

Control Analytics



Creating Tangible Value by embedding “Intelligent Analytics into the Control and Compliance Function”

The Opportunity

Today’s organization operates in complex environment with multiple systems across geographies. Apart from regulatory compliance they attract rigorous operational control requirement. These organizations process millions of transactions generated from various business activities on a routine basis. To ensure accuracy for processing these transactions, organizations have defined and designed control points at various stages in the process.

However, the key challenges still faced by organizations are:

- Perception Driven vs. Analytics Driven
- Sample Testing vs. Real Time Data Driven
- Periodic Audit vs. Continuous Assurance

Perception Driven vs. Analytics Driven: organizations tend to have a perception on Risk Areas and assurance requirements based on process complexity and historical findings. More than often they tend to ignore real and actual issues which can be analyzed by implementing a robust analytics based platform which is more accurate.

Sample testing vs. Real time data driven: organizations Risk management division has an increased burden to address compliance requirements due to complex processes and multiple systems. They have clearly realized the need to mature from conventional sample testing which is not sufficient to address complexities within the processes. They have realized the need to implement Real time data driven process to increase coverage as well as help in early identification of issues.

Periodic audit vs. Continuous assurance: increasing compliance requirements have made Periodic audit less effective. Identifying gaps periodically is not helping the organizations objectives. They need a process which is live and provides assurance on continuous basis.

The Solution

Capgemini has developed the Global Process Model based Control Analytics solution as part of its GRC offering to address challenges faced by organizations around compliance.

Controls analytics applies analytic techniques to transaction and financial data to highlight violation of any controls. It also highlights potential risks in real time to mitigate potentially huge costs of delays in identifying a risk. Control Analytics operates on a continuous basis providing greater visibility while increasing transparency.

Control Analytics is technology and platform enabled allowing us to help organizations manage its diverse needs across multiple business units and geographies in a unified and uniform way. Our Analytics tool bolts on top of an eGRC tool as well as existing client systems to provide real time dashboards of GRC services providing continuous visibility of risk and compliance across the organization.

How It Works

We have adopted a four step approach to build the Control Analytic solution. This solution focuses on identifying risk areas with underlying transaction data and converting them into business requirements aligned with organizations overall control framework and compliance objective.

Our Four Stage Approach



Control Definition / Control Objective

Control objective is defined based on process complexity and overall compliance need. It is directly linked to multiple risks mitigated at various stages during transaction processing.

Define Qualitative Monitoring

This is the most important part of Control Analytics. Qualitative Monitoring is directly linked to control objectives and related attributes. These are monitoring requirements converted into Analytical rules and applied on data extracted from transactions system.

Define Reporting Requirements

Reporting requirements are defined on the basis of qualitative monitoring identified for each control. The layout and structure is created based on organizations requirement in any given risk area. These reports are built using data extracted from single / multiple systems, consolidated and processed centrally using Capgemini Analytical tool.

Identify Outcome / Follow-up Action

This is the final output of report which helps identify exceptions and deviations from control objective. These exceptions are further analyzed to identify gaps and non-compliance based on control objective.

Example

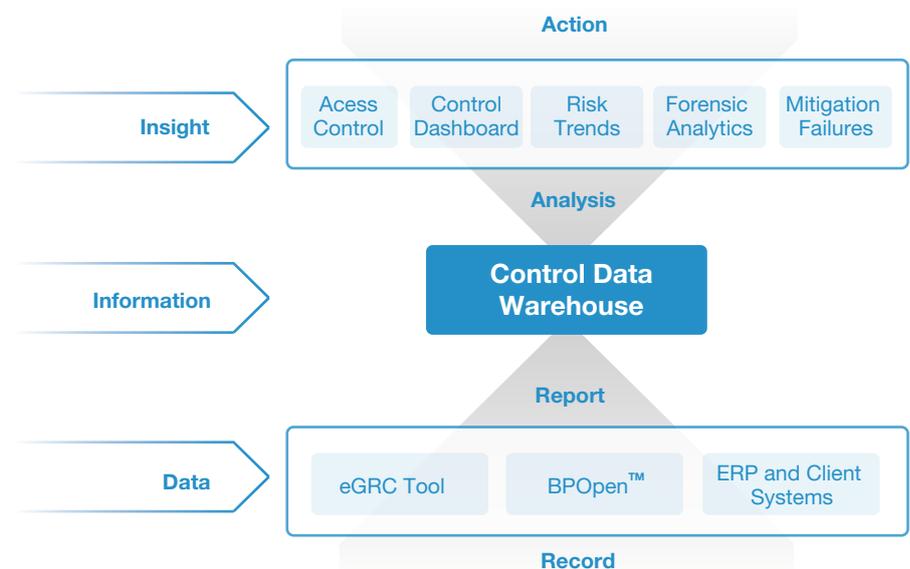
Control Objective / Control Definition	Qualitative Monitoring	Reporting Requirements	Outcome / Follow-up Action
Periodic review of GR/GI inventory report	<p>Trend Analysis of no GRs having GIs posted for more than 14 days at DOP</p> <p>Trend Analysis of no GIs having GRs posted for goods under GIT status greater than 30 days.</p>	<p>Trend Analysis</p> <p>Outstanding above «X» days compared with provision carried (B/S)</p> <p>List of inventory and customers where provision is created with current month sales</p>	<p>Inadequate / inappropriate provision</p> <p>Incorrect provision</p> <p>Highlight increasing trends and identify actions to improve collection efficiency/ relook at credit policy</p>

Technology Enablement

Capgemini Control Analytics operates on a three tier analytic solution. This tool has a central data warehouse where data is stored post extraction from multiple systems. On this data, we build analytical rules and reports to be able to report through a web enabled reporting platform.

This helps to deliver the following:

- Real time visibility of status of risk and compliance
- Uniform assessment of various areas across the enterprise. Our methodology can deliver a “Control Score” for each business unit/entity with drill down of reasons contributing to failures
- Analysis of geographies or business units requiring correction
- Risk and compliance trends



Key Benefits of Control Analytics

- Reduce Risk
- Reduce Cost
- Proactive Financial Leakage Control
- Improved Compliance

Reduce Risk

Control Analytics helps reduce overall risk in the organization by analyzing and covering 100% data. Risks are identified based on real-time data, continuously and are addressed as they appear. Potential risks are highlighted by leading indicators and help timely decisions to reduce risk.

Reduce Cost

Capgemini ensures that all Analytics related activities follow best practice, and are provided from the right location, and with the right skill set. The unification and centralization shrinks external audit costs. The costs of enterprise risk management can be reduced by 30-60%.

Proactive Financial Leakage Control

Proactive leakage control identifies financial leakage sources e.g. duplicate payments, incorrect pricing and segregation of duty conflicts in real time. Whereas traditional audits close those gaps over time, Capgemini's continuous monitoring approach assures the prevention of financial leakage.

Improved Compliance

Corporate, geographic, and divisional compliance and controls monitoring identify non-compliant behavior regarding policies, regulations and legal requirements. It enables managers to address issues in real time and avoid any surprises for CXOs.

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About Capgemini

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A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

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