spent to meet payroll and other expenses, pursue expansion and investment goals, or enhance company profits.

Sample Analytics:

- » Compare closing balance to credit limits loaded
- » Extract all outstanding accounts > 60 days
- » Extraction of all changes to customer credit limits

Sales Analysis

Detailed sales analysis is important as it provides management with accurate information on actual sales to improve profit margins. Detailed analysis helps companies compile a sales strategy and know which products are or not selling, and at what margin.

Sample Analytics:

- » Analyze sales trends by comparing current and previous periods
- » Total sales order amount per sales personnel
- » Total sales order amount per material

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GENERAL JOURNAL & FIXED ASSETS CYCLE

Fixed Assets Management

Monitor your asset management cycles—from addition to depreciation—to mitigate critical risks (such as not knowing what assets you have and where), ensure your depreciation is accurate, and manage the transfer and disposal of PPE.

Sample Analytics:

- » Extract assets listing per location
- » Identify all assets with zero book value
- » Identify all assets with zero depreciation

General Journal

Journal entries are the backbone of any organization's accounting system and hold financial and non-financial data. Knowing how each journal entry is being posted to the general ledger is critical for insight into the heart of your financial system.

Sample Analytics:

- » Identify potential duplicate postings
- » Analyze suspicious postings
- » Identify entries that have been frequently reversed using the same GL account and amount



WHERE ERP CONTROLS FALL DOWN, ACL ESSENTIALS STEP UP

ERP vendors know it is difficult—sometimes impossible—to effectively control business processes and leakage from within such a complex platform. That is why many launched Process Control modules. However, where ERP-embedded GRC Process Control typically fail, ACL Essentials excels.

Rather than choking process efficiency with preventative controls (which are often circumvented), ACL Essentials powers your oversight with detective controls—at 10-25% the cost of typical Process Control modules.



GOT SAP?

- ACL's **SAP-Certified Direct Link data connector** ensures real-time access to SAP data in an IT-approved manner.
- **Standardized, pre-build data extraction** ensures success for users with even severely limited technical knowledge of SAP.

LEARN MORE ABOUT WHAT YOU CAN ACCOMPLISH WITH ACL

Call +27 11 507-0123 to speak with a representative

Visit our website at www.acl.software

Email us at acsupport@cqs.co.za

HUMAN RESOURCES MANAGEMENT

Human Resources

There is significant risk around the management of your workforce—monitor your master employee file to mitigate those risks.

- » Trend employee web page searches and posts to social media through company networks
- » Summarize file directory and file names by department
- » Review error log tables over time to identify new error patterns or areas of increased exposure

Salaries and Payroll

The cost of salaries for employees accounts for a significant portion of operating expenses in any organization. Knowing that those employees listed on their payroll are valid and are being paid the right amount is critical to keeping operating costs in check.

- » Test for potential phantom vendors that cross-match on employee addresses
- » Test for duplicate or phantom employees
- » Monitor master employee file for excessive changes

	Do Nothing	Build Your Own Program	Your ERP's GRC module	Other Continuous Monitoring Solutions	ACL Essentials
Expands risk coverage		✓	✓	✓	✓
Sustainable & repeatable			✓	✓	✓
Low cost					✓
Low IT impact	✓				✓
Benchmarking					✓
Remediation workflow + oversight of risk and performance					✓
Quick time to value (< 1 week/process)					✓
Easy to maintain / upgrade					✓
Low change management	✓				✓

Figure 4: Compare your options

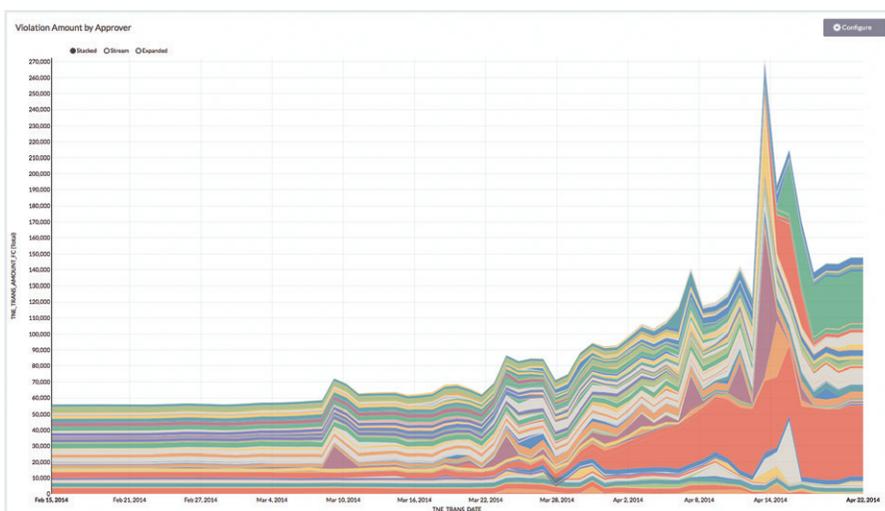


Figure 5: Uncover sub-performing process areas in payments & SoD.