

Chapter 2. Concepts and Tasks

Introduction

ViewDirect-ABS enables you to control your organization’s financial information to meet the challenge presented by the Sarbanes Oxley Act and other compliance initiatives. It automates verifying data in multiple sources; calculating and comparing totals from multiple sources; tracking changes; reviewing and approving spreadsheets; and keeping an audit log of all changes.

This chapter outlines the key concepts behind ViewDirect-ABS and summarizes the principal types of operations that make it work.

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Benefits

ViewDirect-ABS is a powerful management solution for ensuring financial accuracy, reporting results, facilitating review and approval of financial information, and maintaining a complete log of all changes to financial documents, including spreadsheets.

ViewDirect-ABS can help you do all of the following:

- Bring control, audit history, and accountability to the use of spreadsheets in the organization.
- Track reviews and approvals of spreadsheets and other documents by multiple reviewers.
- Monitor progress of reviewed, rejected, approved, and pending spreadsheets.
- Prevent the need to ever restate financial reports.
- Enforce audit standards at machine speed with machine accuracy.
- Immediately flag changes in financial conditions or operations.
- Run trial balances faster.
- Validate data quickly, using ViewDirect-ABS to catch errors prior to data consolidation.
- Aggregate and reconcile on an ongoing basis large volumes of data produced by different applications, on different systems, by different corporate divisions, and at different corporate locations worldwide, and generate consolidated reports from this data.
- Integrate your data analysis and processing with other tools such as Hyperion, Business Objects, and similar utilities.
- Close your accounting books with more confidence.

Key Procedures

The core functionality of ViewDirect-ABS consists of four key procedures:

- Spreadsheet Control
- Control-Totals Balancing
- Item Reconciliation
- File Verification

Spreadsheet Control

Recent regulations, such as the U.S. Sarbanes-Oxley Act (SOX), the French Loi sur la sécurité financière (LSF), and the German Data Access and Digital Signature Authentication Law (GDPdU), have raised accountability for financial information to a critical priority.

Most organizations rely heavily on spreadsheets maintained by individuals outside of a central control system. The errors that individuals make are almost impossible to avoid. Errors in formulas and incorrect data migrate from one spreadsheet to the next, making the source of errors hard to trace. The effort of reviewing all spreadsheets to check for accuracy is time-consuming and expensive. But reliance on spreadsheets without documented processes, central control, and complete audit traceability can subject organizations to severe legal penalties.

The spreadsheet control facility of ViewDirect-ABS enables you to bring spreadsheets under central control, secure them against accidental or unauthorized changes, maintain a complete audit trail of all changes, and manage their review and approval – while allowing users to work a familiar environment, using standard Excel functions in the standard Excel interface.

ViewDirect-ABS enables you to do the following for critical spreadsheets in your organizations:

- Secure the spreadsheets by limiting access to users with defined privileges and by activating the protection features of Excel.
- Require users to base successive versions of a spreadsheet on a locked template or allow them to create new spreadsheets by modifying previously secured spreadsheets.
- Log all changes that users introduce into spreadsheets.
- Create a review process where designated individuals check the spreadsheets, leaving comments in a permanent log after each review. Reviewers survey all spreadsheets that they are authorized to see, filtering the view to show only spreadsheets that are pending, reviewed, approved, or rejected. Key decision-makers make sure all required parties have signed off on controlled spreadsheets before approving the final version and closing the books on that accounting cycle.

With spreadsheet control, spreadsheets still look and behave like standard Excel spreadsheets, but ViewDirect-ABS governs access privileges, helps

reduce errors through protection features, manages review and approval, and maintains a complete audit log of all changes.

In summary, ViewDirect-ABS improves the accuracy, reliability, and timeliness of spreadsheet-based data. It automatically establishes a documented process for financial records and provides an unbroken audit trail from high-level results down to the detailed history of every contributing calculation. Implementing the spreadsheet control features of ViewDirect-ABS is an important step in bringing your organization into compliance with Sarbanes-Oxley and other compliance initiatives.

Control-Totals Balancing

A second major facility for achieving regulatory compliance is Control-Totals Balancing, in which ViewDirect-ABS gathers data from a variety of sources, stores the retrieved data and performs calculations on it, then compares calculated totals to data gathered from other sources. For example, a control-totals balancing item might collect all closed items from Accounts Receivable for a given period, add them up, and compare them to a single total in the income records of the General Ledger.

In analyzing the data, ViewDirect-ABS judges whether it is balanced or out of balance. Based on the result, a rule procedure can take any number of actions, ranging from writing a log message or rerunning the data to sending an e-mail message or starting a workflow. ViewDirect-ABS maintains a detailed log of all calculations, results, and actions.

Control-totals balancing enables you to automate your verification and error checking process for financial records, then run the process repeatedly, as many times as you need, at machine speed. Balanced results save you time because no further action is required; problem situations yield to quick detection and rapid response.

Item Reconciliation

A third facility for improving accuracy and meeting compliance requirements is Item Reconciliation, in which ViewDirect-ABS gathers multiple data points from one source and verifies them against data from another source. On a record-by-record basis, a reconciliation procedure verifies that two or more data repositories match – or it quickly identifies missing, invalid, or mismatched entries.

A simple analogy is reconciling a checkbook: you record every check as you write it, and when the statement comes, you verify that every item in one source is present in the other, and their values match. A real-life example of item reconciliation is the process that hospitals use to verify instances of diagnosis or treatment codes in a billing system with instances of the same codes as they appear in separate systems used by medical, emergency, radiology, and pharmacy departments.

Through item reconciliation, ViewDirect-ABS verifies the accuracy of data across multiple systems. It performs this task automatically and quickly, even with very large data sources. By evaluating potential problems and analyzing their severity in advance, you can create procedures that trigger responses appropriate to the nature of the problem. In other words, you save the time your staff might otherwise spend verifying minor issues, and you gain the advantage of immediate action for any condition that requires it.

File Verification

Any automated process has the potential to introduce simple but devastating errors through a missing, misnamed, or duplicate file or process. For example, a procedure that gathers service records for all accounts and adds them to a billing cycle might work perfectly every time, but if the procedure mistakenly runs twice for the same period, and the error goes undetected, it could not only cause accounting errors but also create problems with customer relations.

ViewDirect-ABS offers several safeguard mechanisms to keep such errors from occurring. Checking to see if an expected file is in fact where it should be at a particular time, and checking that the date a procedure runs does not fall within a cycle when the same procedure has run already – you can include these and similar tests in ViewDirect-ABS applications and rule procedures to prevent major but often-hidden problems.

Without sacrificing the speed of automated operations, ViewDirect-ABS can run file verification checks to protect you from potentially serious process-integrity problems.

How ViewDirect-ABS Audits and Balances

The operation of ViewDirect-ABS follows four steps:

1. Gather data automatically from multiple sources.
2. Execute procedures and evaluate results.
3. Take actions.
4. Maintain an audit trail of all operations.

The following sections explain how these steps work in ViewDirect-ABS.

Step 1: Gather Data

ViewDirect-ABS gathers data from any source on the enterprise network. It works across multiple platforms and multiple applications. The program stores the retrieved data from in the ViewDirect-ABS database or the ViewDirect-ABS file system.

ViewDirect-ABS can gather data in multiple forms, including:

- Excel spreadsheets or CSV files
- ASCII text in fixed-length or free-form formats
- ODBC/JDBC databases (including SQL, Oracle, DB2)
- XML files
- Formatted reports in PDF, PCL or AFP formats
- Reports archived in ViewDirect for Networks

ViewDirect-ABS works in concert with several external systems, including e-mail clients, WorkflowDirect, ViewDirect for Networks, and Excel.

Step 2: Execute Procedures and Evaluate Results

With the data gathered from sources, ViewDirect-ABS executes one of the major types of procedures: Spreadsheet Control, Control-Totals Balancing, Item Reconciliation, and File Checking.

ViewDirect-ABS supports various ways of viewing the results of the procedures it executes. Some results are visible in the product's principal user interface, ABS Explorer, or in the tool used to create procedures, the ABS Rule Editor. All results are recorded in a series of audit logs, which can be viewed from either tool.

ViewDirect-ABS also generates report input files automatically, allowing you to view results in Crystal Reports format in a built-in copy of Crystal Viewer. You can also create custom versions of reports in this format.

Step 3: Take Action

The purpose of auditing financial records is to confirm their accuracy and, when you find an error or suspicious result, to do something about it. ViewDirect-ABS offers several ways to respond to the results generated by procedures.

Triggering Actions in ViewDirect-ABS

ViewDirect-ABS allows you wide flexibility in designing actions to be taken when certain conditions are detected. In addition to generating reports, a procedure encountering a predefined condition can immediately run another procedure. For example, it might initiate the next stage of a business process.

Triggering Actions in External Systems

ViewDirect-ABS can initiate an action in any program with a command-line interface simply by sending a correctly formatted message to that program. For example, when a procedure completes successfully, a rule procedure can request that an e-mail system send email messages to a number of recipients. ViewDirect-ABS can start WorkflowDirect workflow application. It can also archive reports to ViewDirect for Networks.

Step 4: Maintain Audit Trails

ViewDirect-ABS logs all operations in a system audit log, which you can view within the program or export as a report. The program also generates specialized logs such as the run log and trace log.

In its spreadsheet control operations, ViewDirect-ABS logs every change that users make. It also saves and provides easy access to Excel logs.

Essentially, everything ViewDirect-ABS does is recorded in at least one log file, creating a complete audit trail for all operations.

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