

AuditBoard

Innovation in User Experience for Integrated Risk and Control



SOLUTION **PERSPECTIVE**

Governance, Risk Management & Compliance Insight

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TALK TO US . . .

We look forward to hearing from you and learning what you think about GRC 20/20 research. GRC 20/20 is eager to answer inquiries from organizations looking to improve GRC related processes and utilize technology to drive GRC efficiency, effectiveness, and agility.

AuditBoard

Innovation in User Experience for Integrated Risk and Control

Managing Risk in Distributed, Dynamic & Disrupted Business

Organizations Encumbered by Silos of Complexity

Business is complex; getting all levels of the organization involved in governance, risk management, and compliance (GRC) related strategy is not easy. Exponential growth and change in regulations, globalization, distributed operations, changing processes, competitive velocity, business relationships, disruptive technology, and business data impedes organizations. Keeping complexity and change in sync is a significant challenge for boards, executives, as well as GRC functions throughout the business.

Today's organization is complex and chaotic; in a constant state of metamorphosis. The organization is:

- **Distributed.** Business is no longer defined by traditional brick-and-mortar walls. The organization has distributed operations complicated by a web of global relationships. Physical buildings and conventional employees no longer define organizations. The organization is an interconnected mesh of relationships and interactions that span business boundaries. Complexity grows as these interconnected relationships, processes, and systems nest themselves in intricacy.
- **Dynamic.** Organizations are in a constant state of change. Distributed business operations and relationships are growing and changing at the same time the organization attempts to remain competitive with shifting business strategy, technology, and processes while keeping current with changes in risk and regulatory environments around the world. The multiplicity of risk environments that organizations monitor span regulatory and operational risks across the globe.
- **Disrupted.** The intersection of distributed and dynamic business brings disruption. Change (dynamic business) combined with complexity (distributed operations and relationships) means the organization is easily disrupted in the context of risk and compliance. Organizations are attempting to manage high volumes of structured and unstructured data across multiple systems, processes, and relationships to see the big picture of performance, risk, and compliance. The velocity, variety, and volume of data are overwhelming – disrupting the organization and slowing it down at a time when it needs to be agile and fast.

Inevitability of Failure: Risk Managed in Silos

What may seem like an insignificant risk in one part of the organization may very well have a different appearance when other relationships are factored. Organizations with siloed and manual processes for risk and control management rely on a range of documents, spreadsheets, and emails that are inefficient, out-of-sync, ineffective, lack agility, and are inadequate to manage risk and compliance. Organizations fail and are encumbered by unnecessary complexity because they manage risk and controls around specific issues, without regard for a common integrated strategy and architecture. Redundant risk and compliance projects waste time and resources with manual and laborious assessments that fail to leverage technology and information.

An unintegrated approach to risk and control management impacts the execution of business performance, resulting in:

- **Wasted resources and spending.** Instead of determining how resources can be leveraged to meet a range of risk and compliance needs, they are developed independently – and are merely a stop-gap, not integrated into business systems and processes. The organization ends up with varying processes, systems, controls, and technologies to meet individual risk and compliance requirements. This results in multiple initiatives to build independent processes that waste time and resources. The business ends up burdened by multiple and redundant risk and compliance processes and assessments.
- **Poor visibility across the enterprise.** A reactive, siloed approach to risk and compliance means the organization can't see the big picture. The organization has islands of initiatives that are individually assessed and monitored – supported by scattered silos of technology that are not integrated into the business itself. This results in poor visibility across the organization and its control environment.
- **Overwhelming complexity.** Complexity in multiple processes and approaches to risk and compliance confuse the line of business. Varied frameworks, manual processes, over-reliance on spreadsheets, and point solutions that lack an enterprise view bring uncertainty and confusion. Complexity increases inherent risk and controls that are inconsistently managed – introducing multiple points of control failure, compliance gaps, and unacceptable risk. Inconsistency not only hinders the organization but also exasperates regulators and business partners.
- **Lack of business agility.** A risk and control strategy without a common architecture leads to a lack of agility caused by reactive approaches and impaired by point technologies and siloed processes. When information is trapped in individual roles, spreadsheets, and point solutions that do not integrate across the business, the organization is crippled. It lacks a full perspective of risk and control. The organization spins so many risk and compliance plates and struggles with business change and inefficiency.
- **Limited and fragmented reporting.** Trying to make sense of data collected in manual processes and electronic documents is a nightmare. How do you aggregate and provide meaningful reports from hundreds or thousands of

disparate sources of information? The answer: A lot of labor and time. Adding to this behemoth of labor is the effort to track and control versions of all of these documents, which quickly become out of sync and lose relevance to the organization. The accuracy and relevance of information reported comes into question.

- **Confusing user experience.** Additionally, the user experience for risk and control management has been typically poor in most organizations resulting in time-consuming and redundant processes, a check-box mentality, and lack of centrally coordinated efforts for GRC related communications. Organizations have ended up with multiple sources of surveys, assessments, and issue reporting. Interaction with these systems has consumed human and financial capital. Interaction is often inconsistently logged in documents and spreadsheets if logged at all. There is no coordination of GRC communication and no way to prioritize messages and employee tasks. The result is emails and documents that fly about, slip through cracks, are never responded to, or are simply forgotten.

Managing risk and control activities in disconnected silos leads the organization to inevitable failure. These decentralized and disconnected distributed systems of the past catch the organization off guard to risk and expose the organization. The complexity of business and intricacy and interconnectedness of data requires that the organization have an integrated approach to business systems, data, and GRC. Reactive, document-centric, and manual processes fail to actively manage risk in the context of business strategy and performance, and leave the organization blind to intricate relationships of risk across the business. An ad hoc approach to GRC results in poor visibility across the organization and its control environment because there is no framework or architecture for managing risk and compliance as an integrated part of business.

The Bottom Line: Distributed, dynamic, and disrupted business requires the organization to take a strategic approach to risk and control strategy and process with an integrated information and technology architecture. The organization needs complete situational awareness of risk and control across operations, processes, relationships, systems, and information to see the big picture or risk and its impact on organization performance and strategy.

AuditBoard

Innovation in User Experience for Integrated Risk and Control

AuditBoard, formerly known as SOXHUB, is a GRC solution provider that GRC 20/20 has researched, evaluated, and reviewed with organizations that are using it in complex, distributed, and dynamic business environments. AuditBoard delivers a new breed of an intuitive GRC solution that delivers significant business value and brings a contextual understanding of risk and controls within organizations. In this context, GRC 20/20 has recognized AuditBoard with a 2017 GRC Innovation Award for the best user experience in Internal Control Management.

In context of researching AuditBoard, GRC 20/20 has interviewed several AuditBoard clients and finds that the solution has helped these organizations become efficient, effective, and agile in managing internal controls, audits, issues, and risk in complex and dynamic environments. The solution is highly agile and intuitive to meet the risk and control management needs of a range of departments while providing the right information architecture to aggregate and see risk across departments and processes.

AuditBoard was originally built by Internal Auditors for the purpose of SOX and internal control management. The solution has expanded to be a feature-rich risk and issue management solution, as well as a solution to address many compliance needs outside of SOX. AuditBoard's single page design streamlines internal control and risk management in a simple yet effective way by eliminating the administrative clutter of spreadsheets, documents, and emails most organizations are struggling with.

GRC 20/20's evaluation, research, and interactions with AuditBoard clients has determined the following:

- **Before AuditBoard:** Clients of AuditBoard typically are replacing manual processes that are encumbered by documents, spreadsheets, and emails or siloed risk and control management solutions that did not meet the breadth of capabilities needed in the organization. Such approaches can be very manual, time-consuming, and prone to errors, particularly in aggregation and reporting on data that involves hundreds to thousands of documents and spreadsheets.
- **Why AuditBoard:** Organizations choose AuditBoard as they are looking for a single integrated information architecture for risk and control management to replace manual processes encumbered with documents, spreadsheets, and emails. They are looking for a single information architecture that can handle a complex taxonomy of risks, controls, and objectives mapped to business processes and objectives. One client stated that they chose AuditBoard because they needed an intuitive user experience to understand risk and controls and their respective impact on the organization. Clients stated their main reasons for choosing AuditBoard was the solution's faster acquisition and implementation timeframe, lower ongoing maintenance costs, and ease of maintaining and configuring to their specific environments. AuditBoard particularly provides value to clients by having all relevant documentation in one location which can be easily shared with internal stakeholders as well as external auditors.
- **How AuditBoard is used:** As a new breed of GRC, the diversity of use cases for AuditBoard is growing. Typical use cases for AuditBoard include:
 - SOX narratives and compliance
 - Internal control documentation and evaluation
 - Internal audit management
 - Operational audit management

- Compliance management
 - Issue tracking and management
 - Risk assessment and management
- **Where AuditBoard has excelled:** Organizations consistently state that AuditBoard has improved the quality of their GRC related information and their ability to report on risks and controls. This improves the organization's overall visibility into GRC in context of business objectives and processes while eliminating the overhead of managing manual processes encumbered by hundreds to thousands of spreadsheets, documents, and emails. Clients find that the solution is flexible to adapt to their organization's management needs, has all the core capabilities needed, and provides them the ability to grow and mature their program over time. Overall, users find the solution intuitive and easy to use, fast to deploy, and able to effectively meet diverse organization and process requirements. They particularly find that the linkage and organization of risk and control information is streamlined and easy to drill into as a result of the automated database.

What AuditBoard Does

GRC 20/20 has evaluated the features and capabilities of the AuditBoard solution set and finds that it delivers an integrated and harmonized risk and control management information and technology architecture. AuditBoard provides a new breed of GRC software that is intuitive and easy to use. AuditBoard is a cloud-based platform that centralizes all SOX compliance data (risk control matrices, narrative documents, process flows, Excel testing sheets, and PDF supporting documentation) in one place that enables the organization to collaborate, manage, analyze and report on critical internal controls and risk data in real time. AuditBoard clients include industry-leading Fortune 50 companies to pre-IPO companies.

AuditBoard's audit management software addresses the lack of automation when managing GRC related activities. Most companies' risks and controls are managed manually using spreadsheets, documents, and shared folders. This decentralized environment is inefficient and difficult to manage as it creates issues with version control. Manual updates are time-consuming and complicated to manage as well. AuditBoard addresses this by centralizing all risk and control data within a single platform, allowing it to be managed from one central location and ensuring version control. AuditBoard's information architecture allows for flexibility in reporting and provides real-time feedback in the form of dashboards and notifications tailored for management.

The AuditBoard solution has improved in the last twelve months through its integration with data analytics tools such as PowerBI and Tableau for dynamic dashboarding, exportable customized management reporting, and specialized views for mapping controls to risks and controls. In addition, AuditBoard released its task management tool, WorkStream, which simplifies the SOX process for key stakeholders - the process owners.

AuditBoard Enables Risk & Control Management Processes

GRC 20/20 finds that AuditBoard is a solution that can grow and expand with the organization and adapt as the organization and its environments change. It can be easily implemented to meet simplistic risk and control management requirements for organizations just beginning a GRC management journey, or implemented as the information and technology architecture core for established GRC management functions across the organization.

AuditBoard is designed to make GRC management processes efficient, effective, and agile in a dynamic business environment. To achieve this, the core GRC management processes that AuditBoard automates and manages are:

- **Internal control management.** AuditBoard provides a full internal control management solution for organizations to document internal controls across financial reporting and the range of operational control areas. This delivers a single platform architecture to document all the controls of an organization, map them to specific organizational processes and objectives, provide for control evaluation and testing, and overall reporting on internal controls.
- **Risk management.** AuditBoard is an ideal platform for managing risk for operational and enterprise risk management programs that need to understand risk across the organization, and departments. It gives management at all levels the visibility they need into the range of risks across the organization and how they interrelate.
- **Audit management.** AuditBoard enables an audit management program that delivers everything from audit planning, workpaper management, through to audit execution and reporting. This enables organizations to define and manage long-term strategic audit plans with a risk-based approach to audit and deliver through audit fieldwork and interactions.
- **Issue reporting and management.** AuditBoard has defined capabilities to manage the range of issues, incidents, investigations, and cases across the organization from issue reporting through remediation.

AuditBoard's ability to manage GRC across the organization is delivered through the capabilities in the solution's technology architecture. These core capabilities include:

- **Dashboards and reporting.** AuditBoard delivers pre-built granular and high-level reports and dashboards as well as the ability to support ad hoc reporting and customization.
- **Assessments.** AuditBoard has full survey functionality including questionnaires to gather information to assess risk, internal controls, and conduct audits.

- **Certifications and attestations.** AuditBoard provides a full record of accountability and tracks certifications and attestations to risk, controls, and compliance activities.
- **Workflow and task management.** AuditBoard manages workflow and related tasks and ensures tasks are completed. It has built-in escalation capabilities when milestones are near or missed.
- **System of record.** AuditBoard traces and records all actions and activities across the solution, so an organization has a complete system of record and audit trail of what was done, by whom, and when. This provides the ability to defend the organization and deliver evidence of compliance and control through complete traceability of actions.
- **Templates.** AuditBoard delivers pre-built templates for SOX compliance, internal control management, assessments, and audits to help organizations move forward with the solution and increase time to value.
- **Time tracking.** AuditBoard allows auditors, and other GRC professionals, to track time on specific tasks to manage, plan, and bill back time when needed.
- **Documentation, evidence, markup and comments.** AuditBoard has an integrated approach to managing GRC related information that provides everything in a single context and allows for evidence collection as well as markups, comments, and response to assessments.
- **Risk and control libraries.** AuditBoard has a robust information architecture that details risk and control libraries and allows objects to be cross-referenced to each other to provide contextual insight and awareness.
- **Configurability.** AuditBoard is configurable and adaptable to meet an organization's specific requirements. No coding or programming is needed and therefore supports fast deployment and speed to value. The solution can be modified by the customer to meet the needs of the variety of GRC management functions within an organization. This is in contrast to toolkit type solutions that require technical resources and extended service efforts.

Benefits Organizations Have Received with AuditBoard

Most AuditBoard clients that GRC 20/20 has researched and interviewed moved to the solution because they found their manual document-centric approaches consumed too many management resources. They found things were slipping through cracks in the continuous barrage of GRC management as well as regulatory and business change. Others moved to the solution as they found their previous solution was cumbersome and lacked the ease of use and intuitiveness that the business needed to participate in risk, audit, and internal control processes. Across these clients, there is consistent praise for the value of ongoing cost of ownership, the speed of deployment, and return on

investment. They also mentioned AuditBoard improved their effectiveness and agility to reliably achieve objectives while reducing uncertainty and risk.

Specific benefits that clients of AuditBoard have told GRC 20/20 they have achieved in their implementations are:

- **360° visibility into risk and control** where all information is in one place and gives complete situational and contextual awareness of risk and controls in context of objectives and processes.
- **Elimination of hundreds to thousands of documents, spreadsheets, and emails** and the time needed to monitor, gather, and report on them to manage related activities and processes.
- **Significant efficiencies in time** through automation of workflow and tasks as well as reporting. Specifically, the time it took to build reports from hundreds to thousands of documents and spreadsheets now is just a matter of seconds.
- **Increased visibility into risk and controls** and how it interconnects with other areas of risk, control, and objectives.
- **Greater granularity and ability to report** on specific risk and control details that could not be done in spreadsheets.
- **Increased awareness and accountability of risk and controls** by business owners who are informed on risk and controls in context of their role.
- **Collaboration and synergies across risk management functions** instead of different roles doing similar things in different formats and processes.
- **Consistency and accuracy of information** as the organization conforms to consistent processes and information structures. It has increased quality of GRC related information that is more reliable and improves decision making.
- **Accountability with full audit trails** of who did what and when; this particularly has delivered value in fewer things slipping through the cracks.
- **Reduction in time needed to govern and manage GRC** that are freed from manual processes; these resources can then focus on value added activities.
- **Increased agility in context of change** that enables the organization to be proactive, and not just reactive, leading to less exposure and being caught off-guard.
- **Improved external auditor collaboration** that streamlines the time needed for external audit to gather evidence and potentially reduces external audit fees.

Considerations in Context of AuditBoard

Every solution has its strengths and weaknesses, and may not be the ideal fit for all organizations in all situations. While GRC 20/20 has identified many positive attributes of AuditBoard to enable organizations to achieve consistent risk and control management processes, readers should not see this as a complete and unquestionable endorsement of AuditBoard.

An area that AuditBoard clients have reported they would like to see improved is to have APIs integrated with audit and control analytic solutions, and utilize artificial intelligence to automate mundane tasks through these APIs. Clients also report they would like a better user interface to the backend data management within AuditBoard.

Overall, clients have shown a high degree of satisfaction with their use and implementation of AuditBoard and find the organization to be agile and responsive to their issues and needs. Clients praise AuditBoard for the ease of use and intuitiveness of the solution. They find that the solution is agile by allowing distributed management and business functions to get what they need when they need it.

About GRC 20/20 Research, LLC

GRC 20/20 Research, LLC (GRC 20/20) provides clarity of insight into governance, risk management, and compliance (GRC) solutions and strategies through objective market research, benchmarking, training, and analysis. We provide objective insight into GRC market dynamics; technology trends; competitive landscape; market sizing; expenditure priorities; and mergers and acquisitions. GRC 20/20 advises the entire ecosystem of GRC solution buyers, professional service firms, and solution providers. Our research clarity is delivered through analysts with real-world expertise, independence, creativity, and objectivity that understand GRC challenges and how to solve them practically and not just theoretically. Our clients include Fortune 1000 companies, major professional service firms, and the breadth of GRC solution providers.

Research Methodology

GRC 20/20 research reports are written by experienced analysts with experience selecting and implementing GRC solutions. GRC 20/20 evaluates all GRC solution providers using consistent and objective criteria, regardless of whether or not they are a GRC 20/20 client. The findings and analysis in GRC 20/20 research reports reflect analyst experience, opinions, research into market trends, participants, expenditure patterns, and best practices. Research facts and representations are verified with client references to validate accuracy. GRC solution providers are given the opportunity to correct factual errors, but cannot influence GRC 20/20 opinion.

GRC 20/20 Research, LLC
4948 Bayfield Drive
Waterford, WI 53185 USA
+1.888.365.4560
info@GRC2020.com
www.GRC2020.com