

IBM Cognos Internal Control Performance Blueprint

Assess and monitor your internal controls for more reliable financial reporting, better compliance with regulations and increased operational efficiency

Collecting, processing and sharing information is putting enormous stress on people and on systems that are no longer up to the level of compliance needed in today's modern world. Sharing financial performance information with regulators, shareholders, financial analysts and other external stakeholders and complying with international standards such as Sarbanes-Oxley and the EU directive require accuracy, financial controls and a fast close process—all things that companies are currently having difficulty achieving in these turbulent times.

Many companies use manual systems or different in-house solutions to collect, prepare and process information about internal controls from different business units and entities. Furthermore, because financial consolidation software and manual internal control systems are not integrated, a clear link between financial statement risks and the controls that are tested in an organization cannot be established. As a result, organizations often ask, "Are we controlling the right thing?"

The bottom line is this: It is very difficult to meet compliance requirements and deliver timely accurate financial and management reporting when your internal controls are in disarray.

The right tool

Internal controls are most effective when the controls are built into an organization's infrastructure and are considered part of the essence of that organization. Built-in controls support quality and empowerment initiatives, avoid unnecessary costs and enable quick response to changing conditions.

The *IBM Cognos Internal Control Blueprint* is a comprehensive tool for IBM Cognos® 8 Controller that can help you assess and manage risk. Set up in cooperation with Deloitte, this pre-built model of 89 pre-identified questions—all recommended by Deloitte and based on their knowledge of internal controls—combines risk analysis with the financial data reported throughout the organization in the same reporting package. It is intended to facilitate the proper use and collection of internal controls during the automation and transformation of the financial consolidation process with IBM Cognos 8 Controller.

The *Blueprint* is based on the Internal Control Framework released in 1992 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). This framework is widely recognized as the definite standard against which organizations measure the effectiveness of their systems of internal control.

A sound system of internal controls

The *Blueprint* is the backbone of a sound system of internal controls. It can help you:

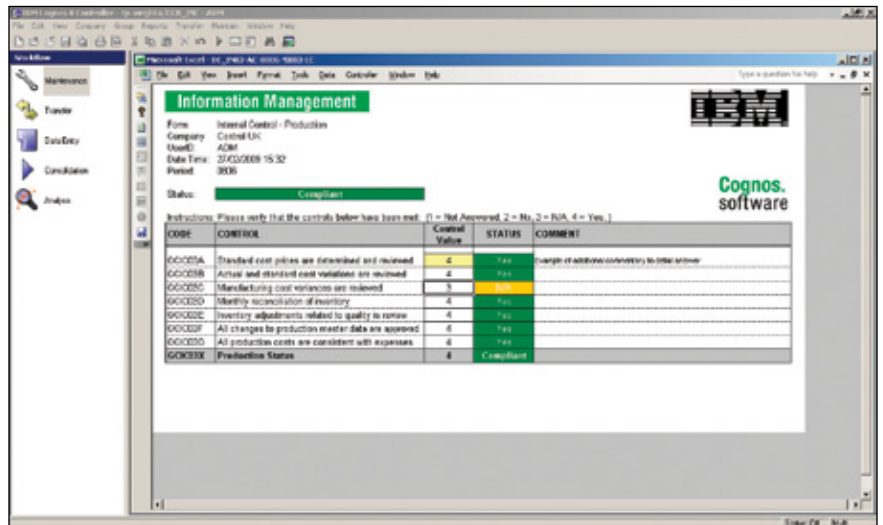
- Achieve economical and efficient operations
- Prevent fraud
- Protect your organization's resources and shareholder investment
- Develop consistent financial and managerial data
- Detect errors and irregularities
- Alert management to potential problems
- Generate reliable and accurate accounting records
- Improve the reliability of your financial reporting

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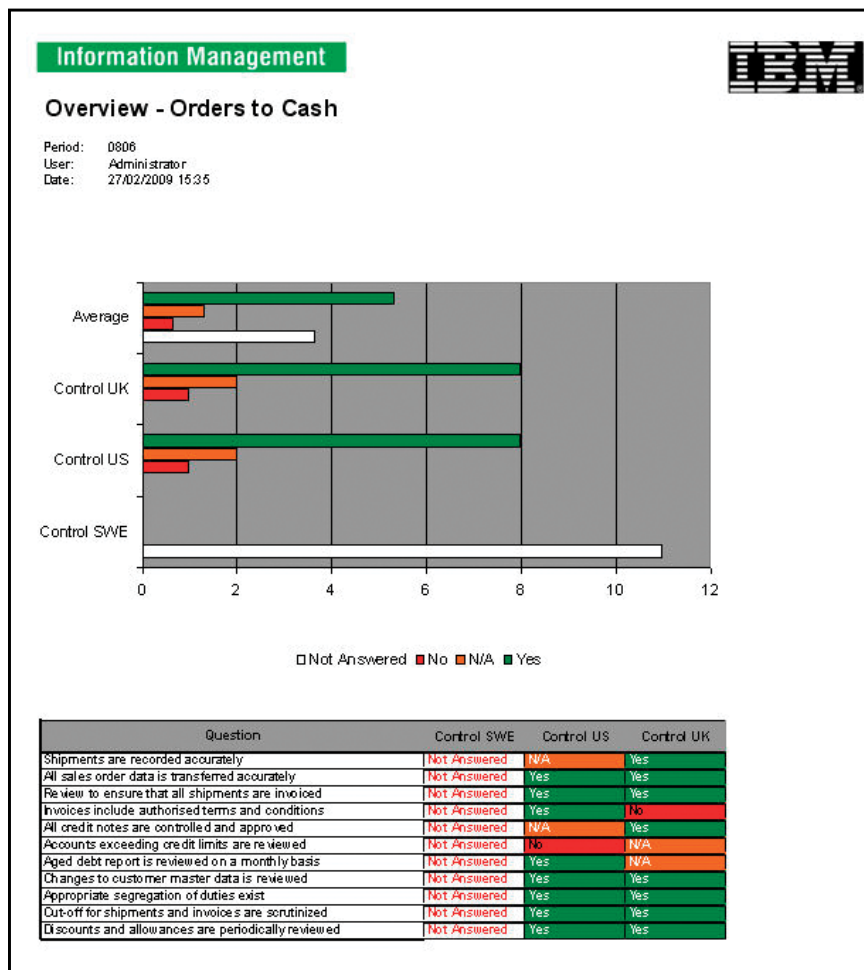
Inside the IBM Cognos Internal Control Blueprint

The *Blueprint* provides four major pieces of functionality to help your organization monitor risks and related controls:

- A sample internal control checklist of types by area
- An example for setting up and designing the account structure to manage the control questions
- Sample input templates for capturing internal control assessments
- Sample output reports



The IBM Cognos Internal Control Blueprint provides input templates for financial reporting.



With the IBM Cognos Internal Control Blueprint, you can take advantage of sample output reports like the one shown here.

IBM Cognos 8 Controller

The Blueprint is built into the IBM Cognos 8 Controller framework for tighter control, management and audibility. IBM Cognos 8 Controller enables organizations to transform their close, consolidate, report process, bringing a modern perspective with centralized control and management and up-to-date standards and methods.

IBM Cognos 8 Controller delivers on these three core values:

- **Finance owned and managed:** From reconciliation of submitted and posted data, to applying the most sophisticated consolidation rules, IBM Cognos 8 Controller is built for finance.
- **Built-in best practices:** All financial consolidation rules, in-process close cycle reporting and analysis and associated close activities are embedded into the solution.

- Integrated with the IBM Cognos 8 performance management functions: IBM Cognos 8 performance management functions provide the foundation for delivering and executing decisions.

Putting it all together

Integrated with IBM Cognos 8 Controller, the *Blueprint* showcases how internal control steps are managed. Designed in cooperation with Deloitte, it helps you understand how integrating and automating your internal control processes relieves you of the burden of manually coordinating spreadsheets and printouts, searching your ERP system for information or using cumbersome homegrown applications.

About IBM Cognos Performance Blueprints

IBM has partnered with industry leaders to create IBM Cognos Performance Blueprints, which are predefined data, process and policy models that provide a best practice approach. IBM Cognos Blueprints include dashboards, analytical reports and a preconfigured data model to provide ready-to-use functionality and facilitate rapid time-to-value.

About Deloitte

Deloitte combines accounting, planning, reporting and regulatory expertise with performance management best practices to help organizations become top performers.

Organizations that implement IBM Cognos performance management solutions with Deloitte can improve their data integrity, reporting accuracy and financial transparency while shortening planning cycles and realizing rolling forecast capabilities. The result is less time spent administering spreadsheets and more time analyzing and optimizing business.

About IBM Cognos BI and Performance Management:

IBM Cognos business intelligence (BI) and performance management solutions deliver world-leading enterprise planning, consolidation and BI software, support and services to help companies plan, understand and manage financial and operational performance. IBM Cognos solutions bring together technology, analytical applications, best practices, and a broad network of partners to give customers an open, adaptive and complete performance solution. Over 23,000 customers in more than 135 countries around the world choose IBM Cognos solutions.

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To request a call or to ask a question, go to www.ibm.com/cognos/contactus. An IBM Cognos representative will respond to your enquiry within two business days.



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