

# Internal Control Blueprint



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## Introduction

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The *IBM Cognos Internal Control Performance Blueprint* is a pre-built model, based on Deloitte's knowledgebase and experience and applicable to companies in all industries.

Customers might have to complete and adjust the list of internal questions with regards to their risks and internal controls to make it a complete model for internal control for their own organization.

With this guideline document, you will be able to implement the *Blueprint* and make it work quickly in your own organization's IBM Cognos® 8 Controller database.

The structure file provided for the *IBM Cognos Internal Control Blueprint* includes the following structures in IBM Cognos 8 Controller:

- Accounts
- Forms
- Reports

A brief description of the content of each structure is in the following sections. And also note that the structures are to be seen as a model.

**Note!** Please back up your database before you start the import.

You should validate that none of the codes used for accounts, forms or reports in the *Blueprint* are already used for any other purpose within your system.

You should contact your IBM before implementing the *Blueprint* to ensure that you have any last minute information and advice that may be available.

## 1 Accounts

Deloitte, as part of the development of this *Blueprint*, provided a sample selection of 89 questions related to the Internal Control Process. The account codes for these questions and other associated accounts all start with GCIC (which is an abbreviation for Group Consolidation-Internal Control) and are grouped into header accounts as shown in the table here.

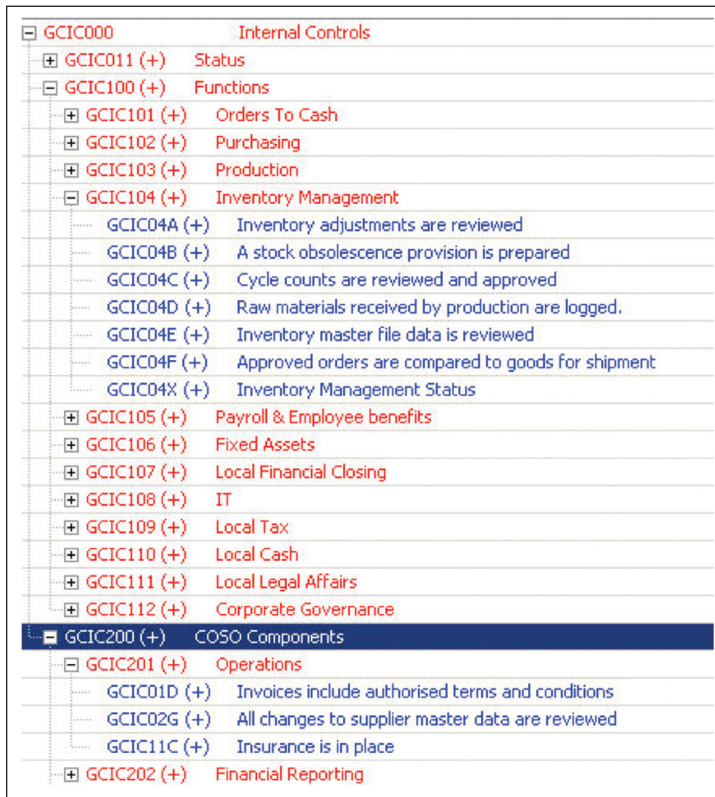
Accounts	Header Account	Status Account	Form	Control Category
GCIC01A - GCIC01K	GCIC101	GCIC01X	IN01	Order to Cash
GCIC02A - GCIC02J	GCIC102	GCIC02X	IN02	Purchasing
GCIC03A - GCIC03G	GCIC103	GCIC03X	IN03	Production
GCIC04A - GCIC04F	GCIC104	GCIC04X	IN04	Inventory Management
GCIC05A - GCIC05G	GCIC105	GCIC05X	IN05	Payroll & Employee Benefits
GCIC06A - GCIC06J	GCIC106	GCIC06X	IN06	Fixed Assets
GCIC07A - GCIC07L	GCIC107	GCIC07X	IN07	Local Financial Closing
GCIC08A - GCIC08L	GCIC108	GCIC08X	IN08	IT
GCIC09A - GCIC09F	GCIC109	GCIC09X	IN09	Local Tax
GCIC10A - GCIC10C	GCIC110	GCIC10X	IN10	Local Cash
GCIC11A - GCIC11C	GCIC111	GCIC11X	IN11	Local Legal Affairs
GCIC12A - GCIC12B	GCIC112	GCIC12X	IN12	Corporate Governance
GCIC01Y - GCIC12Y	GCIC011	-	IN00	Navigation Form
GCIC101 - GCIC112	GCIC100	-	-	-
Total				

All questions are also grouped into three main headings based on the COSO descriptions:

- GCIC201 - Operations
- GCIC202 - Financial Reporting
- GCIC203 - Compliance

These in turn are grouped under the heading GCIC200 - COSO Components.

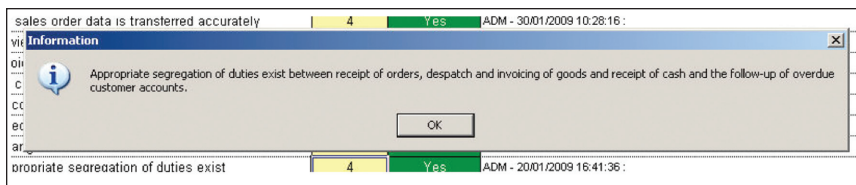
All accounts are grouped under one main header account GCIC000 – Internal Controls.



Example screen showing Structure of Accounts

### Account description

The Group Name of the accounts is the Short Version of the Internal Control Question. A full descriptive version the question is to be found in the account description field. Use the Account Description button on the IBM toolbar to access this information is available while working in the forms.



Example screen showing Account Description

## Forms

Each set of accounts, as stated previously, is included in a form. Each form relates to a process for the Internal Control and the name of the form is the name of the specific process.

The forms are built as standard forms.

Form	Name of form / Control Category
IN01	Order to Cash
IN02	Purchasing
IN03	Production
IN04	Inventory Management
IN05	Payroll and Employee
IN06	Fixed Assets
IN07	Local financial Closing
IN08	IT
IN09	Local Tax
IN10	Local Cash
IN11	Local Legal Affair
IN12	Corporate Governance

A Navigation form, IN00, is also provided. This form shows the status of each Control Category and provides drilldown functionality using the Form Link function from each Status cell.

**Information Management**

Form: Internal Control - Order to Cash  
 Company: Control UK  
 UserID: ADM  
 Date Time: 27/02/2009 15:30  
 Period: 0806

Status: **Complete**

Instructions: Please verify that the controls below have been met: (1 = Not Answered, 2 = No, 3 = N/A, 4 = Yes, )

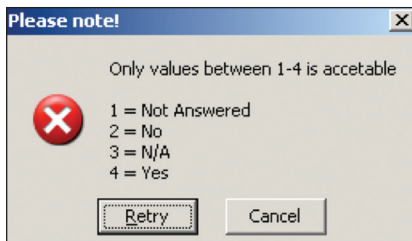
CODE	CONTROL	Control Value	STATUS	COMMENT
GCIC01A	Shipments are recorded accurately	4	Yes	ADM - 30/01/2009 10:28:15:
GCIC01B	All sales order data is transferred accurately	4	Yes	ADM - 30/01/2009 10:28:16:
GCIC01C	Review to ensure that all shipments are invoiced	4	Yes	ADM - 30/01/2009 10:28:41:
GCIC01D	Invoices include authorised terms and conditions	2	No	ADM - 30/01/2009 10:28:28:
GCIC01E	All credit notes are controlled and approved	4	Yes	ADM - 30/01/2009 10:28:46:
GCIC01F	Accounts exceeding credit limits are reviewed	3	N/A	ADM - 30/01/2009 10:28:18:
GCIC01G	Aged debt report is reviewed on a monthly basis	3	N/A	ADM - 30/01/2009 10:28:20:
GCIC01H	Changes to customer master data is reviewed	4	Yes	ADM - 20/01/2009 16:41:32:
GCIC01I	Appropriate segregation of duties exist	4	Yes	ADM - 20/01/2009 16:41:36:
GCIC01J	Cut-off for shipments and invoices are scrutinized	4	Yes	ADM - 20/01/2009 16:41:39:
GCIC01K	Discounts and allowances are periodically reviewed	4	Yes	ADM - 20/01/2009 16:41:43:
<b>GCIC01X</b>	<b>Orders to Cash Status</b>	<b>3</b>	<b>Complete</b>	

Example screen showing Data Entry Form

## Data Entry

Simple instructions for entering or reviewing data are provided on the face of each form. There is also validation that restricts the possible answers that can be provided preventing invalid responses:

**Please Note!** Only values between 1-4 are acceptable, if the user attempts to enter a different value a "Validation Warning" will be displayed.



*Example of Validation Warning*

Users can enter the following values:

- 1 = Not Answered (The status is white.)
- 2 = No (The status is red.)
- 3 = N/A (The status is amber.)
- 4 = Yes (The status is green.)

Conditional formatting is set to change the Status cell to the appropriate color and text, depending on the value entered.

4	Yes	AD
2	No	AD
	Not Answered	AD
3	N/A	AD

*Example screen showing Control Question Status*



Each Control Category also has a linked Status value, which is automatically calculated and displayed at the bottom of each form and also in the central Navigation Form.

The value for this Control Category Status cell can be as follows:

- 1 = Not Started (The status is red.)
- 2 = Processing (The status is amber.)
- 3 = Complete (The status is orange.)
- 4 = Compliant (The status is green.)

*Processing* indicates that only some of the Control Questions in that category have been answered.

*Complete* indicates that all the questions have been answered, but there is at least one “No” answer within the Control Category.

*Compliant* indicates that all the questions in the Control Category have been answered with either N/A or Yes

IN02	3	Complete
IN03	4	Compliant
IN04	1	Not Started
IN05	2	Processing

Example screen showing Control Category Status

## Reports

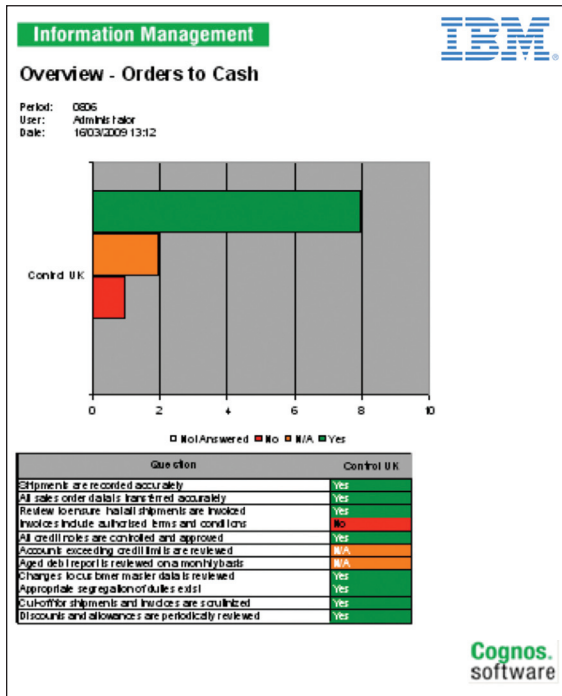
The *Blueprint* also contains several reports built in the report generator. These are examples and might need to be modified in the row and column definitions to be applicable to the customer's structures (companies, etc). The reports are built on example companies, questions, etc. Details of required changes are provided in the installation section of this document.

Report	
IC01	Overview - Order to Cash - Company
IG01	Overview - Order to Cash - Group
IM00	Prior Mth Var - Control Status
IM01	Prior Mth Var - Order to Cash
IV00	Prior Year Var - Control Status
IV01	Prior Year Var - Order to Cash

Example screen showing list of reports provided

### Report IC01

This report provides an example of how to report the status of a set of Control Questions for an individual company. When you are running the report, you should select: **Actuality, Period, Company** and **Currency Type**. This report will run for any combination.

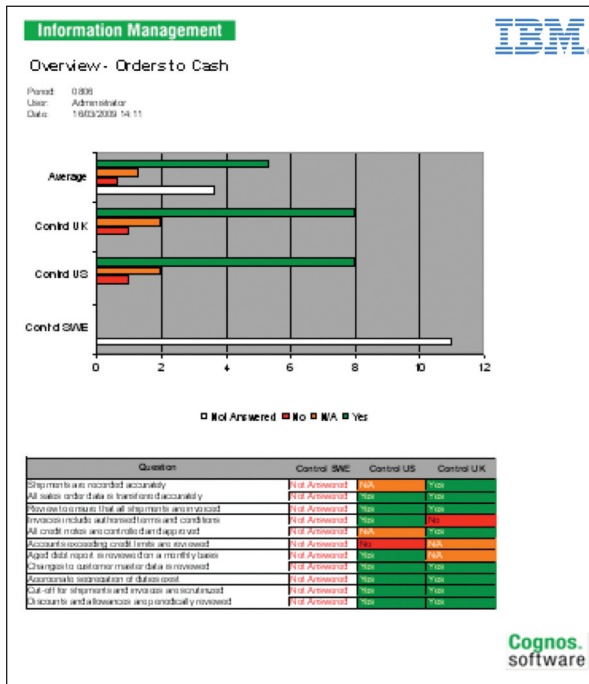




The report will show you an overview of the status of the Control Questions in the Order to Cash Control Category in a graph, with detailed information for each question in a table below.

### Report IG01

This report provides an example of how to report the status of a set of Control Questions for a group of companies. When running the report, you should select **Actuality, Period, Company (Group), Consolidation Type** and **Currency Type**. This report will run for any combination. If the group contains companies that have no entries then you should clear the Show Zero Values – Columns option.




The report will show you an overview of the status of the Control Questions in the Order to Cash Control Category for each company in a graph, with detailed information for each question in a table below.

### Report IV00 (IM00)

This report provides an example of how to report the variances from prior period status of the Control Categories for a series of companies. When running the report, you should select Actuality and Period. This report will run for any combination.


Information Management



Report: PM Var - Control Status  
 Date: 16/03/2009 14:15  
 User: Administrator  
 Period: 0806  
 Month: June  
 Year: 2008

In situations:  
 If the table below contains a  
 please investigate why there has been a change in  
 status between periods.

Form	Control Group	Control SWE	Control US	Control UK
IND1	Orders to Cash Status	Not Started ▼	Compliant ▬	Complete ▲
IND2	Purchasing Status	Not Started -	Not Started -	Complete -
IND3	Production Status	Not Started -	Not Started -	Compliant ▲
IND4	Inventory Management Status	Not Started -	Not Started -	Not Started ▼
IND5	Payroll & Employee benefits Status	Not Started -	Not Started -	Processing ▼
IND6	Fixed Assets Status	Not Started -	Not Started -	Compliant -
IND7	Local Financial Closing Status	Not Started -	Not Started -	Compliant -
IND8	IT Status	Not Started -	Not Started -	Compliant -
IND9	Local Tax Status	Not Started -	Not Started -	Compliant -
IND10	Local Cash Status	Not Started -	Not Started -	Compliant -
IND11	Local Legal Affairs Status	Not Started -	Not Started -	Compliant -




The report will show you the current status for each of the Control Categories; in addition, there is an indicator to show if the current status is higher, lower or the same as the previous period, giving the ability to track changes that need to be investigated.

**Report IV01 (IM01):**

This report provides an example of how to report the variances within status of a set of Control Questions (Order to Cash Questions) for a series of companies, running the report you should select: Actuality and Period. This report will run for any combination.


Information Management



Report: PM Var - Order to Cash  
 Date: 16/03/2009 14:22  
 User: Administrator  
 Period: 0806  
 Month: June  
 Year: 2008

Instructions:  
 If the table below contains a ▼ please investigate why there has been a change in status between periods.

Account	Control Question	Control SWE	Control US	Control UK
GCIC01A	Shipments are recorded accurately	Not Answered ▼	N/A ▼	Yes ▲
GCIC01B	All sales order data is transferred accurately	Not Answered ▼	Yes -	Yes ▲
GCIC01C	Review to ensure that all shipments are invoiced	Not Answered ▼	Yes -	Yes -
GCIC01D	Invoices include authorised terms and conditions	Not Answered -	Yes -	No ▼
GCIC01E	All credit notes are controlled and approved	Not Answered -	N/A ▼	Yes -
GCIC01F	Accounts exceeding credit limits are reviewed	Not Answered -	No ▼	N/A ▲
GCIC01G	Aged debt report is reviewed on a monthly basis	Not Answered ▼	Yes -	N/A ▲
GCIC01H	Changes to customer master data is reviewed	Not Answered ▼	Yes -	Yes -
GCIC01I	Appropriate segregation of duties exist	Not Answered ▼	Yes -	Yes -
GCIC01J	Cut-off for shipments and invoices are scrutinized	Not Answered ▼	Yes -	Yes -
GCIC01K	Discounts and allowances are periodically reviewed	Not Answered ▼	Yes -	Yes -



The report will show you the current status for each of the Control Questions; in addition, there is an indicator to show if the current status is higher, lower or the same as the previous period, giving users the ability to track changes that need to be investigated.

**Forms as Reports and Report Books**

All data entry forms can also be used to provide instant reporting of values for individual entities, the format is maintained. Forms and reports can be combined into Report Books to provide a pack of reports that could be run on a monthly basis, for example.

## Standard reports

You can also use the built-in standard reports in Cognos Controller—for example, the comment report – Group/Reports – Comments.

All comments entered in the system can be displayed by form, period and so forth.

<b>Comments and Values by Company</b>	
<b>Period</b>	<b>0806</b>
<b>Actuality</b>	<b>AC</b>
<b>Currency</b>	<b>LC</b>
<b>Form</b>	<b>IN01</b>
	<b>Internal Control - Order to Cash</b>
<b>9X03</b>	<b>Control UK</b>
<i>Account</i>	
GCIC01A	Shipments are recorded accurately ADM - 30/01/2009 10:28:15 :
GCIC01B	All sales order data is transferred accurately ADM - 30/01/2009 10:28:16 :
GCIC01C	Review to ensure that all shipments are invoiced ADM - 30/01/2009 10:28:41 :
GCIC01D	Invoices include authorised terms and conditions ADM - 30/01/2009 10:28:28 :
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GCIC01J	Cut-off for shipments and invoices are scrutinized ADM - 20/01/2009 16:41:39 :
GCIC01K	Discounts and allowances are periodically reviewed ADM - 20/01/2009 16:41:43 :

## Seven steps to import and test the Blueprint

**Note!** *Back up your database before starting this process!*

**Note!** Please read this document carefully so you do not import codes for accounts, forms or reports that already exist in your database. Importing the structure file will overwrite your existing codes.

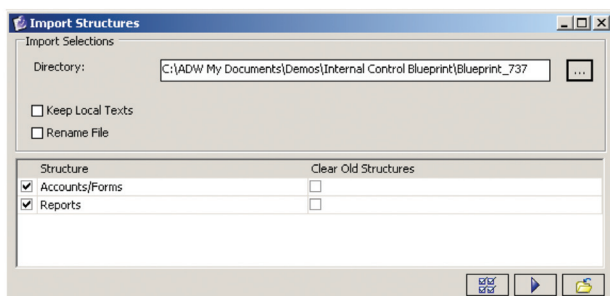
**Note!** These installation instructions assume that the user is already familiar with the administration functions of IBM Cognos 8 Controller. If you are not familiar with these functions, training is available.

The *IBM Cognos Internal Control Blueprint* is provided as a standard structure file in IBM Cognos 8 Controller format: FstrucController.FZP is the file name. This file is compressed and can only be read by IBM Cognos 8 Controller. You may save this file to any location on your local drives.

### Importing the structures

Follow these procedures:

1. Log into IBM Cognos 8 Controller
2. Set the system into Single User Mode by selecting **Maintain/User/Single Mode**.
3. Select **Transfer/Import Structures**.



4. Navigate to the folder where you saved the structure file (FstrucController.FZP) provided for the *Blueprint*. The system will automatically recognize the file and should indicate that the file contains **Accounts/Forms** and **Reports** by selecting both.

**NOTE!** Do not select the Clear Old Structures option; this will delete all existing structures in that section prior to importing the structures from the file.

5. Click the Run button to proceed with the import; you will receive a confirmation message when the import is complete.
6. Check the Account Structure; you might need to run the Generate option to create the hierarchy (Advanced) view in the Account Structure window. If you only have a list of accounts, you can change the setting through General Configuration. You should now see the GCIC accounts in the window.
7. Check the **Form Structure**; the forms should all be visible in the define window. Use the process layouts tab to check that all the forms are valid and do not require any updating.

If you are using **Form Sets and Submissions**, you must update them to include the new Internal Control Forms.

If you are using **Linked Structures** for Companies and Forms, you must update them to include the new Internal Control Forms

8. Enter some test data for at least one company; the forms should be immediately available for Data Entry.

## Reports

After data has been entered for at least one company, then the reports can be tested as follows:

1. Run report IC01 for the correct period and company containing the test data.
2. Run report IG01 for the correct period and Group or Sub-group containing the test data.

### *Reports to modify*

Reports IV00, IM00, IV01 and IM01 have the companies coded into the Row Definition; the row definition of these reports must be updated before they are available for use. (The row definitions for IV00 and IM00 are the same as are the row definitions for IV01 and IM01)

When updating the Row Definition, you should:

1. Change the entries for our test companies (9X01, 9X02 and 9X03) to companies from your structure that you wish to report on.
2. Save the changes.
3. You will be asked to confirm that you want to update the layout with the changes.
4. Select **YES**.

The layouts should now run for your companies; to verify, test run the reports.

### *Creating Reports for other Control Categories*

To create reports for other Control Categories you should:

1. Copy the existing reports.
2. Modify the row/column definitions or update the layouts as required.
3. If row or column definitions are shared, remember that any changes you make will affect all other reports with the same row or column definition. If you wish to make selective changes, use the Save As function to create a new row or column definition.

The reports provided are examples that demonstrate the type of reporting that can be achieved from the structures and data in the *Blueprint*.

### *Additional Reporting*

The structures are built specifically to allow easy reporting using the IBM Cognos 8 Business Intelligence Reporting tools. While these are not provided as part of the *Blueprint*, your IBM contact will be able to provide further information on this and demonstrate the potential options.



## About the IBM Cognos Innovation Center for Performance Management

The IBM Cognos Innovation Center was established in North America and Europe to advance the understanding of proven planning and performance management techniques, technologies, and practices. The Innovation Center is dedicated to transforming routine performance management practices into “next practices” that help companies

- cut costs
- streamline processes
- boost productivity
- enable rapid response to opportunity
- increase management visibility

Staffed globally by experts in planning, technology, and performance and strategy management, the Innovation Center partners with more than 600 IBM Cognos customers, academicians, industry leaders, and others seeking to accelerate adoption, reduce risk, and maximize the impact of technology-enabled performance management practices.

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## Request a call

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An IBM Cognos representative will respond to your enquiry within two business days.



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Route 100  
Somers, NY 10589  
U.S.A.

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