

ACL ESSENTIALS FOR MONITORING SAP® ERP PROCESS 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 is a financial risk suite of premium analysis apps that continuously assess critical SAP® ERP processes. These pre-built process controls can be spun up at a fraction of the cost, time and effort of traditional ERP process controls.

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 native 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.

Our customers experience quick time to value and typically recoup the annual subscription cost within months. 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.

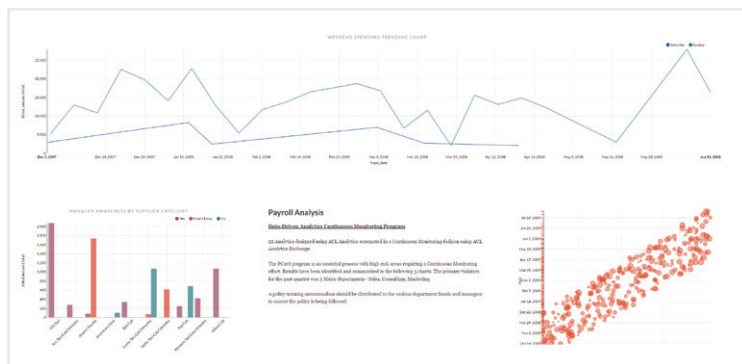


Figure 1: Mitigate risks in the payroll cycle by implementing process controls.

🔄 AUTOMATED 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.

👤 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.

✅ 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.

📊 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.

👥 INDEPENDENCE & OBJECTIVITY

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

🔄 FIXED FEE IMPLEMENTATION

With experience with hundreds of customers, we know where critical data is hidden in systems. Let us get you up to speed on time and on budget with fixed-fee implementation for SAP® ECC and SAP S/4HANA®. ¹

¹ For Oracle® applications, PeopleSoft, JD Edwards, Lawson, Concur® and iExpense, please contact ACL for pricing.

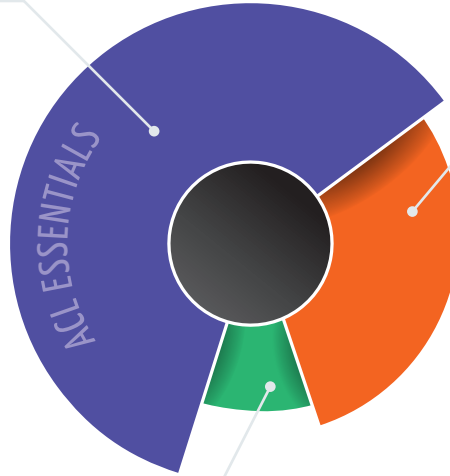
60% of process areas are common across all organizations.

ACL Essentials provide a cost-effective, efficient way to continuously monitor these mission critical areas for risk.

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
- » Travel & Entertainment Expenses
- » Segregation of Duties



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

10%

Organization-specific processes

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

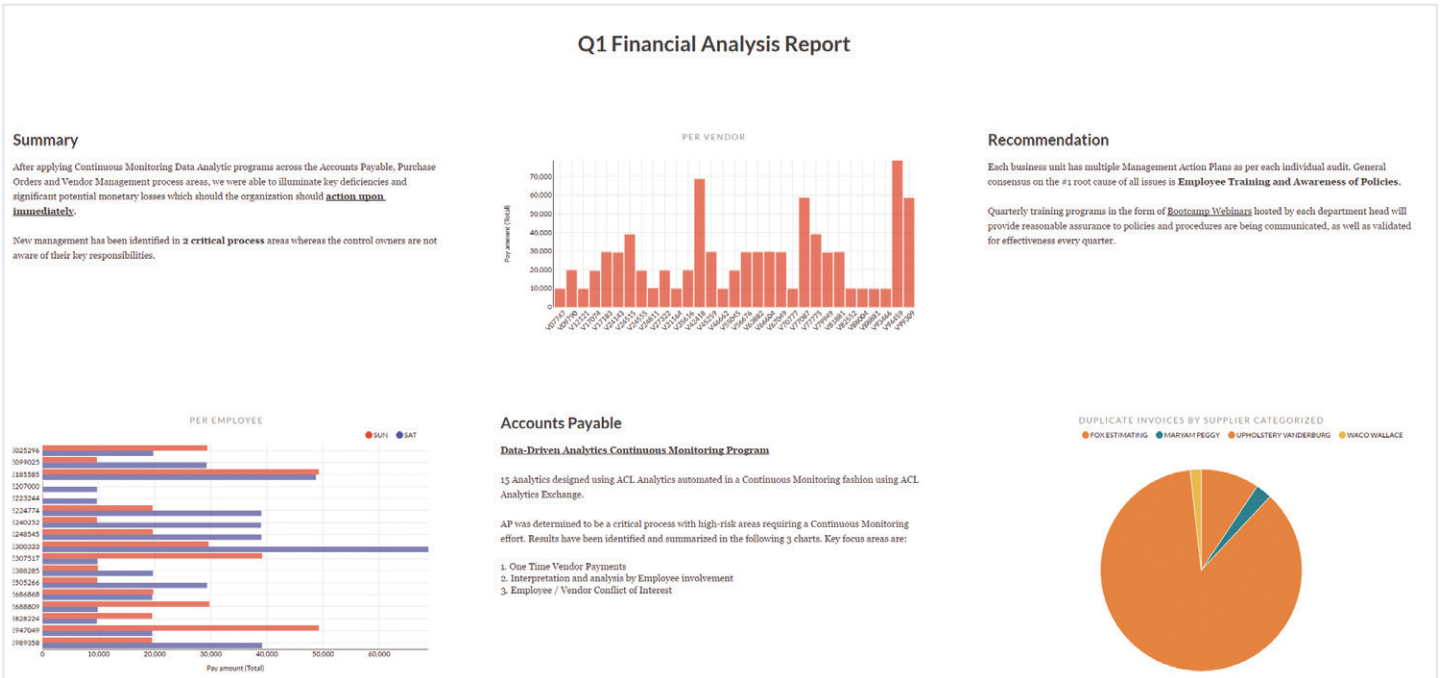


Figure 2: Summarize key insights from ERP process monitoring.

“

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

”

ACL Essentials cover the following critical SAP® ERP business process areas:

PURCHASE-TO-PAY CYCLE

01 Accounts Payables

Sampling or manually cross-matching purchase 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

02 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

03 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

07 Segregation of Duties

Improper Segregation of Duties (SoD) is a leading cause of fraud and SoD is a key component of Sarbanes Oxley (SOX) compliance. Identify potentially costly SoD issues across both Purchase-to-Pay and Order-to-Cash processes.

Sample Analytics

- » Three-way matching of invoice, PO and receiving report
- » Identify users attempting to falsify payments to themselves by modifying vendor information and then making payment to that vendor

04 Cash Disbursements

The outflow of money in various payment formats to your vendors can often get overlooked, resulting in a popular way for unscrupulous employees to cash in. Ensure your cash disbursement controls are working properly, and identify waste, misappropriation of funds or human error.

Sample Analytics:

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

05 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

06 Travel & Entertainment Expenses

Comprehensive data aggregation and reporting enables continuous improvement across all T&E activities. Eliminate the headache of multiple review and remediation systems and consolidate with one comprehensive system that makes your team work smarter and helps you get a handle on T&E waste and abuse.

Sample Analytics

- » Same expense claimed by multiple people
- » Same employee claiming and approving expense
- » Keyword search for non-business or personal claims



WHERE NATIVE 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 Controls 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 a fraction of the cost of typical Process Control modules.



NEED SAP DATA ACCESS?

ACL has an **SAP-Certified Direct Link data connector** for real-time, IT-approved access to SAP data.

Standardized, pre-built data extraction ensures success for users with even severely limited technical knowledge of SAP.

Learn more at ACL.com

Learn more about what you can accomplish with ACL

Call 1-888-669-4225 to speak with a representative.

Visit our website at acl.com

Email us at info@acl.com

01 ORDER-TO-CASH CYCLE

01 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

02 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

03 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

04 Segregation of Duties

Improper Segregation of Duties (SoD) is a leading cause of fraud and SoD is a key component of Sarbanes Oxley (SOX) compliance. Identify potentially costly SoD issues across both Purchase-to-Pay and Order-to-Cash processes.

Sample Analytics

- » Three-way matching of invoice, PO and receiving report
- » Identify users attempting to falsify payments to themselves by modifying vendor information and then making payment to that vendor

01 GENERAL JOURNAL & FIXED ASSETS CYCLE

01 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

02 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

01 HUMAN RESOURCES MANAGEMENT

01 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

02 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