

Risk Management Advisory & Consulting ERP Risk Advisory Services



Risk Pro
Connect with Risk Professionals

Riskpro, India

Who is Riskpro... Why us?

ABOUT US

- ❑ Riskpro is an organisation of member firms around India devoted to client service excellence. Member firms offer wide range of services in the field of risk management.
- ❑ Currently it has offices in three major cities Mumbai, Delhi and Bangalore and alliances in other cities.
- ❑ Managed by experienced professionals with experiences spanning various industries.

MISSION

- ❑ Provide integrated risk management consulting services to mid-large sized corporate /financial institutions in India
- ❑ Be the preferred service provider for complete Governance, Risk and Compliance (GRC) solutions.

VALUE PROPOSITION

- ❑ You get quality advisory, normally delivered by large consulting firms, at fee levels charged by independent & small firms
- ❑ High quality deliverables
- ❑ Multi-skilled & multi-disciplined organisation.
- ❑ Timely completion of any task
- ❑ Affordable alternative to large firms

DIFFERENTIATORS

- ❑ Risk Management is our main focus
- ❑ Over 200 years of cumulative experience
- ❑ Hybrid Delivery model
- ❑ Ability to take on large and complex projects due to delivery capabilities
- ❑ **We Hold hands, not shake hands.**

Risk Management Advisory Services

Basel II/III Advisory

- Market Risk
- Credit Risk
- Operational Risk
- ICAAP

Corporate Risks

- Enterprise Risk Assessment
- Fraud Risk
- Risk based Internal Audit
- Operations Risk
- Forensic services

Information Security

- IS Audit
- Information Security
- IT Assurance
- IT Governance
- ERP Risk

Operational Risk

- Process reviews
- Policy/ Process Review
- Process Improvement
- Compliance Risk

Governance

- Corporate Governance
- Business Strategic risk
- Fraud Risk
- Forensic Accounting

Other Risks

- Business/Strategic Risk
- Reputation Risk
- Outsourcing Risk
- Contractual Risk

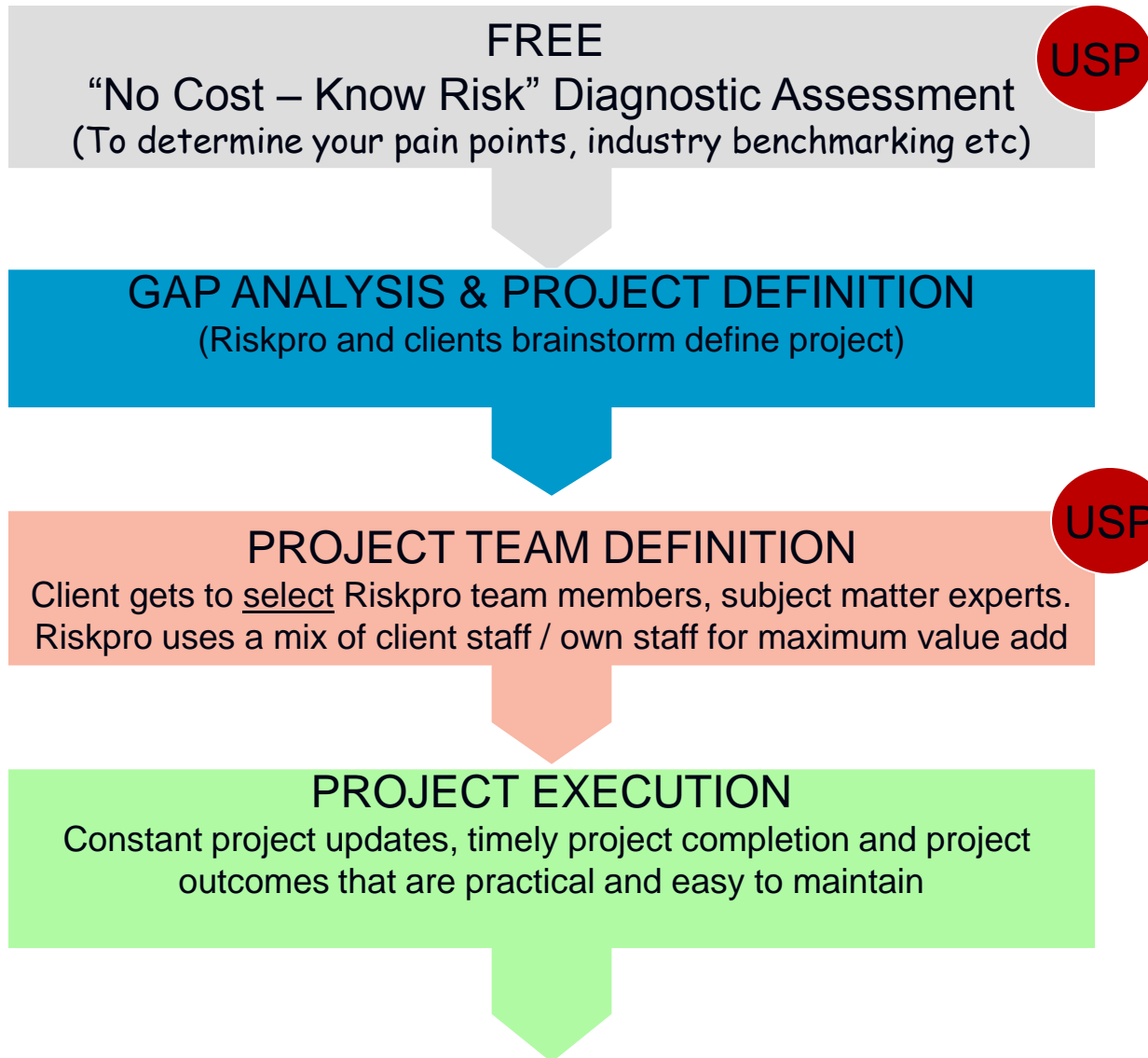
Training

- Banking – E Learning
- Corporate Training
- Regular Risk Management Training
- Online Training material
- Workshops / Events

Recruitment

- Virtual Risk Managers
- Full Time Risk Professionals
- Part time Risk Professionals
- Risk Managers on call – free

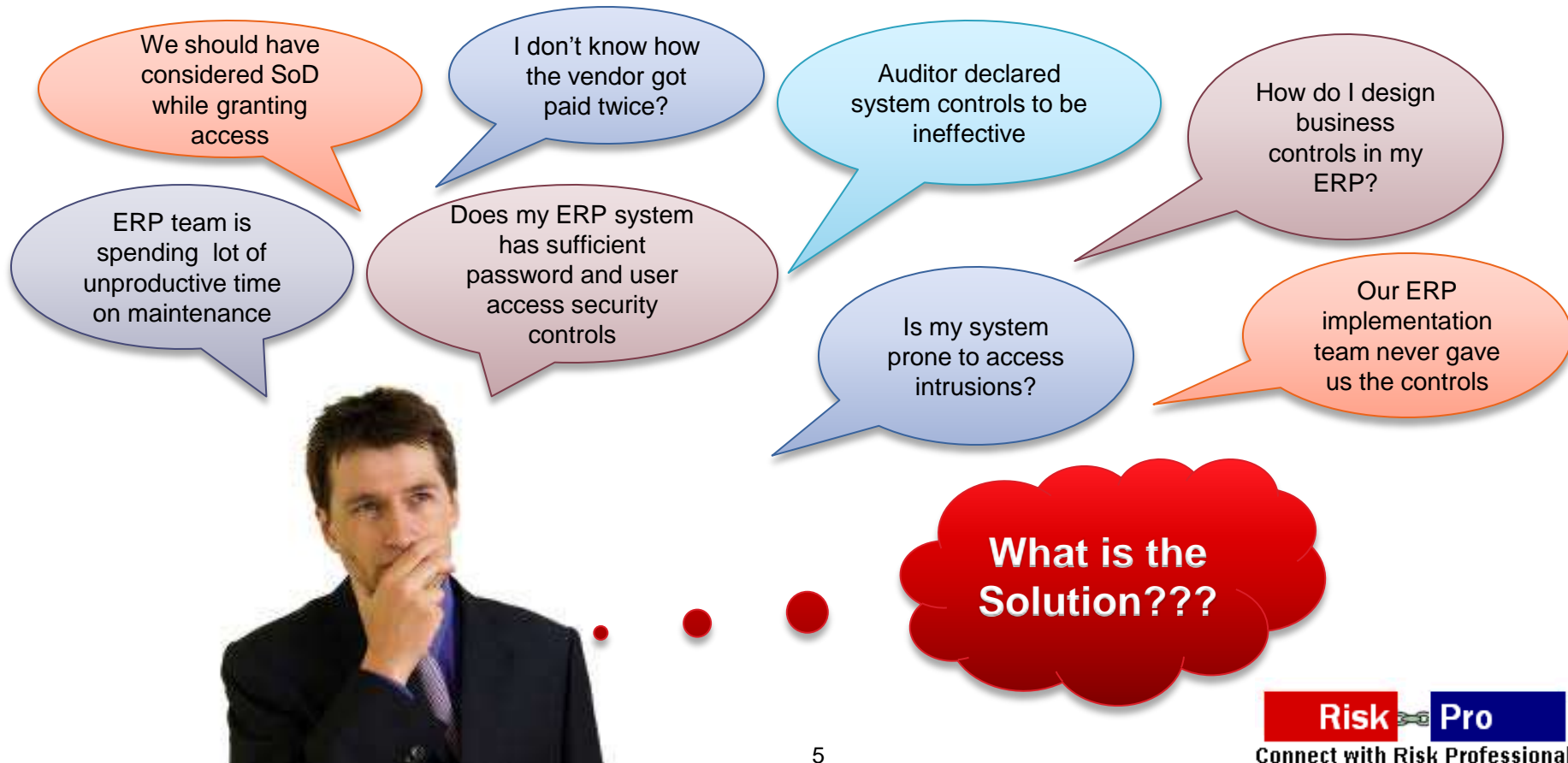
Our Delivery Methodology



Risk & Challenges in an ERP System

Corporations across the world are highly concerned about the security of their Enterprise Resource Planning (ERP) systems such as SAP, from threats like fraud, intrusion, etc that affects the integrity of their business. They require their policies and procedures to be tightened and system to be secured.

There are some challenges that these corporations faces in their day to day business:



History of Financial Frauds

Year	Company	Audit Firm	Type of Fraud
2010	Lehman Brothers	Ernst & Young	Failure to disclose Repo 105 transactions to investors
2009	Satyam Computer Services	PWC	Falsified accounts
2004	AIG	PWC	Accounting of structured financial deals
2002	WorldCom	Arthur Andersen	Overstated cash flows
2002	Kmart	PWC	Misleading accounting practices
2001	Enron	Arthur Andersen	Corporate fraud and corruption
2000	Xerox	KPMG	Falsifying financial results

Source: www.wikipedia.org

India's Fraud Survey 2010

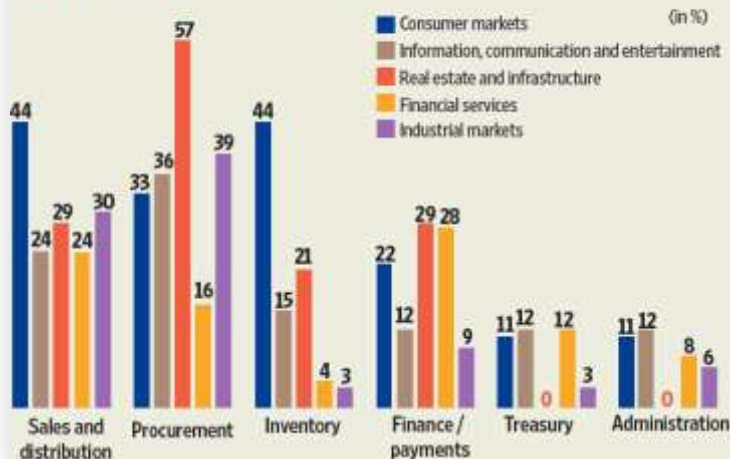
Types of fraud experienced by respondents

(multiple choice)



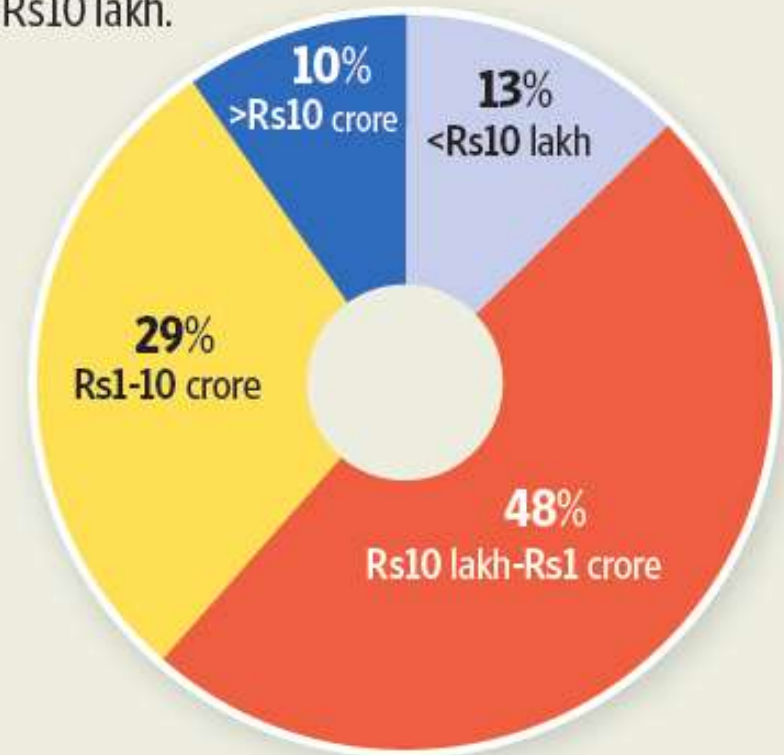
Processes perceived as most vulnerable to fraud risks

(multiple choice)



Value of fraud

Up to 87% of survey respondents state that their organization had incurred fraud losses of more than Rs10 lakh.



Source: KPMG

2009 CSI Computer Crime Survey

Per the 2009 CSI Computer Crime and Security Survey, "...change of greatest concern is that financial fraud increased from only 12 percent of respondents to 19.5 percent of respondents. This is reason for concern because financial fraud consistently causes victim organizations huge losses—almost \$450,000 (Rs 2 Crs) per victim organization this year..."

Type of Attack	2005	2006	2007	2008	2009
Malware infection	74%	65%	52%	50%	64%
Bots / zombies within the organization	added in 2007		21%	20%	23%
Being fraudulently represented as sender of phishing messages	added in 2007		26%	31%	34%
Password sniffing	added in 2007		10%	9%	17%
Financial fraud	7%	9%	12%	12%	20%
Unauthorized access or privilege escalation by insider	option altered in 2009				15%
System penetration by outsider	option altered in 2009				14%
2009 CSI Computer Crime and Security Survey			2009: 185 Respondents		

Our Services

Before Go-live

- **Best-fit solution**
 - ERP Product selection
 - ERP Implementation partner selection
 - Project risk management
- **Business Blueprint Review**
 - Identify and suggest controls as part of BBP
 - Benchmark TO-BE process to Leading practices
- **Pre Go-Live Readiness Assessment**
 - A quick check of the status of critical master data, organizational elements, configurable controls, process integrations, system and user security before Go-Live
 - Verify if suggested controls are designed and implemented

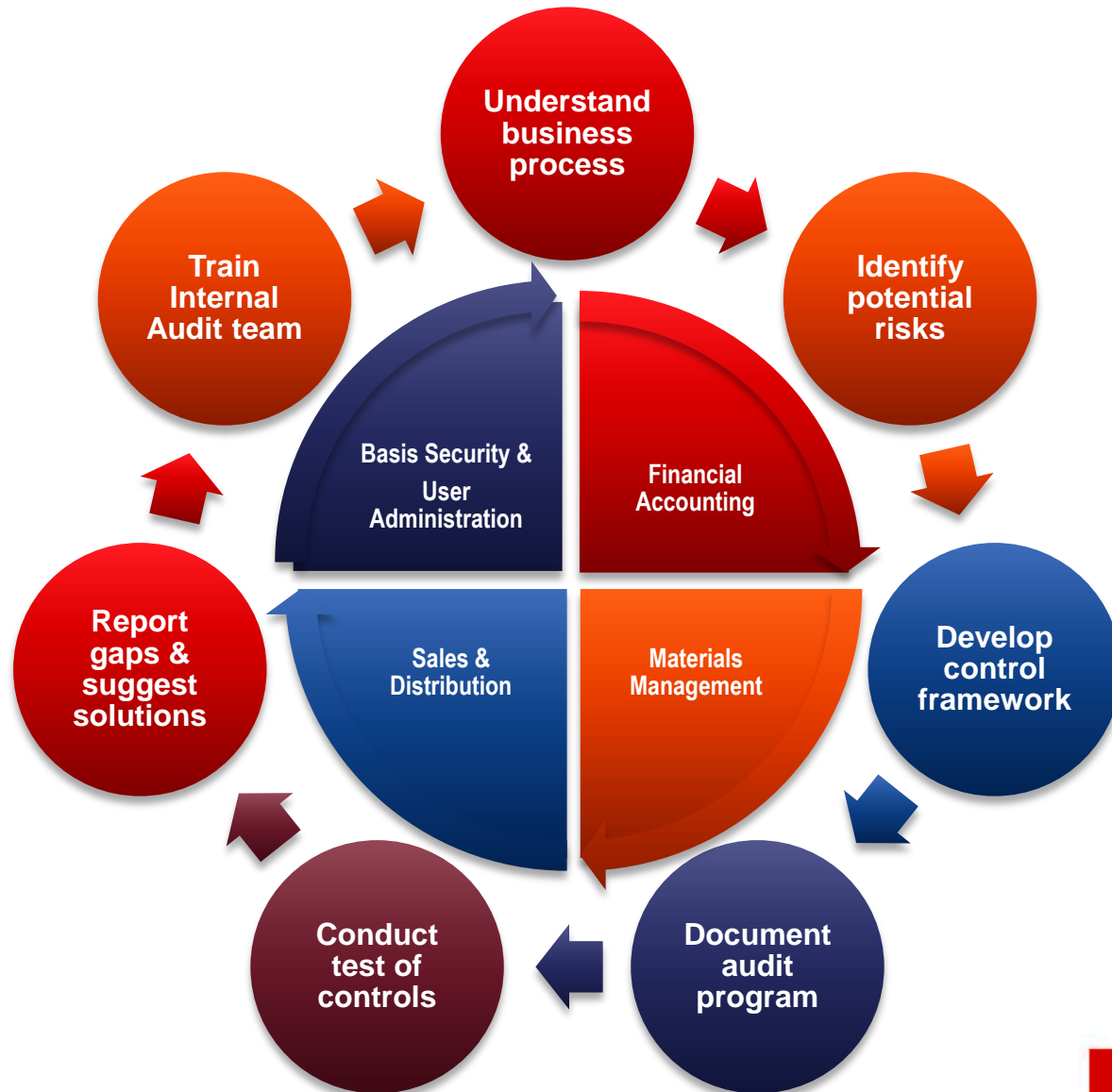
After Go-Live

- **Quick Scan Review**
 - A quick check to identify and fix 'High Risk' issues
- **SAP Business Controls Review**
 - A detailed review of key business processes having financial implication
- **SAP Security Controls Review**
 - A detailed review of Basis security, access to critical transactions and Segregation of duties (SoD)
- **Audit Work Program Documentation**
 - Preparation of detailed work program that will enable the Internal Audit team to conduct rigorous audit of the SAP system

Corporate Training

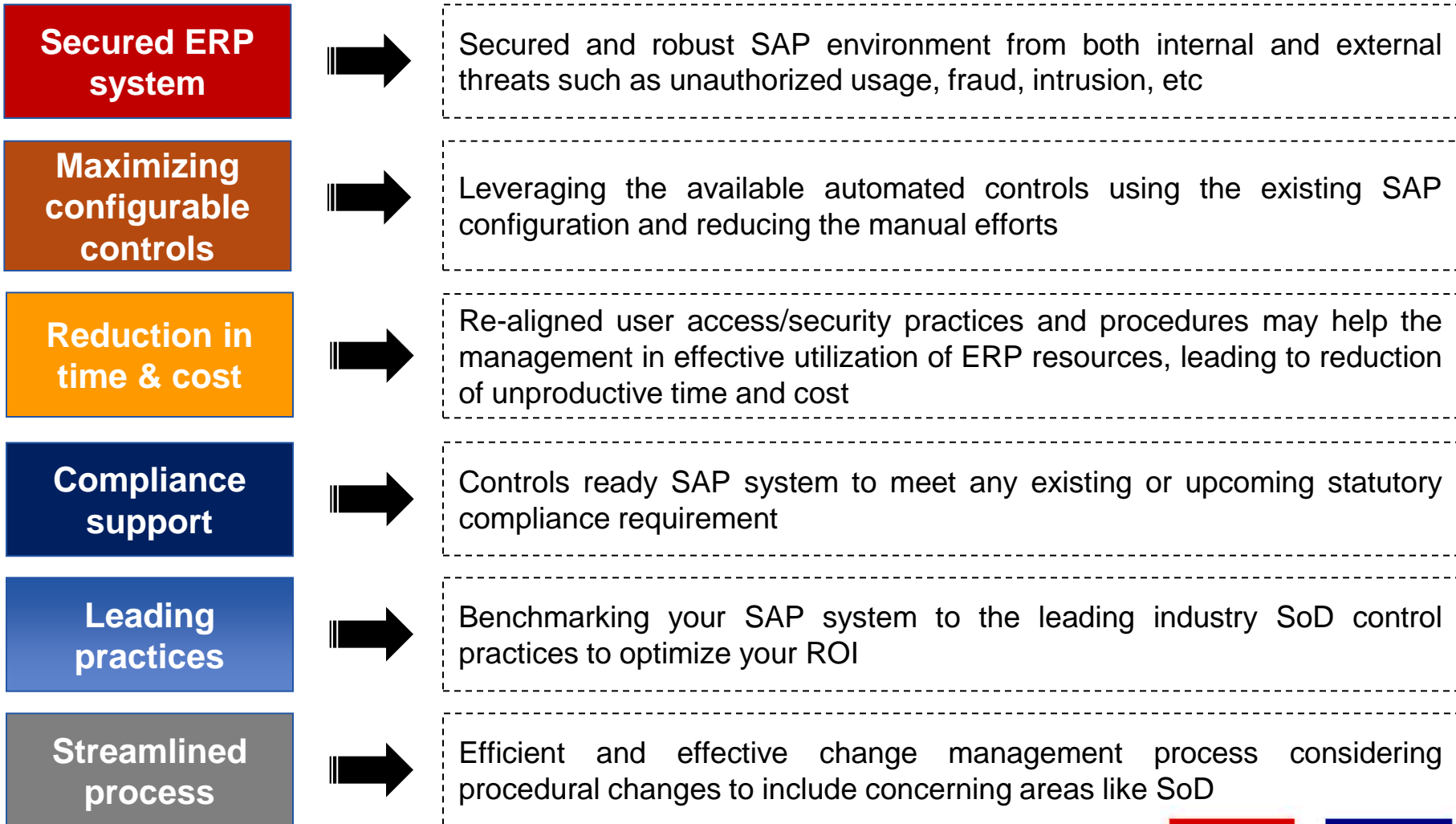
- **SAP Core team training**
 - Preparing the SAP Core team for supporting the SAP ECC system
- **SAP End-user training**
 - Preparing the SAP End-user team for working on the SAP ECC system
- **Auditing an ERP system training**
 - Preparing the Internal audit team for sustainable audit of the SAP ECC system
- **Fundamentals of ERP system training**
 - Preparing the organization for an upcoming implementation of the SAP ECC system

Our Value Chain Approach



Benefits to your organization

Few of the benefits that your organization will derive from your SAP system, after our services:

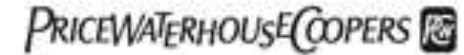




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Our team members have worked at world class Companies

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Manoj Jain

- ▲ **Founder - Riskpro**
- ▲ CA, CPA, MBA-Finance (USA), FRM (GARP)
- ▲ Over 10 years international experience – 6 years in Bahrain and 4 years USA
- ▲ 15 years exp in risk consulting and internal audits
- ▲ Sox Compliance project for Fannie Mae, USA (\$900+ Billion Mortgage Company)
- ▲ Specialization in Operational Risk, Basel II, Sox and Control design
- ▲ Led medium to large engagement teams

Rahul Bhan

- ▲ **Co- Founder - Riskpro**
- ▲ CA (India), MBA (Netherlands), CIA (USA)
- ▲ Over 15 years of extensive internal and external audit experience in India and abroad.
- ▲ Worked with KPMG United Arab Emirates, PKF South Africa, Ernst and Young Kuwait, Deloitte Netherlands and KPMG India.
- ▲ Worked with clients in a wide variety of industries and countries including trading, retail and consumer goods, NGO, manufacturing and banking and finance. Major clients include banks, investment companies, manufacturing organizations, aviation etc.

- ▲ **Specialist Risk Consultant – ERP & IT Compliance**
- ▲ SAP Certified, MBA (Finance), SAP Security trained (from SAP India), SAP GRC Access Controls trained (from SAP India), Project Management trained (from PMI)
- ▲ Over 7 years of experience working in the area of ERP/IT Risk advisory, primarily focusing on SAP, for 'Fortune 500' clients in around 8 countries including US, UK, UAE, Hong Kong, etc
- ▲ Specializes in SAP Risk & Controls Advisory, SAP Business Process Controls Audit, SAP Security & Segregation of Duties Control Audit, ERP Trainings, ERP Audit Project Management, Sarbanes Oxley (SOX) Compliance Assistance, ERP Product and Vendor Selection, ERP Audit Tools Development
- ▲ Strong Industry experiences ranging from Beverages, Insurance, Energy, FMCG, Pharmaceutical, Retail, Telecommunication to IT Services
- ▲ Worked for risk advisory teams of reputed organizations like Ernst & Young, EXL Services

Casper Abraham

- ▲ **Co-Founder - Riskpro**
- ▲ PGD (Electrical & Electronics & Computer Programming)
- ▲ 30 years of experience in Information & Communications Technology (ICT) Solutions for Retail, Garments, Manufacturing, Services Industries.
- ▲ Has created Companies, Divisions, Products, Brands, Teams & Markets.
- ▲ Consulting in Business, Technology, Marketing & Sales & Strategic Planning.
- ▲ Advisory, Training, Workshops & Implementation in Systems Thinking, Systems Modeling & Balanced Scorecard
- ▲ Worked with TIFR, Mahindra, Ambience, Communico-Graphique & Ionidea Inc, USA,

Kumar Bhukhanwala

- ▲ **Co-Founder - Riskpro**
- ▲ B.Com, CA
- ▲ 30 years of accounting, finance and risk management experience
- ▲ Most recent employment with Emerson, a USA Fortune 500
- ▲ Worked for Hinduja, Pidilite, Excel Industries and internationally
- ▲ Strong Financial Process and internal controls experience

RESUMES - PARTNERSHIPS

Andrew Hiles

- ▲ **Specialist Risk Consultant – Business Continuity**
- ▲ Founder and 15-year Chairman of Survive, the first international user group for Business Continuity professionals
- ▲ Founding director and first Fellow of the Business Continuity Institute
- ▲ Over 25 years international consulting expertise in Risk, Crisis, Emergency, Incident, and Business Continuity and ICT Disaster Recovery Management
- ▲ Multi-sector experience including Banking, Insurance, Finance, Oil, Gas, Energy, Manufacturing, Retail, Hi-Tech & Telecom
- ▲ Western Press Award for services to business, 1994; BCI/CIR nomination for lifetime achievement in BC, 1999, London; inducted into BC Hall of Fame by CPM magazine, 2004, Washington DC.

Mr. V K Gupta

- ▲ **Specialist Risk Consultant – Internal Audits**
- ▲ Chartered Accountant and CISA, with over 12 years of experience in business risk services.
- ▲ He has advised leading national and international clients.
- ▲ He was working with Ernst and Young (NZ). He has extensive experience in conducting internal audits, risk assessment, drafting standard operating procedures, sarbanes oxley etc.
- ▲ He has helped organisations to improve business processes leading to increased efficiency and effectiveness. He specializes in industries like healthcare, manufacturing, IT/ITES, financial services.

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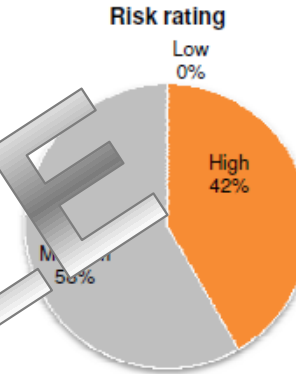
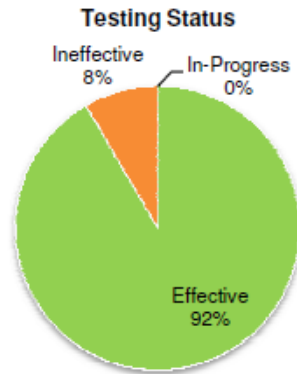
THANKS

Detailed Coverage – Sample deliverables

DASHBOARD

5% 10% 15% 20% 25% 30% 35% 40% 45% 50% 55% 60% 65% 70% 75% 80% 85% 90% 95% ###

Go-Live Readiness (Progress bar) >>>



S. No.	Description	Testing Result		
		Effective	Ineffective	In-Progress
1	Organization Structure Definition & Assignment	36	0	0
2	Master Data Integrity	81	12	0
3	Process / Module Integration	13	0	0
Total >>>		130	12	0

S. No.	Description	Risk Rating		
		High	Medium	Low
1	Organization Structure Definition & Assignment	0	0	0
2	Master Data Integrity	5	7	0
3	Process / Module Integration	0	0	0
Total >>>		5	7	0

SAMPLE

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i) ABC LTD. CONFIGURABLE CONTROLS	
a) Record to Report	
b) Acquire to Retire	
c) Procure to Pay	
d) Order to Cash	
e) Inventory	
ii) ADDITIONAL CONFIGURABLE CONTROLS	
a) Record to Report	
b) Procure to Pay	
c) Order to Cash	
d) Inventory	
iii) ADDITIONAL RECOMMENDATIONS	
B) USER SECURITY	
i) OBSERVATION	
ii) ADDITIONAL RECOMMENDATIONS	
C) SYSTEM SECURITY (BASIS)	
i) OBSERVATIONS	
ii) ADDITIONAL RECOMMENDATIONS	
D) SYSTEMS DEVELOPMENT LIFE CYCLE (SDLC) AND	
i) OBSERVATION	
ii) ADDITIONAL RECOMMENDATIONS	

I) Executive Summary

A) Introduction

ABC Ltd. has embarked on an initiative to transition from legacy IT applications to SAP to align itself to the corporate systems and to gain process efficiencies utilizing SAP. The SAP implementation project name is ABC Ltd. which will be used throughout this report. In order to ensure a secured internal control environment for the new implementation, ABC Ltd. has engaged AGC to perform a Pre-Implementation Review encompassing Configurable Controls, System and User Security, and the Systems Development Life Cycle (SDLC). This report provides a summary of the scope, approach, findings and recommendations of this review.

B) Scope and Coverage

AGC performed a project assurance review of the ABC Ltd. SAP Implementation project. This was not an audit and therefore we do not express an overall opinion or conclusion on the reliability or integrity of the system. The review was performed "real-time" as the project was in progress therefore recommendations on overall internal control enhancements and risk mitigation were directed to the project team as the system was being implemented.

1) Configurable Controls Review:

- Evaluation of the existing configurable controls for their applicability, existence, completeness and operating effectiveness.
- Propose and evaluate additional configurable control opportunities

2) User Security Review:

- Segregation of Duties Review - Adequacy and Completeness of GRC rule sets
- User Role Design - Review of appropriateness of user/role creation procedures; Sample validation of users/roles

- Privileged User Access Review (Recommended as a pre go-live check)
- Critical Transaction Access Review (Recommended as a pre go-live check)

3) System Security Review (BASIS):

- Critical Security Parameter Review - Direct changes to Production client, user authentication and table maintenance parameters
- Security Table and Log Maintenance - Log enabling of critical security and financial data tables as per leading practices
- Password Controls - Compliance of SAP password parameters with ABC LTD. password standards
- Security Change Management Procedures - Transport Management System (TMS) security and parameter configuration for compliance with SDLC

4) Systems Development Life Cycle (SDLC) and Data Migration Cutover Procedures Review:

SDLC Review: Adherence to ABC LTD. IT Project Lifecycle Methodology/ASAP Implementation Methodology; Adherence to Checkpoint Reviews

Project Governance Review:

- Program Management Structure - Roles & Responsibilities (RACI matrix)
- Scope & Delivery Management - Deliverables tracking, Acceptance criteria (QA/sign-offs), Scope Control, Change Management, Issue Tracking and Resolution
- Project Health Status Measurement, Monitoring & Reporting Procedures - Scope, Deliverables, Schedule, Cost, Risks, Issues

C) Approach

1) Configurable Controls Review:

The existing configurable controls were evaluated for their applicability to ABC Ltd. and all the applicable controls were tested in the Development environment.

Sample Deliverables - Deliverables

SAP Audit Work Program

Control Ref. #:1	Client Name: ABC Limited	Application: SAP ECC 6.0
Process: Procure to Pay	Sub Process: Invoice processing	Activity: Duplicate invoice
Risk:	Duplicate invoices may lead to over payment for goods and services thereby misstating the financial statements	
Control:	System allows payment on a vendor invoice only once	
Control Owner:		
Control Overview:	<p>In SAP, incoming invoices are verified for vendor name, amount, date and invoice reference number. Invoices can be verified with reference to the purchase order. When the invoice is posted, the invoice data is saved in the system. The system updates the data saved in the invoice documents during the material and financial document postings.</p> <p>SAP provides an indicator 'Double invoice validation' during the vendor master record creation that checks for duplicates invoices against a vendor. In addition, the 'Set Check for Duplicate Invoices' setting can also be enabled. This setting can be configured to check for duplicate invoice reference numbers with respect to a specific company code and invoice date.</p>	
Test Result		
Compliant <input type="checkbox"/>	Non-Compliant <input checked="" type="checkbox"/>	Not Applicable <input type="checkbox"/>
Test of Design		
<p>Test Approach: Using the following test steps, check the design of the control by validating whether SAP has been appropriately configured to restrict duplicate invoice payments.</p> <p>Test Steps: Step 1: Verify if the field 'Double invoice validation' in the screen layout of the vendor account group has been configured as a required entry</p> <ul style="list-style-type: none"> • Execute transaction code OBD3 > select the applicable vendor account groups (Artifact # 1) > company code data > payment transactions > <ul style="list-style-type: none"> ○ Check if the screen layout of the field 'Double invoice validation' has been configured as 'Req. Entry' (Artifact # 2) 		<p>Transaction Code(s) to be used:</p> <ul style="list-style-type: none"> ▪ OBD3 (Vendor account group configuration) ▪ SE16N (SAP Table Data Display) ▪ OBA5 (Message controls for invoice verification configuration) <p>Report(s) / Program(s) to be used:</p> <ul style="list-style-type: none"> ▪ NA

Examples of our Services



Company level

- Define Risk Appetite
- Risk Scorecard
- Risk Heat maps
- Reputation Risk Scorecards
- IT Governance
- New Product Approval Policy
- Scan of Emerging Risks

Governance

- Align Corporate Governance to global practices
- Board Committee reviews
- Review and enhance Risk Governance
- Policy and Process Framework
- IT Governance
- Whistle Blowing Framework

Risk management

- Risk assessment
- Process and Control Review
- Insurance & Loss Alignment
- Incident Reporting Process & Tool
- Implementation of 20-30 top Key Risk Indicators (KRI)
- Fraud Risk Management Services

Compliance

- Compliance Risk Policy & Framework
- Regulatory reviews and audits
- Global regulation compliance
- Compliance Reporting
- Contractual Risk
- 3rd party audits of units
- Internal Control testing Tools

Support Processes

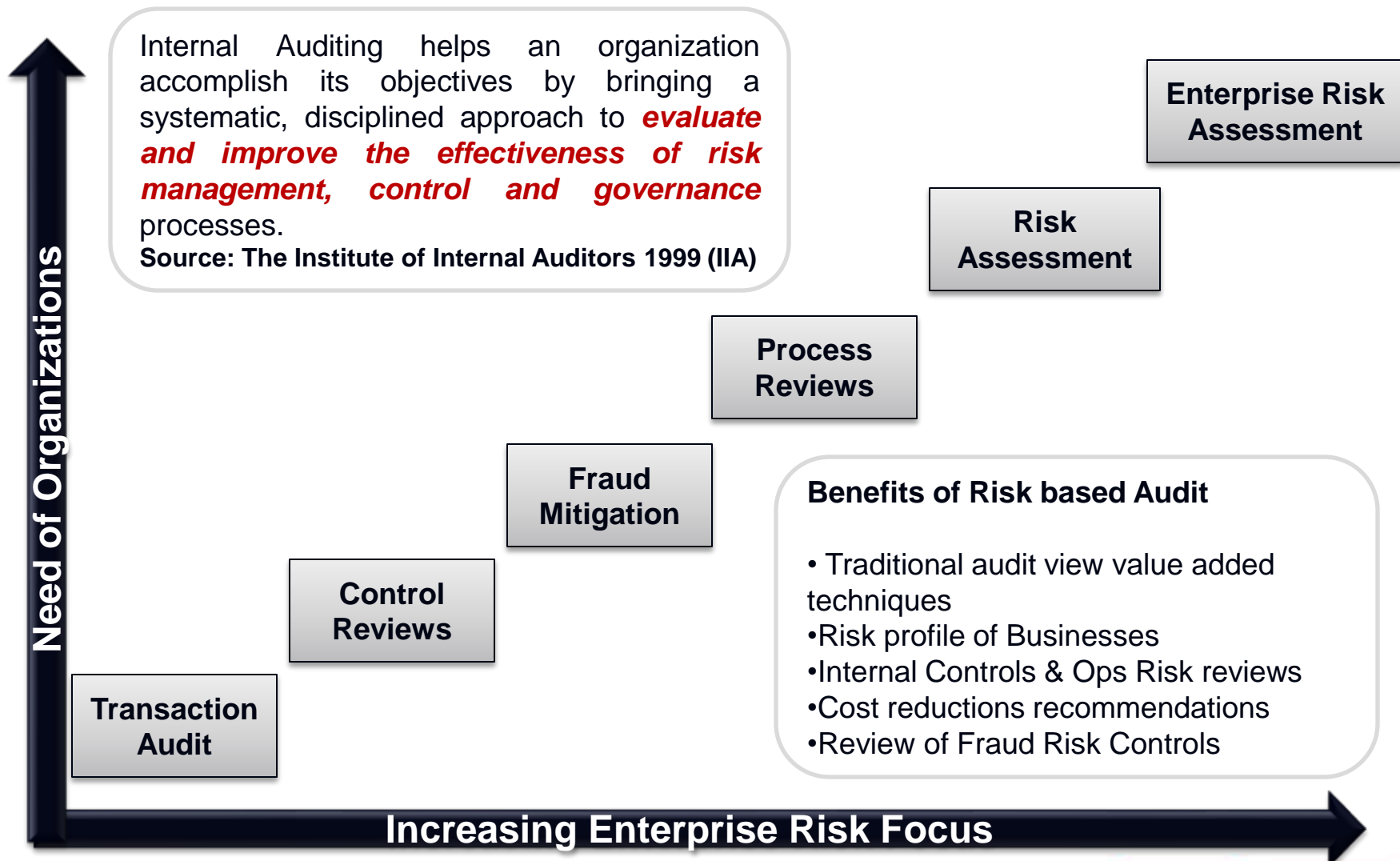
- GRC Technology Implementation – Provide recommendations and select vendor for GRC Tool
- HR Policies and Processes to minimize people risk, frauds and strengthen succession planning
- Training and Awareness build up – Targeted and Ongoing training in areas of concern.
- E Learning Courses in Risk Management, Fraud Risk Management, Governance etc

Govern risk & compliance with business benefits

- Riskpro helps organisations adapt to change, manage risk, and effectively comply with the risks and regulations which effect their businesses.
- Helps in successfully managing risk and achieving compliance in an ever-changing environment while reducing costs and improving corporate performance every day.

Riskpro Partnerships with GRC Vendors

- Riskpro has several partnerships with world leaders in implementation of GRC software solutions.
- (BPS Resolver, Methodware, Bwise, Odondo, Rocsys)
- Riskpro is also actively interacting with other Leading vendors for GRC Technology rollout (Bwise, Oracle)
- Riskpro can review the company's circumstances and provide an unbiased opinion n the best product for the circumstances.



You select the level and size of ERM efforts to suit your needs and budget.

1 Foundation

- ERM vision
- Goals and objectives
- Policies
- Organization structure
- Alignment to strategies

2 RISK IDENTIFICATION

- Risk Assessment
- Gap Analysis
- Risk Mapping

3 BASIC ERM

Risk Identification

Foundation

- FOUNDATION TASKS
- RISK ASSESSMENT TASKS
- Risk Mgmt for 2-3 critical risks
- Evaluate existing RM structures
- Enhanced management reports
- Dashboards
- Monitoring tools
- Risk based Communication

4 ENHANCED ERM

Risk Identification

Foundation

- Foundation Tasks
- RISK Identification
- Enhanced Framework

IS AUDIT

- Operating Systems Audit
- Database Audit
- Networking Audit
- Firewall Audit
- IDS Audit
- Web Application, Data Center Audit
- Internet Banking, Core Banking Audit
- Performance & Forensic Auditing
- Application Systems - Functional review
- Compliance with IS Policies & Procedures

INFORMATION SECURITY

- Penetration Testing
- Application Systems - Security review
- Review of IS Controls
- BS 7799 / (ISO 27001) Implémentation
- Formation of IS Security Policy
- Compliance with IS Policies & Procedures

IT GOVERNANCE

- COBIT
- ValIT
- Balanced Scorecard
- IT & Business Maturity Models

IT ASSURANCE

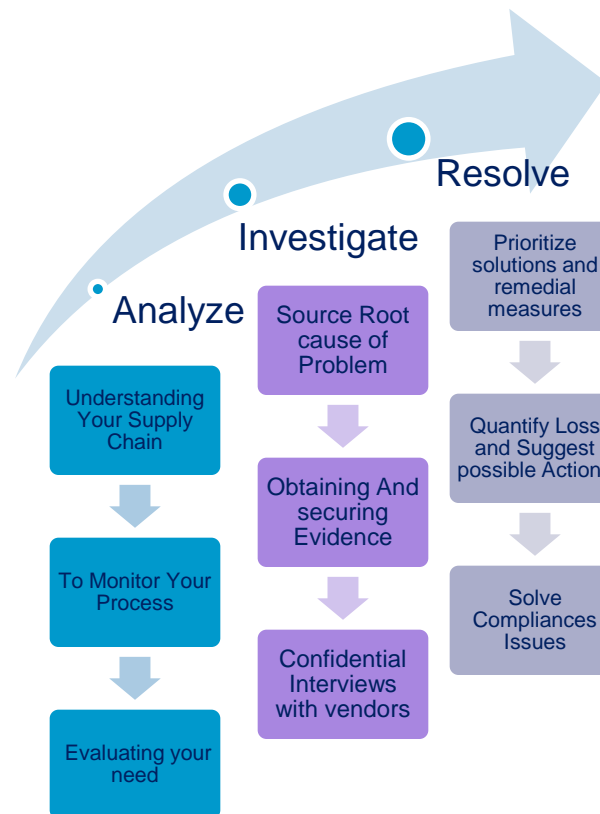
- Business Continuity Planning
- Computer Crime Investigations
- Training in IT
- Compliance with IS Policies & Procedures

Based on our understanding of your requirements, we have customized a package of our solution offerings to meet your needs, which is detailed in the ensuing slides.

To detect and prevent fraud and evaluate Code Of Conduct Compliance on following parameters :-

- ✓ Fraud Detection
- ✓ Fraudulent Vendor
- ✓ Recruiting new dealers, suppliers, franchisees or distributors
- ✓ Anti-Fraud Measures
- ✓ Monitoring Compliance and Authorization
- ✓ Workplace Practice
- ✓ Background check for employees
- ✓ Background check for customers
- ✓ Prevent default of high value bills

Our Solution for you



Benefits To You

- Protects you from any Monterey or Reputational damage
- Code Of compliance establishment
- Enables you to identify risks / control gaps
- Helps you identify any undisclosed production
- Risk Mitigation