

Wall Street Brokerage Manages Enterprise Risk



Enterprise Risk Management



Financial Close Management



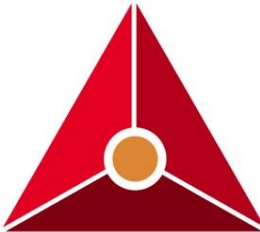
Advanced Controls



Enterprise Audit



IT Controls Workbench



FulcrumWay

Intelligent Integrated Instant Risk Management

Celebrating 10 years of success

Enterprise Risk Management

Leverage Technology:
Move Your Business Forward™

- **FulcrumWay:** is the **#1 End-to-End** Provider of Enterprise Risk Management Expertise, Solutions and Software Services for Oracle EBS, PeopleSoft and JDE customers with over 200 Fortune-500 to Middle Market clients. Since 2003, we have successfully assisted companies across all major industry segments.
- **Expertise:** Risk Advisory Services. Advanced Controls Design for Enterprise Business Applications. Best Practices for Risk Mitigation and Internal Controls Automation. Audit, Compliance, Financial, Enterprise and Operational Risk Assessments. Risk Remediation Services such as Segregation of Duties.
- **Packaged Solutions:** FulcrumWay is the #1 choice of Oracle customers for Oracle GRC Manager, GRC Controls and GRC Intelligence/OBIEE software implementation. Oracle has certified us as the only partner with Accelerators for Oracle GRC. We also provide Managed Services and Hosting for Oracle GRC applications.
- **Software Services:** Risk Management Tools: Enterprise Risk Manager, Financial Close Risk Manager, Risk Based Audit Manager, IT Risk Workbench, and Advanced Controls Catalog. Data Management Tools: Rules Repository, DataProbe™ adaptors and Data Hub.
- **USA Presence:** Privately held Delaware Corporation with US offices in New York City, Dallas and San Francisco
- **International Presence:** in Chennai, Dubai, Kampala, London, Rome, Santiago, Singapore

Government



Oil and Gas



Financial Services



Retail



Communications



Manufacturing



Industrial Equipment



Natural Resources



Media and Entertainment



Healthcare



High Tech



Life Sciences



COMPLIANCE WEEK



Gartner



Economist.com



Thought Leadership

- **Co-Authored GRC Book:** First book on GRC for Oracle Applications
- **Executive Round Tables** – GRC Solutions for Energy Industry, Houston, November 2012
- **OAUG GRC Solution Lab** - April 7th – 11th Denver: GRC Case Studies and Best Practices
- **IIA** - Presentations - Top Five Reasons for Automating Application Controls
- **Collaborate 13** – GRC Client Appreciation Dinner **April 8th, 2013 Denver**
- **Webcasts** – GRC Best Practices, Trends and Expert Insight
- **Oracle Open World** – Annual GRC Dinner on **September 23rd, 2013 W Hotel San Francisco**
- **LinkedIn** – FulcrumWay Risk, Compliance and Audit Software Group
- **YouTube Podcasts** – FulcrumWay Instant Insight in 10 min or less

Our Client

- Leading brokerage services firm specializing in credit derivative products, including single-entity credit default swaps, emerging market credit default swaps, credit indices, options on single-entity credit default swaps, options on credit indices, and credit index.
- The company was founded in 1987 and is headquartered in New York, New York with business primarily in North America, Europe, and Asia-Pacific.

Challenges

- Reduce costs related to audit and controls assessments
- Reduce risk associated with the current state highly manual, fragmented process
- Need Enterprise-wide visibility into the Risk and Compliance processes
- Leverage investments in technology to provide a foundation for Enterprise Risk Management

Solutions

- Enterprise Risk Manager
- GRC Hub

Successes

- Improved management visibility into financial close controls by providing real time reporting on GL close tasks performance by financial managers across the regions.
- Reduced financial misstatement risk by replacing manual, spreadsheet based error-prone process with automated checklist
- Delivered Enterprise Risk Management framework by enabling management and process owners to set key risk objectives and monitor risk indicators using simple dashboards.
- Provided Risk Assessment Analytics to improve audit planning.

Identify Risk Factors based on weighted scale to prepare an effective audit plan

Home Dashboard **Assessment** Template Setup

Manage Period > **Factors Entry**

Assessment
o Manage Period

Period: Jan 2013 [Update] [Next >]

Factors Legend

| Name ▲ | Description |
|--|--|
| Corporate Governance - Committee Oversight (10%) | Subject to formal governance such as Local board governance, Business Risk Committee, Credit Committee, Operational Risk Committee oversight |
| ERM(5%) | ERM Related Risk Factors, Top ERM risks that have a potential impact on the auditable entity. Not all of these risks are applicable to any process/function but the top ones should be identified/agreed with the BU and rated. |
| Financial Exposure/Materiality: Revenue or Budgeted Expenditures (20%) | "a) Assets under BU's specific control; OR b) Size of average transaction processes; OR c) Number of transactions processed i.e. quantitative measures e.g. revenues measures for front office/brokerage desks, transaction volumes for settlements and staff numbers/ balance sheet or P&L indicators for functional units. This attribute assigns a quantitative measure for each potential audit. The most logical/applicable financial measurement (attribute) is selected (i.e. net revenue, expenses, cash flow, capital budget etc.)" |
| Legal / Regulatory(10%) | a.BU/subprocess subject to external reporting requirements; b.Degree of difficulty in monitoring compliance; c.Level of attention by regulators (aggressive regulatory landscape vs. passive) d.Subject to country specific/local regulatory requirements; e. Subject to ongoing litigation issues. f. Anticipate legal/regulatory changes that will affect GFI's business" |
| Level of Complexity (15%) | a) Complexity of underlying process - ability to achieve identified strategic/business risks; management decision-making capability b) Computer system utilization and dependency (stability, criticality, age, interfaces, "uniqueness", remote access, in-house vs. vendor); c) Degree to which function or line of business requires special training or knowledge; d) Utilization of Pricing Models e) Highly manual Process (should be rated 4 or 5) |
| Level of Visibility(15%) | (i.e.. How significant is this to the strategic risks and plans of GFI) a. Extent to which problems in this area result in negative publicity or customer loss/dissatisfaction; b. Extent to which problems in this areas impact key strategic initiatives or plans. c. Considered political sensitivity, especially for overseas locations. |
| Prior Audit Results(5%) | Prior Audit Results; External regulatory reports; Sox testing The results of the last audit have bear a direct impact on the risks of the BU or process. This criterion is designed to take into consideration the increased urgency of performing a full or follow-up audits that had Marginal or Unsatisfactory results in the past. Also, consider the results of external/regulatory exams, where applicable. |
| Risk Velocity (5%) | Consider the speed at which ERM risks will impact the organization when prioritizing and escalating risks |
| Significant Changes in Business, Operations, Process or Technology (10%) | a. Recently implemented or to be implemented in the near term - new technology/systems, new organization/structure, new processes, lines of business; b. Consider if BU/subprocess is dependent on outsourcing, centralization/decentralization, c. Known investor concerns, recent competitive developments; d. Staff turnover overall and at critical positions and senior mgt.; e. Recent Impact of errors, omissions, loss, and fraud on: publicity, customer perception, investor perception, employee/company morale; |

Risk Based Audit Planning enables effective use of audit resources to reduce overall enterprise inherent risk.

Distribute risk rating surveys to management with key risk factors to obtain timely and accurate risk response

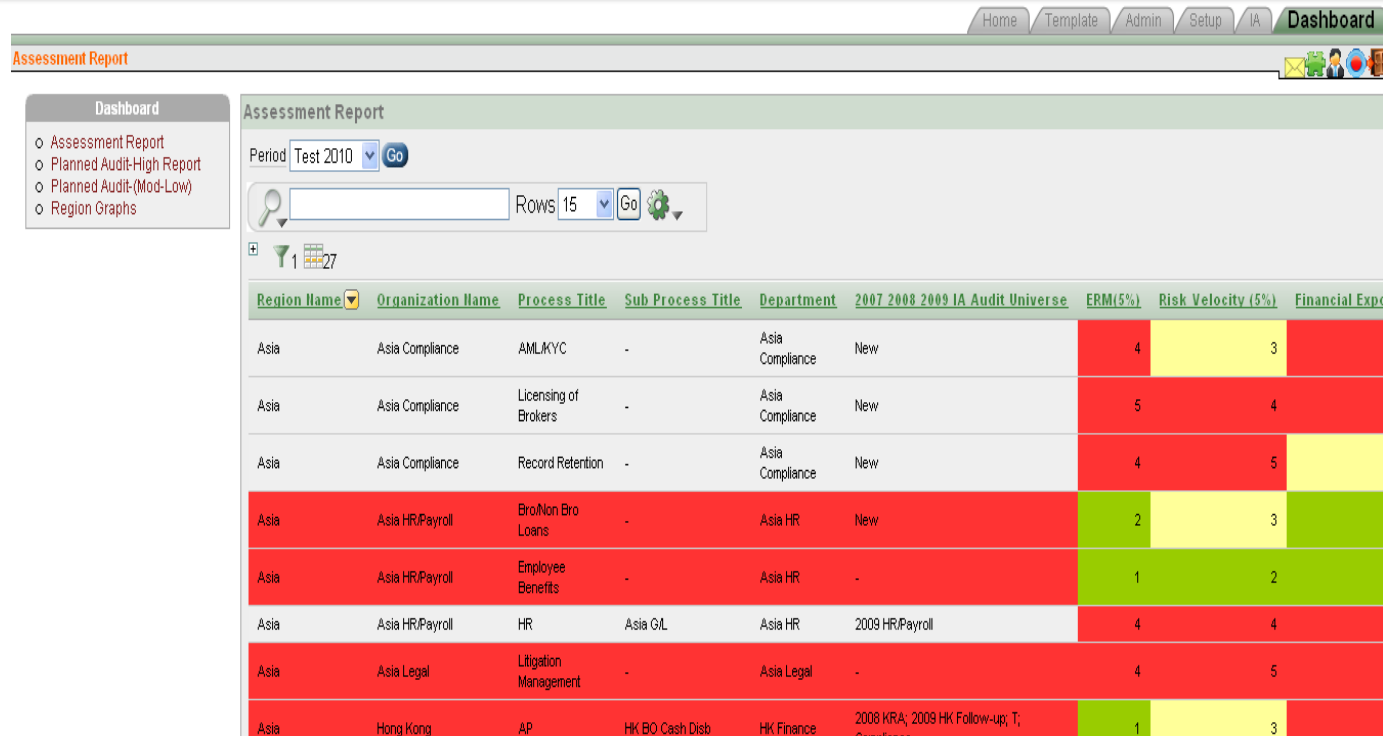
Home > Factors Entry

Factor Entry by Process Owner

| | |
|--|--|
| Region Name | Europe |
| Business Unit | UK Finance |
| Process Name | T&E |
| Key Process | AP Purchase and payables |
| Period Name | DEC 2012 |
| ERM(5%) | 3 points - risk(s) is of moderate significance |
| Risk Velocity (5%) | 2 points - Adverse impact may be realized in more than 12 months |
| Financial Exposure/Materiality | 2 points - \$500K to \$1.5MM |
| Revenue or Budgeted Expenditures (20%) | 3 points - process has moderate complexity |
| Level of Complexity (15%) | 4 points - this factor has high significant impact |
| Legal / Regulatory (10%) | 5 points - this factor has extreme significance |
| Level of Visibility (15%) | 3 points - moderate significance |
| Significant Changes in Business, Operations, Process or Technology (10%) | 3 points - some level/participation in formal Governance/Risk oversight |
| Corporate Governance - Committee Oversight (10%) | 5 points - BU/process never audited |
| Time Expired Since Last IA Audit (5%) | 2 points - Satisfactory audit grade/few regulatory issues; Moderate portion of t |

Develop audit plan to provide assurance on risks assessment by management as well as independent analysis

Review Risk Assessment Results in a “heat map” dashboard to prepare a risk based audit plan



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