

Advanced Monitoring and Testing to Drive Compliance and Performance

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Today's fast-changing business climate...

Coupled with the evolving risk and regulatory landscape raise the bar on your continuous monitoring and testing needs.

66%
of CEO's see regulatory change as a disruptor within their industries over the next five years.¹

1/3 of CEOs say they have entered new industries in the last three years, and **56%** believe that organizations will increasingly be competing in new sectors in the next three years.¹



Increased complexity and intensity of the regulatory landscape



Evolving business landscape and the resulting potential risks associated with operating in multiple environments



Proliferation of technology which creates great business opportunities, while at the same time increasing compliance vulnerability



Continued pressure to manage compliance costs in the face of increased risk

¹PwC's 18th Annual Global CEO Survey

To sum it up...



US CEOs see more opportunities even in a slow-growing, increasingly risky world compared to three years ago:

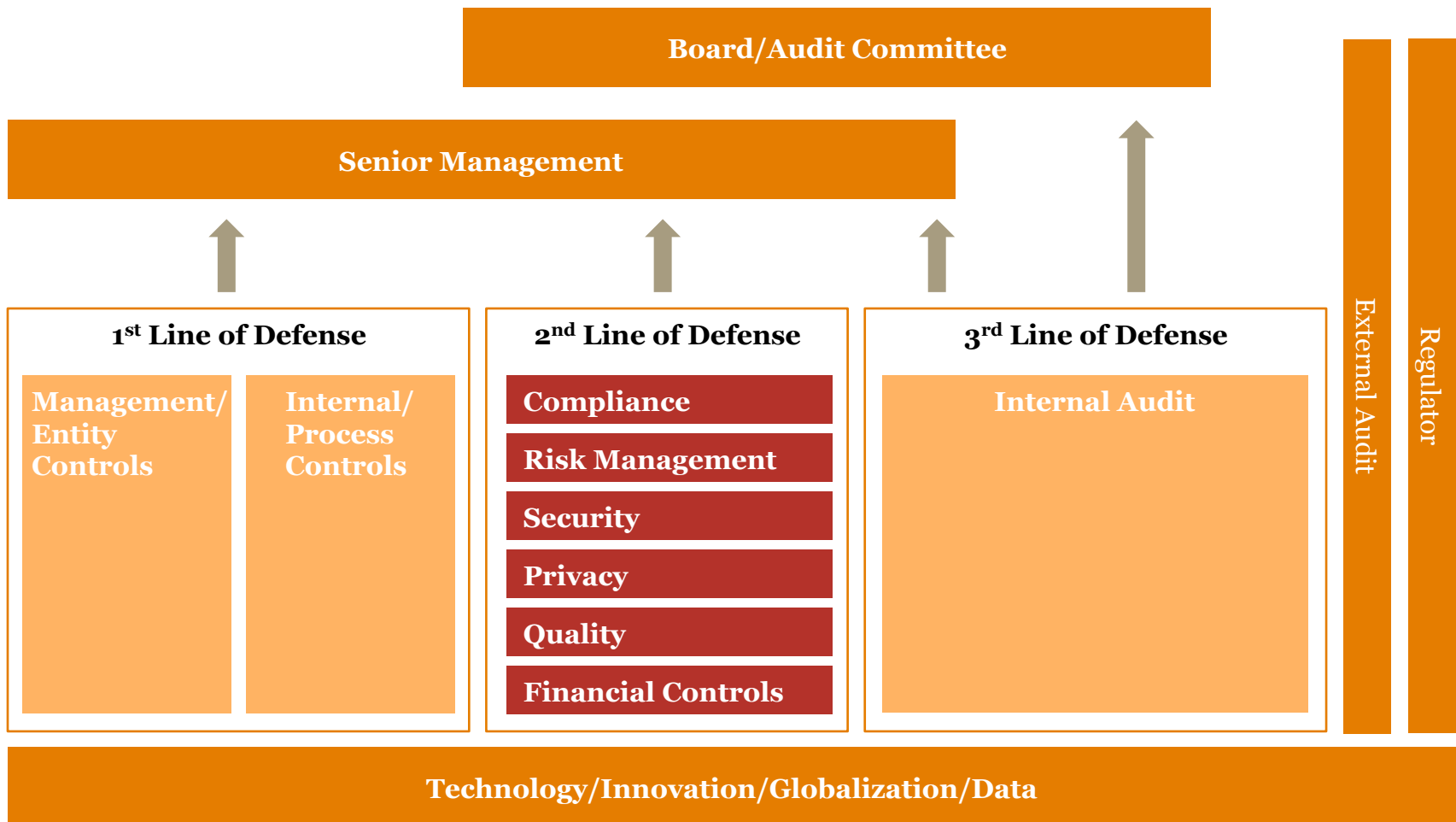


see more threats



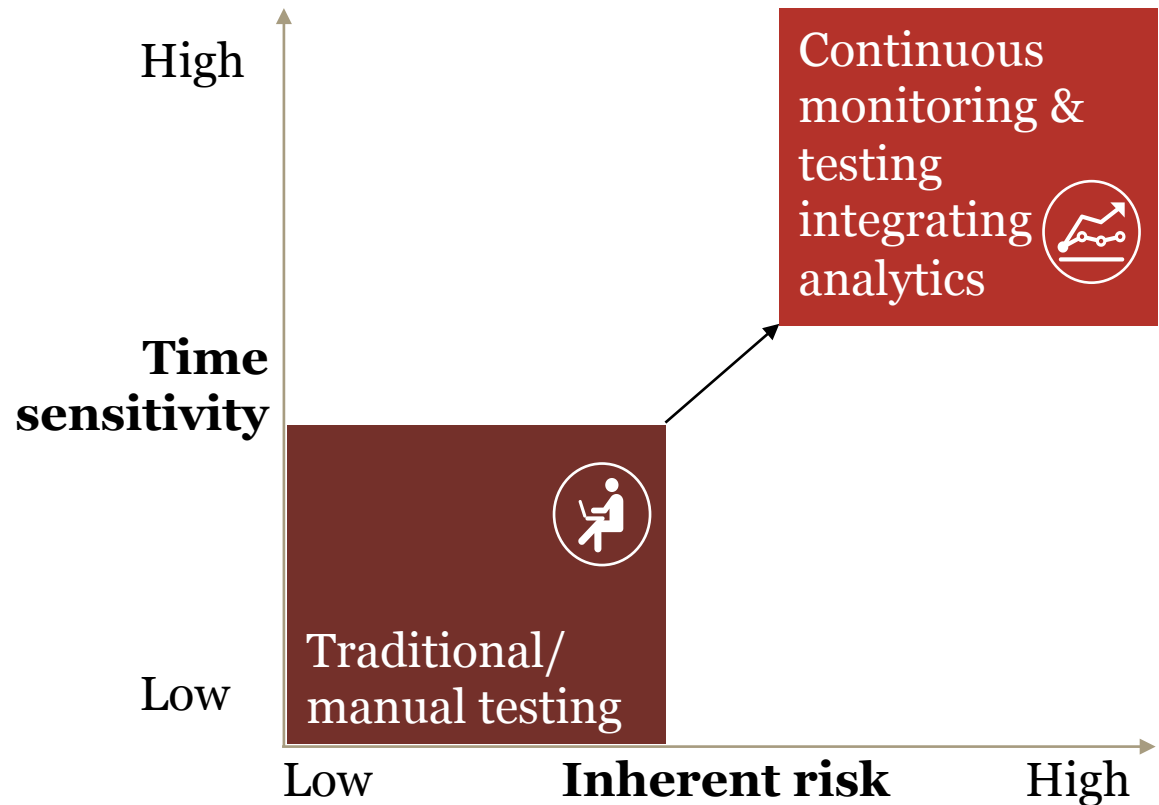
see more opportunities

Where does compliance monitoring sit within your risk management ecosystem?



Enabling sustainable compliance in extraordinary times – The need for advanced monitoring and testing

Companies that lead in risk management actively anticipate, measure, and accept risks that facilitate growth without jeopardizing their business¹.



¹PwC's 2015 Risk in Review Survey

Attaining value from an advanced monitoring and testing approach

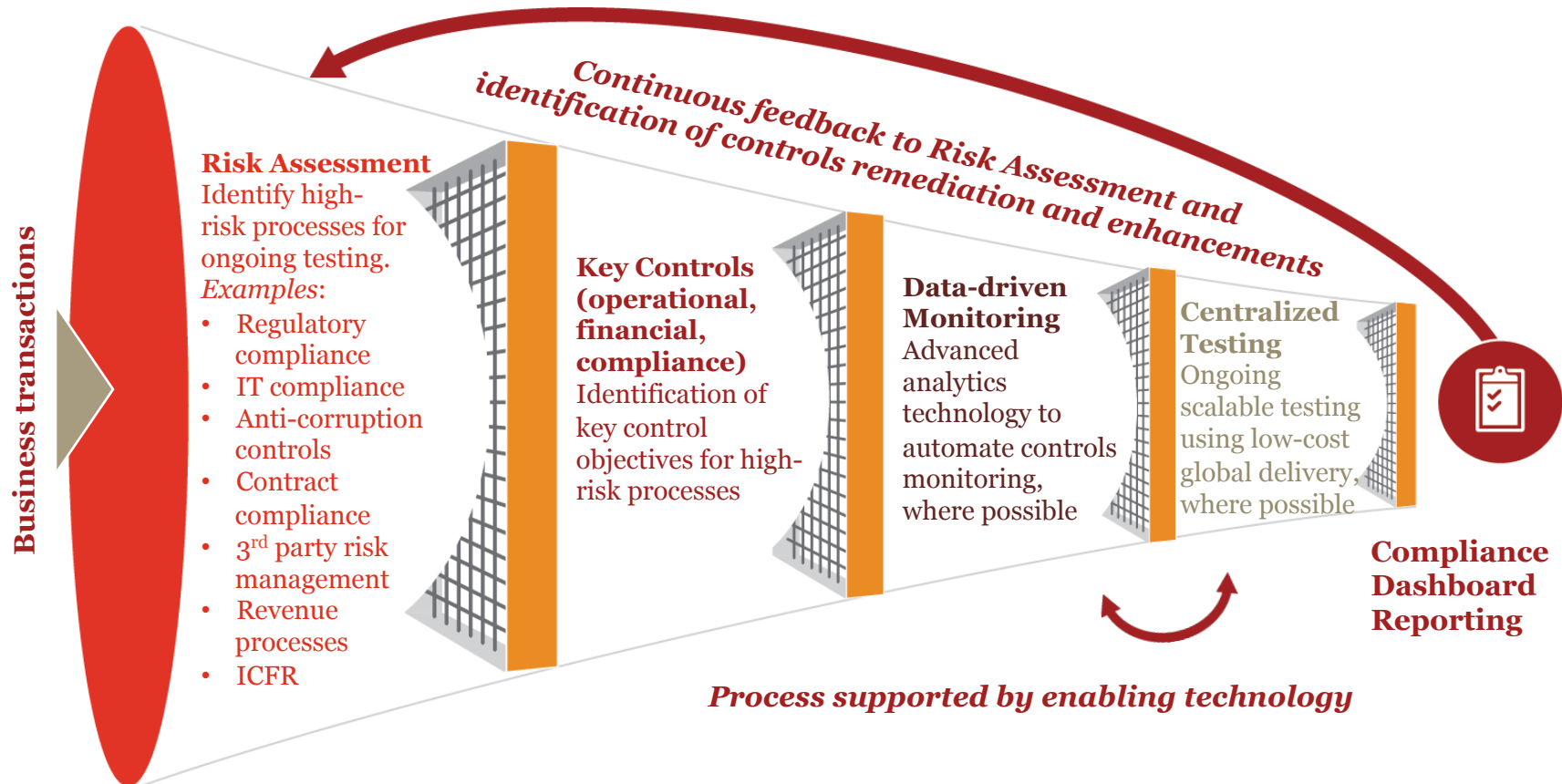
Although processes differ by industry sector, examples of areas where companies can gain significant benefits include:

- 1 Sector-based regulatory compliance testing
- 2 Information technology compliance testing
- 3 Anti-corruption controls
- 4 Supply chain issues and contract compliance
- 5 Third-party risk management
- 6 Revenue processes and revenue compliance testing
- 7 Expanded Internal Control over Financial Reporting (ICFR)



But how do you do this efficiently?

Advanced monitoring and testing model



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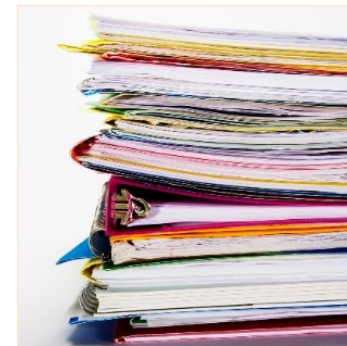


The value proposition

- Risk assessment
- Targeted auditing
- Connecting the dots (and systems)
- Control monitoring
- Continuous improvement
- Action plan
- Lessons learned analysis
- Detect and limit impact of misconduct
- Preventive measure



Myths and realities



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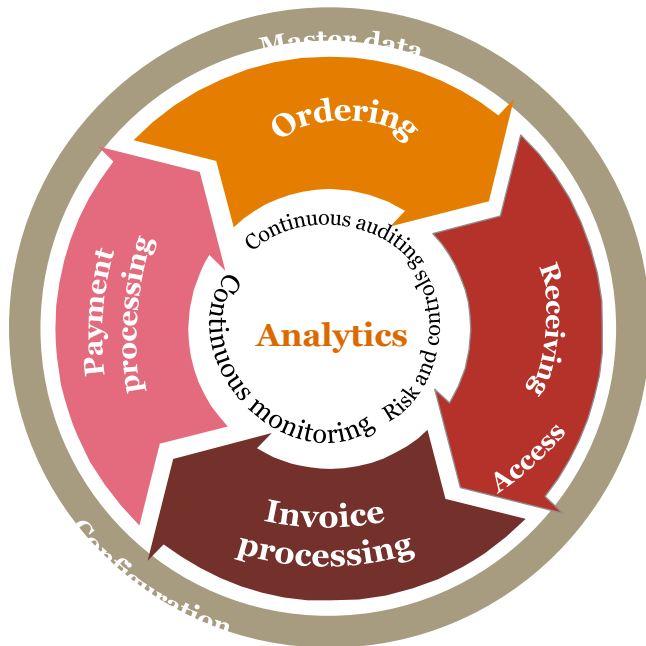
Analytics will transform compliance

We expect a shift in the way companies respond to compliance requirements

- 1** The transformation of assessments – improving assessments through the integration of analytics and data visualization – **“data audit testing”**.
- 2** Enhancing procedures by reducing time through directing focus to higher risk areas and transactions – **higher level of precision and focus**.
- 3** Delivering greater impact and more **meaningful results** to stakeholders.
- 4** **Improving the quality** of compliance through analytics and dashboards.
- 5** Greater speed and impact, identifying issues with ability **navigate through** to resolution.
- 6** Analytics can focus on transactions, system configurations, master data and security, in addition, analytics should be leveraged to **enhance transparency into the organization**.

Analytics storyboard – Fraud, FCPA, financial and operational compliance

Procure to Pay



Master Data

- Duplicate suppliers
- Employee and supplier have same address
- Supplier and employees with same bank account info
- Suppliers with debit balances
- Access to enter/update suppliers and update invoices

Ordering

- Orders made to new suppliers
- Access to enter/update POs

Receiving

- Goods received without purchase order
- Access to receive goods

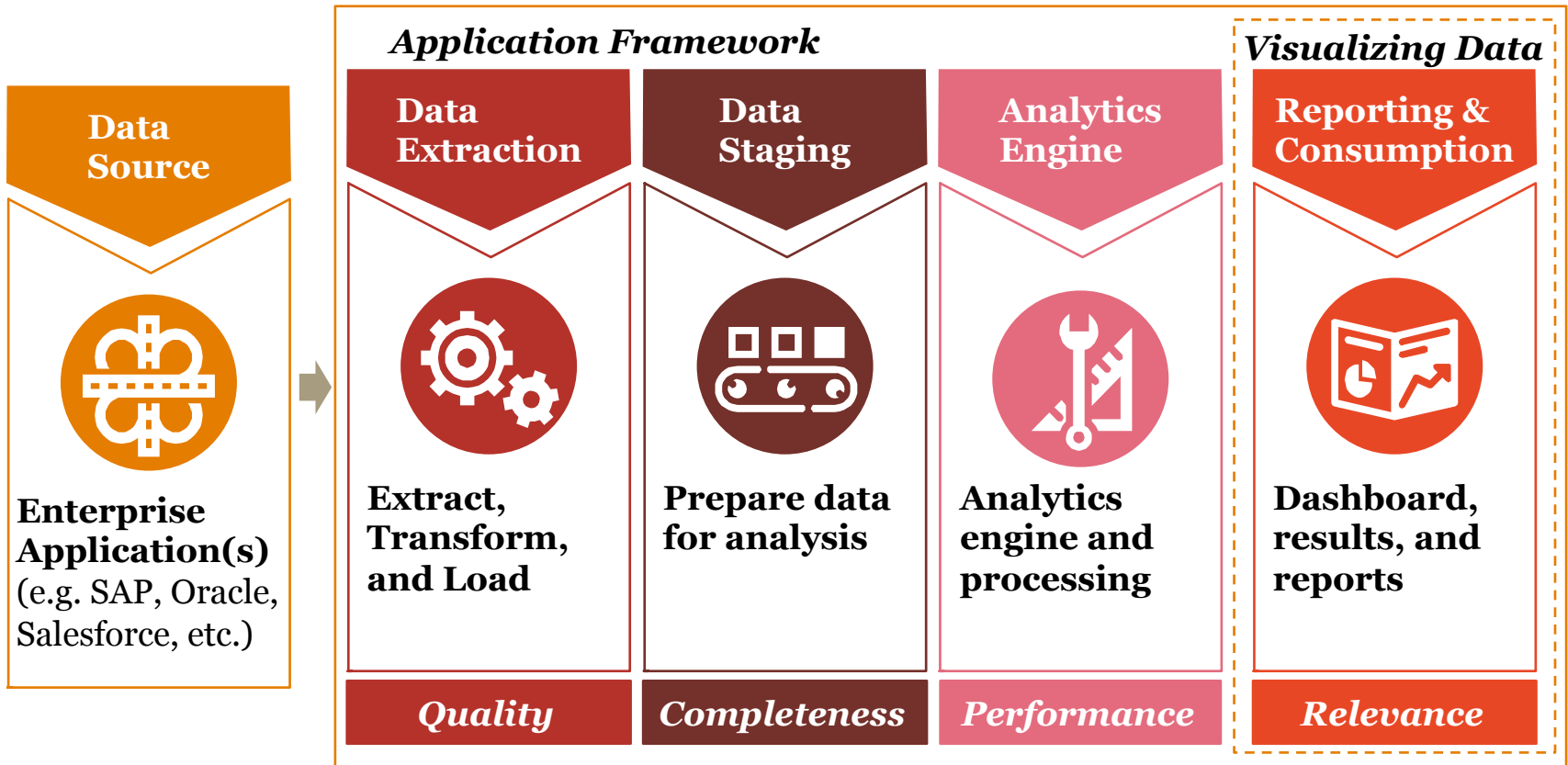
Invoice Processing

- Duplicate invoices
- Direct Invoices by supplier
- Invoices on unusual days
- Access to enter/update invoices

Payment Processing

- Duplicate payments
- Payments booked by terminated employees
- Payments on unusual days
- Unfavorable payment terms
- Access to enter/process payments

Technology and data – The importance of reporting



Visualizing analytics – Meaningful information

