



Internal Financial Controls Toolkit

A revolutionary approach to identify, document, evaluate and report on internal financial control design and operating effectiveness



Contents

- **Internal Financial Controls**
 - The requirement
 - Key focus areas
- **The IFC Toolkit**
 - Introduction (key concepts)
 - The Toolkit (end-to-end)
 - Key benefits
- **Our approach**
- **Licensing**
- **About readyplatform**
- **About 2Digital Solutions**
- **Contact Us**
- **Glossary**

CEO and the financial director sign off on internal financial controls

With an emphasis on identifying the most important internal financial controls...



About Us

We build and host digital products and solutions at the forefront of technology to enable measurable and practical digital transformation for our clients

The Requirement

The CEO and the financial director must make the following responsibility statements in the annual report...



Fair Presentation

The annual financial statements fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS



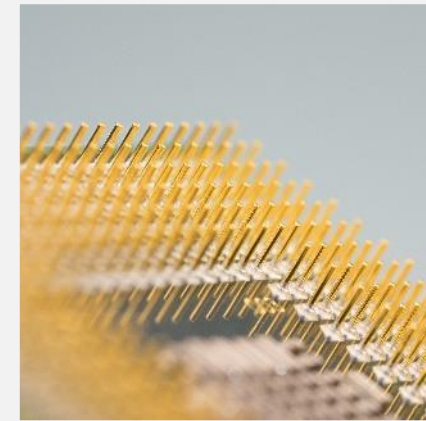
Truthfulness

No facts have been omitted or untrue statements made that would make the annual financial statements false or misleading



Controls applied

Internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements



Adequate & Effective

Internal financial controls are adequate and effective and can be relied upon to prepare the annual financial statements



Disclosure

We have disclosed to the audit committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors and have taken the necessary remedial action



What has changed?

The nature of the assurance changed from "negative, no reason to believe" or "nothing has come to our attention" to a "positive statement"

Independent Auditor's Report

Directors' responsibility for the financial statements

"The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and requirements of the Companies Act of South Africa, and for **such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error**"

Audit Committee Report

"In the conduct of its duties the audit committee has, inter alia, reviewed the **effectiveness of the internal control systems**"

King IV™

"Internal audit should provide a written assessment of the effectiveness of the **company's system of internal controls and risk management**"

Directors' responsibilities and approval

"The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, **and for maintaining adequate accounting records and an effective system of risk management**"

Identifying the most important financial controls ...

The ultimate aim of Internal Financial Controls is to produce a framework or list of Internal Financial Controls that would prevent or detect material misstatement in financial reporting, based on a quantitative and qualitative materiality basis as well as the inherent risk of misstatement associated with the underlying transaction, balance or disclosures.

... that are compliant and fit for purpose to adequately and efficiently mitigate the risk of material misstatement in the financial statements and to enable the CEO and financial director to make the required responsibly statement



Whilst the JSE has been clear that they are not mandating SOX, we anticipate that more or specific guidance will be developed over time and although it is unclear when this will happen, the IFC Toolkit has been designed with flexibility to accommodate changes with ease.

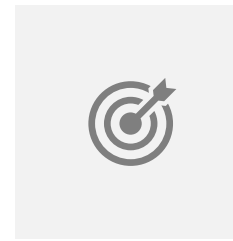
The IFC Toolkit

Feature-packed software to get you to the answers quickly whilst collaborating with your teams



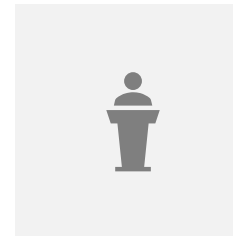
At a glance ...

Built and hosted on our revolutionary flagship digital platform - *readyplatform*



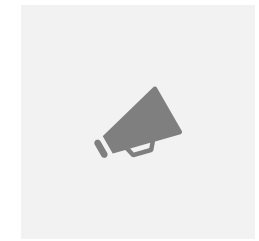
On point

- Easily identify key financial controls
- Add your own processes and custom controls
- Online control self assessment



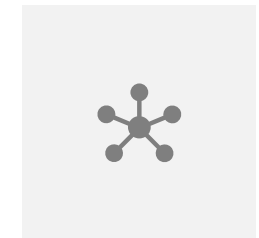
Expert Guidance

- Scoping and assessment support
- COSO-aligned
- Regular updates



Leverage

- Existing policies and procedures
- Enterprise risk management
- Internal and external audit findings
- Management insight



Detailed

- Over 400 controls
- Specific topics

The principle

As transactions are recorded they will be subject to a range of risks and control activities

The conclusion that can be drawn is that if the accounting system and related control activities are sound, in terms of design and operating effectiveness, the balances and totals produced will be sound. The IFC Toolkit enables testing of such controls activities to determine whether they produce reliable balances and totals

The IFC Toolkit therefore provides a list of more than 400 best practices controls, for processes and activities that can ordinarily be applicable but it assists with the focus to get a common understanding by the Board, management at all levels as well as employees on the risks and internal financial controls that matter most

The IFC Toolkit therefore provides all relevant internal financial controls that should operate as well as the key internal financial controls for self assessment.

Rapidly deploy with ease

70-80%

Embedded risks and financial controls

Best practice process templates with embedded risk statements and best practice control objectives as well as control descriptions

+20-30%

Tailored controls unique to your environment

- Outsourcing arrangements
- Fraud
- Group reporting process
- Control issues and concerns
- Laws and regulations

=

100%

Fit for purpose internal financial controls

Avoid “control fatigue”

Success is a getting to the right answer based on the organisational risk and control maturity



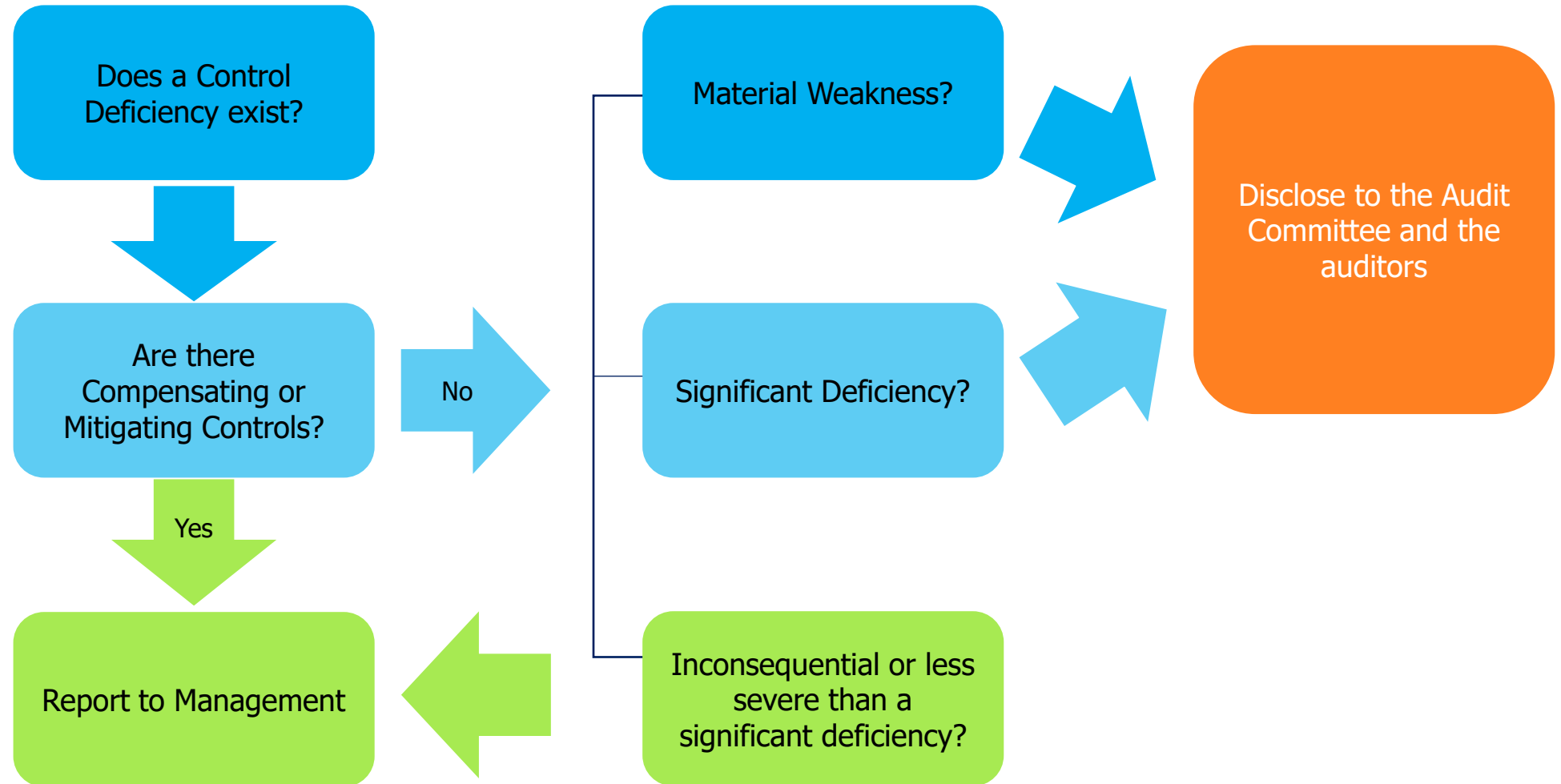
The IFC Toolkit is the right answer that is comprehensive in its approach to the assessment and driving accountability yet simple in its application. Enabling access for a variety of users in a stable, secure and always-on environment.

The Toolkit is not:

- A detailed audit methodology
- ICOFR, SOX or "Sox-lite"
- A bespoke, complicated, single-instance Excel Workbook. With something this complex, you need to avoid spreadsheets.

The toolkit applies an easy-to-use deficiency evaluation framework ...

... that ensures consistency of classification



The IFC Toolkit

An end-to-end process



Start a session

Scope the review

Create a session

Select process

Assign process and control ownership

Configure controls



Assess

Assess controls

Conclude at the process level

Gather inputs from Internal and External Audit

Evaluate Deficiencies



Best Practice

Leverage the embedded best practice process templates with risk statement and best practice control objectives as well as control descriptions



Report

Access a variety of reports and charts to present the results to various stakeholders

Specific Audit Committee and external audit reporting

IFC Toolkit

Starting a session

1. Scoping – focus on what matters most

- Best practice guidance to ensure rapid implementation
- Template to document / populate the risk and control landscape at a glance
- Materiality and scoping guidance / worksheet and the ability to create unlimited component assessments for in-scope entities / components based on the group / entity operating model as in-scope entity/component CEO's and financial directors will also have sign-off obligations

Materiality is subjective and relative. Materiality thresholds and other materiality concepts are defined by management based on their experience and judgement. The tool enables management to “map” what they deem to be significant accounts at the consolidated financial caption or notes disclosure level to the pre-populated controls.

ENTITY LEVEL CONTROLS			<input checked="" type="checkbox"/> Control environment governance ●	<input checked="" type="checkbox"/> Risk assessment ●	<input checked="" type="checkbox"/> Information and communication ●
			<input checked="" type="checkbox"/> Control activities ●	<input checked="" type="checkbox"/> Monitoring ●	<input checked="" type="checkbox"/> IT governance ●
FINANCE GOVERNANCE			<input checked="" type="checkbox"/> Technical accounting ●	<input checked="" type="checkbox"/> Process management ●	<input checked="" type="checkbox"/> Finance structure ●
ROUTINE TRANSACTIONS (transaction level controls)	NON-ROUTINE CALCULATIONS, TRANSACTIONS AND DISCLOSURES	ACCOUNTING ESTIMATES AND JUDGEMENTS			
<input checked="" type="checkbox"/> Order to cash ●	<input checked="" type="checkbox"/> Leases ●	<input type="checkbox"/> Significant unusual transactions ○			
<input checked="" type="checkbox"/> Source to pay ●	<input checked="" type="checkbox"/> Foreign currency transaction reserve ●	<input checked="" type="checkbox"/> Impairments ●			
<input checked="" type="checkbox"/> Treasury and bank ●	<input type="checkbox"/> Share-based payments ○	<input checked="" type="checkbox"/> Provisions ●			
<input checked="" type="checkbox"/> Acquire to retire ●	<input checked="" type="checkbox"/> Post retirement benefits ●	<input checked="" type="checkbox"/> Contingent assets and liabilities ●			
<input checked="" type="checkbox"/> Intangible assets ●	<input type="checkbox"/> Financial risk management ○	<input checked="" type="checkbox"/> Purchase price allocations for business combinations ●			
<input checked="" type="checkbox"/> Record to report ●	<input checked="" type="checkbox"/> Hedging activities ●	<input type="checkbox"/> Recoverability of deferred tax assets ○			
<input checked="" type="checkbox"/> Legal and compliance ●	<input checked="" type="checkbox"/> Changes in accounting principles ●	<input type="checkbox"/> Non-current assets held for sale ○			
<input checked="" type="checkbox"/> Taxation ●	<input checked="" type="checkbox"/> Changes in contracting and doing business ●	<input type="text" value="+ Add"/>			
<input checked="" type="checkbox"/> Inventory ●	<input checked="" type="checkbox"/> Accounting policies ●				
<input type="checkbox"/> Payroll ○	<input checked="" type="checkbox"/> Corporate activity and other investments ●				
<input checked="" type="checkbox"/> Outsourcing arrangements ●	<input checked="" type="checkbox"/> Employee benefits ●				
<input type="text" value="+ Add"/>	<input checked="" type="checkbox"/> Going concern assessment ●				
			<input type="text" value="+ Add"/>		
AUTOMATED CONTROLS			<input checked="" type="checkbox"/> IT dependent manual controls ●	<input checked="" type="checkbox"/> Application controls ●	
IT GENERAL CONTROLS			<input checked="" type="checkbox"/> Access management ●	<input checked="" type="checkbox"/> Change management ●	<input checked="" type="checkbox"/> Disaster recovery ●
			<input checked="" type="checkbox"/> Business continuity ●		

Applicable and selected Rating classification

The IFC risk and control landscape at a glance

IFC Toolkit

Starting a session

2. Create a new session and set up its profile

- Start and stop as many assessment sessions as you need
- Assign session owner
- Set the entity for which the assessment is being performed
- Set key session settings
- Sessions can be set to focus only on key controls, if this is desired

Session Details In Progress

Session Name
FY20 Group Assessment

Session Owner Name
[Redacted]

Entity being assessed
Company XYZ Limited

Description
Assessment of the group entity across all processes

This session will run from 01 Nov 2019 to 01 Oct 2021

This session includes 326 controls

(1.84% assessed)

[Configure Questionnaire](#) [Stop Session](#) [Edit Session Details](#)

Participate in this session as
Click one of the boxes to begin

Control Owner
279 assigned to you

Process Owner
11 assigned to you

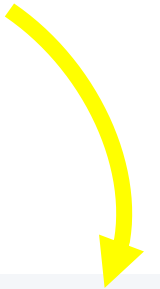
IFC Toolkit

Starting a session

3. As a session owner, step through the wizard to configure the session

- Include (or exclude) processes or specific topics in the assessment
- Configure the controls
 - Decide which controls in each process or specific topic are to be included or excluded
 - Mark selected controls as "Key"
 - Add your own custom controls
- Assign process owners to each process or activity
- Assign control owner to each control selected
- Activate the session and invite all the process and control owners to submit their responses within the toolkit

Integrated help and wizards guide you every step of the way



Configure the questionnaire for this session

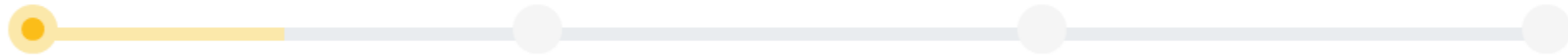


Step 1: Select Processes

Step 2: Configure the Controls

Step 3: Assign Control Owners

Step 4: Activate



Select which processes will be included in the session and indicate who the process owners are for each process

Select which controls will be included or add your own custom controls

Assign control owners to the in-scope controls

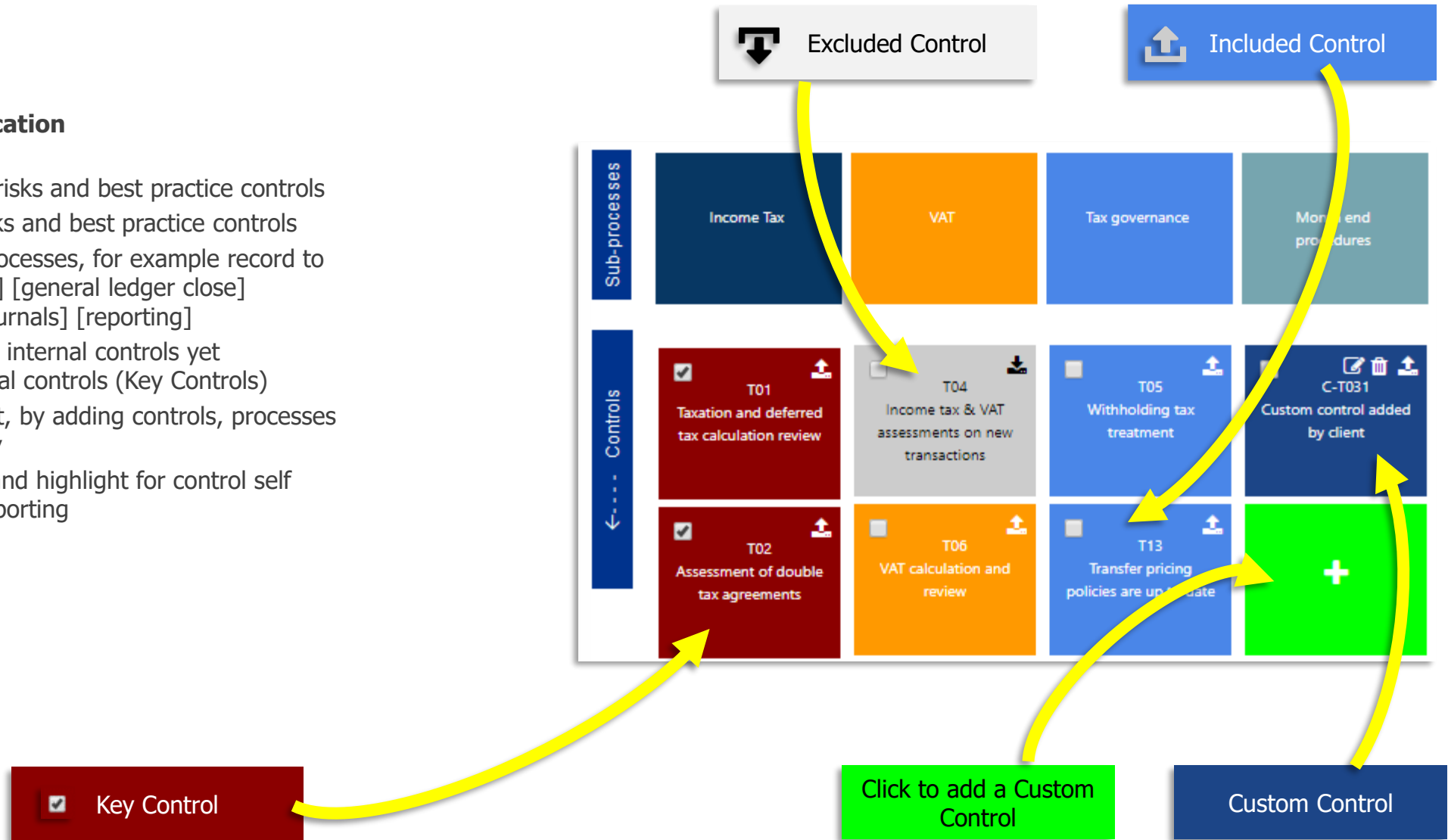
Activate the session and invite participants to submit their answers

IFC Toolkit

Starting a session

4. Process and control identification

- More than 400 pre-populated risks and best practice controls
- Select from specific topics, risks and best practice controls
- Processes are split into sub-processes, for example record to report [transaction processing] [general ledger close] [consolidation] [review and journals] [reporting]
- Ability to identify all applicable internal controls yet emphasise key internal financial controls (Key Controls)
- Customisable, by management, by adding controls, processes and topics unique to the entity
- Flag key controls to evaluate and highlight for control self assessment/evaluation and reporting



IFC Toolkit

Starting a session

5. Allocate ownership (accountability and responsibility) for processes and controls

- As the session owner, allocate responsibilities to process and control owners, as well as Internal and External Audit who will participate in the assessment
- No limit to the number of people who can use the tool
- Assign up to three process owners (per process) and three control owners (per control)

In-Scope Controls

Assign selected controls to

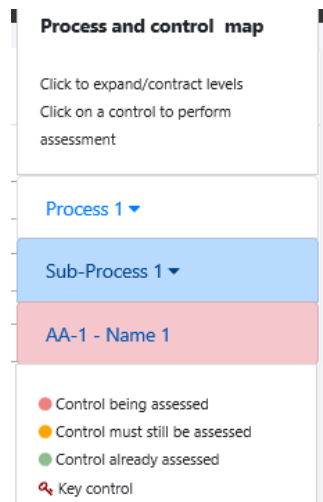
<input checked="" type="checkbox"/>	Control
Acquire to Retire	
<input checked="" type="checkbox"/>	ATR01 - CAPEX approval policy
<input checked="" type="checkbox"/>	ATR02 - CAPEX budget approvals
<input checked="" type="checkbox"/>	ATR03 - Automatic depreciation calculations by ERP
<input checked="" type="checkbox"/>	ATR04 - Depreciation run

IFC Toolkit

Quick, online assessment

6. Assess the controls and processes that have been assigned to you as a process or control owner

- Document how the control operates in your environment or if it doesn't exist and should, indicate it as a "missing" control
- Conclude on the effectiveness of control design and operating effectiveness for each of the in-scope controls



Easily track your progress using the process and control map

AA-1 - Name 1

Describe the control as implemented in the current environment

Bold *Italic* Underline Small [List Icons] [Share Icon]

Describe the link to the delegation of authority

Bold *Italic* Underline Small [List Icons] [Share Icon]

Applicable Policy/Policies

Bold *Italic* Underline Small [List Icons] [Share Icon]

Control Owner (Accountable) [I can't find the user I'm looking for](#)

Control Owner (Responsible) [I can't find the user I'm looking for](#)

Control Owner (Responsible) [I can't find the user I'm looking for](#)

Frequency

Ongoing Daily Weekly Monthly Annually Event-driven

Is the control manual or automated?

Manual Automated

Rate the effectiveness of the control design

Control does not exist
 Control design is **ineffective**
 Control design is effective
 Control not tested

Rate the operating effectiveness of the control

Control does not exist
 Control is **not** operating as designed
 Control is operating as designed
 Control not tested

Weakness Rating

Save Changes

IFC Toolkit

Integrated best practice

7. Access the best-practice guidance when you need it

As controls are prepopulated in an understandable and easy to follow basis you can “click” to view the best-practice guidance provided as you assess each control

Control Details ✕

Control Name	Exchange rates review	Ref	RTR19
Process Name	Record to Report	Sub-Process Name	Consolidation
Objectives	Ensure FCTR is accurately calculated		
Description/Definition	Use of the correct exchange rates; correct rates and the use of average/spot rates accordingly. Correct translation of the trial balance amounts in the ERP system.		
Control Frequency	Monthly	Preventive / Detective	Preventive
Control Evidence	Evidence of review is maintained.		

Close

IFC Toolkit

Assess effectiveness of controls

8. Operating effectiveness

- Operating effectiveness can be evaluated based on assessments by
 - control self-assessment and governance, risk and compliance observations by management
 - internal audit, either by documenting findings included in internal audit reports or specific controls allocated to internal audit for testing
 - external audit or other assurance providers. It is encouraged that external audit also focus on yearly controls that happen in the process preparing the year-end financial statements.
- Controls to be assessed can be allocated as part of the statutory audit or to the various lines of defence such as internal audit, in advance, based on the entity combined assurance framework

Rate the effectiveness of the control design

Control not tested
Control does not exist
Control is not operating as designed
Control is operating as designed
Control not tested

9. Control effectiveness assessments linked to rating classification

- Based on the design and operating effectiveness assessments the findings and results link to a rating classification, per process and sub-process as either
 - Housekeeping
 - Less significant
 - Significant
 - Critical
- The rating classification is automated and populated based on pre-configured rules to protect against subjective management 'override'
- The tool allows for management to document their compensating control or mitigation response and then provide their final rating classification

Rating

Less Significant

Housekeeping

Less Significant

Significant

Critical

IFC Toolkit

Attach documents

10. Upload and attach to the control being assessed

Attach any number of documents directly to the control being assessed in order to support the assessment and conclusions.

These documents may be:

- Supporting documents to evidence the control or other statements made in the form
- Control self-assessment documents




All documents are available for instant download on the control screen or from the main session screen.

Supporting Documents

Add any documents you believe will support the assessment of this control.

[Upload Document](#)

Search:

Document Name	Description	Actions
Control Document	Document added to support the assessment provided for this control	  

IFC Toolkit






Detailed reporting

11. Deficiency evaluation

- An easy to use deficiency evaluation framework that ensures consistency of deficiency classification between mitigating controls in place, inconsequential, significant deficiency or a material weakness
- Practical guidance and examples are provided for design-, operating- and significant deficiencies and material weaknesses to assist with deficiency assessment and evaluation

Weaknesses and/or improvement opportunities noted






Weakness Requiring Remediation

Bold *Italic* Underline Small     

Weakness Rating

▼

Mitigating Actions (if any)

Bold *Italic* Underline Small     










IFC Toolkit

Detailed reporting

12. Detailed and summary reporting and audit committee dashboards

- Summary of findings based on total population of IFC's
- Summary of findings based on process ratings
- Overall process dashboard
- Listing of controls per process

Reporting

 Consolidated Control Report Detailed report showing results for all controls assessed		
 Controls Summary - operating effectiveness Pie chart presenting summary of controls assessed - by operating effectiveness	 Process Summary - operating effectiveness Summary of control ratings at the process level - by operating effectiveness	 Sub-Process Summary - operating effectiveness Summary of control ratings at the sub-process level - by operating effectiveness
 Controls Summary - design effectiveness Pie chart presenting summary of controls assessed - by design effectiveness	 Process Summary - design effectiveness Summary of control ratings at the process level - by design effectiveness	 Sub-Process Summary - design effectiveness Summary of control ratings at the sub-process level - by design effectiveness
 Controls Summary (Ratings) Pie chart presenting summary of management ratings given for controls	 Process Summary (Overall) Process Summary showing automated scores as well as ratings provided by management, Internal Audit and External Audit	

IFC Toolkit

Detailed Reporting

13. Audit Committee Reporting

- Provides evidence for an “independent third party” how management fulfilled their role and function and appropriateness of the conclusions reached
- Detailed and summary reporting are presented indicating the basis for conclusions
- Deficiencies in design and operational effectiveness of the internal financial controls can be disclosed in summary, on a line by line item and by category (significant deficiency or material weakness)
- Compensating and mitigating controls, and other mitigation responses are provided in narrative form
- Exception reporting, e.g. indicating pre-populated controls not selected

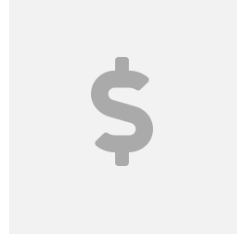
14. Access all documents that have been uploaded to support the assessment

- All documents uploaded by respondents are available on the main session page, classified according to control, and can be easily downloaded individually or as one ZIP file.



IFC Toolkit

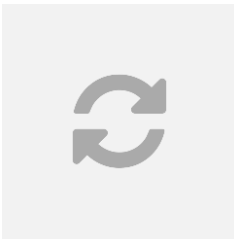
Key Benefits



Reduced compliance effort and cost

The IFC Toolkit helps you get to the answers you need quicker and more cost effectively by providing the best-practice guidance that respondents need to make informed assessment decisions. These results are then rolled up “live” to provide the reporting needed to identify issues and remediate.

Our approach provides a cost effective solution through the use of subject matter experts, best practice, proven control landscape and digital platform – the aim is to ensure that, other than the licencing fee, no additional resources are required or costs incurred.



Assess continuously or at a point in time

The answers provided by your employees are “live” and, for as long as a session remains active, IFC Toolkit can facilitate continuous or point-in-time evaluations (i.e. each quarter, at year end, etc) and allows for continuous remediation of design and operating effectiveness failures which might impact the statement that the CEO and finance director make.

The IFC Toolkit gives management the opportunity to remediate deficiencies in time.

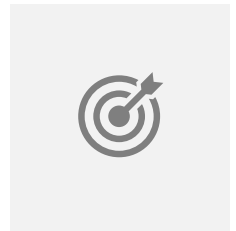
IFC Toolkit

Key Benefits



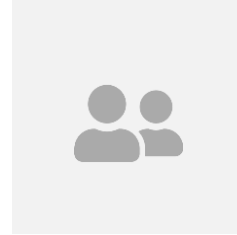
Rapid Implementation

Best practice process templates with embedded risk statements and best practice controls objectives and control descriptions



Consistent & Unified Approach

Consistent application and alignment of entity level controls, general IT controls, risk identification, ethics, compliance, financial close and reporting control policies, procedures and the delegated authority



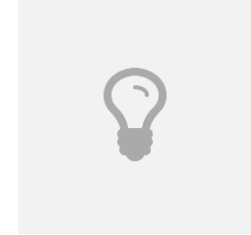
Ownership & Accountability

Formal process and control ownership. Factual accuracy sign off by process owners



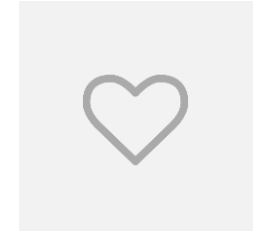
Structured Reporting

Findings are documented and evaluated in terms of an automated deficiency evaluation framework and detailed, summary and executive dashboards provided



Understanding

Employees understand their role in internal controls – enhances risk awareness and control consciousness without additional burden placed on them



Ease of Use

User friendly design, easy to configure with minimum workload

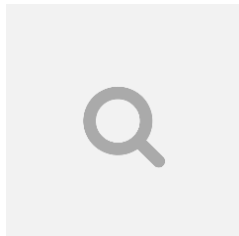
IFC Toolkit

Key Benefits



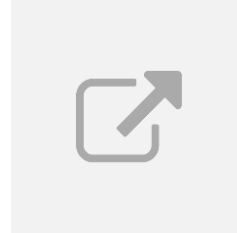
Customisable

Include or exclude processes and controls, flag as key or add custom controls



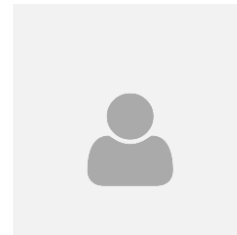
Focus on what matters

On key internal financial controls, yet supported by the entire internal control landscape



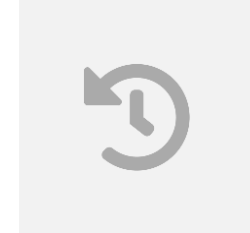
Scalable

Create unlimited assessments for in-scope entities/significant components



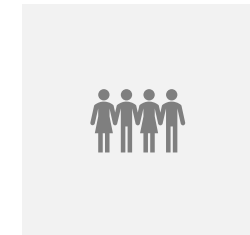
Control Self-Assessment

Control self assessment enabled and clarity on implementing the lines of defence model. The toolkit and our services are structured to be part of the combined assurance framework



Regular Updates

Regular best practice, product and security updates based on market developments, regulator findings and pronouncements - as these are applied to the platform and toolkit



Unlimited Access

Licencing on an entity based on size and not on a per-user basis

- We provide a live demonstration of the tool. This can be done on site (or in the current circumstances, by having remote, digitally enabled meetings)
- Our approach entails spending a day with you and your team to provide training in the use of the tool and technical support on the best practice guidance included in the tool. This training generally includes the use of a case study or Proof of Concept to ensure that the various elements of the toolkit are properly understood, considered and addressed
- We work with you to set up, configure and activate each of the assessments needed per your scope
- Thereafter, your team will work with the tool to complete the assessment of any components you include in your scope with ongoing product support provided through our IT team. Should you require, we are also able to make the subject matter experts available to assist with the implementation and ongoing assessment
- Whether you need implementation assistance or an implementation partner hinge on your unique circumstances



Our Approach

Getting you up and running quickly and efficiently using a cost efficient and sustainable approach

- The license covers:
 - Unlimited access to your employees: licencing is not on a per-user basis. Rather on a per-component / significant entity basis
 - Regular best practice, product and security updates as these are applied to the platform and the toolkit
 - Second-line support to your team on application and platform-specific matters
 - Access to subject matter experts for limited guidance or contracting at reduced rates
- If there is a need to customise or further enhance aspects of the IFC Toolkit to meet your specific requirements we would happily discuss these with you and provide a quotation for such development work
- Should you choose not to renew after any period, we will provide continued access to the tool for a period of three months so that you can draw down information and reports, as needed. Thereafter, we will provide your raw data in Microsoft Excel format



Licensing

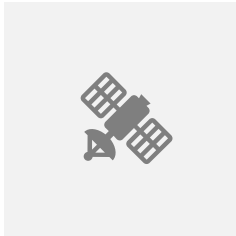
Standard licensing is based on a 12-month period running from AGM to AGM

readyplatform

Tapping into the capabilities of our always-on, digital platform, we will help you reinvent your business processes, provide an intuitive interface and enable key analytic reporting to help you get the best out of your business processes

readyplatform at a glance

A digital delivery platform providing the ecosystem needed to rapidly build, deploy and host digital products and solutions to help businesses innovate and digitise at unprecedented rates



Always On

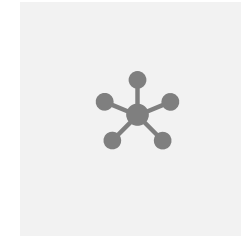
readyplatform lives in the cloud. This means that you can access your data and applications at any time from anywhere in the world

Perform assessments and analyse results when it suits you from wherever!



Detailed Logging

... and user tracking, combined with digital signatures, mean that you can track and trace all actions performed by you and your employees



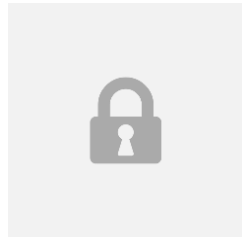
Drive innovation

Utilising our flexible architecture means that we can help you launch your own digital solutions quickly and at much reduced cost over traditional development methods

You're not tied just to the IFC Toolkit. We can leverage our platform to provision or build out any solution you may need

readyplatform security

Built to the strictest security standards, you have peace of mind knowing that your data and applications are kept in a secure environment and that it is managed in compliance with data protection regulations



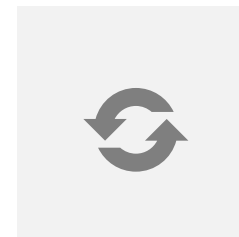
Data Protection

readyplatform uses a secure protocol (HTTPS) for keeping all data encrypted when shared between your platform and a user's browser. No data can be shared with third-party entities without your explicit consent. When at rest (in a database), your data is encrypted too, providing an additional strong layer of protection.



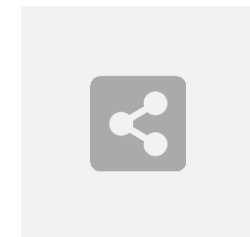
Security Practices

readyplatform is built on a safety-first basis to follow best practices and comply with the latest security guidelines. These include OWASP's recommendations for secure application development. Independent third-party penetration tests are regularly performed on all our products and infrastructure to identify and confront any current vulnerabilities.



Data Redundancy

Your data requires the highest degree of protection with no room for compromise. Our fully-managed cloud deployment offers multiple levels of data redundancy both at infrastructure and application level.



Solid Infrastructure

Our virtual cloud services use world-class infrastructure providers like Microsoft for your system's efficiency, safety and round-the-clock accessibility. Our providers are just as reliable and are highly qualified and equipped with the latest security-related certificates to offer first-class services.



practical

*/ 'praktɪk(ə)l/
adjective*

of or concerned with the actual doing or use of something rather than with the theory and ideas

2Digital Solutions

We build and host digital products and solutions at the forefront of technology to enable measurable and practical digital transformation for our clients

2Digital Solutions at a glance

Established in 2016

South African Registered
2016/268563/07

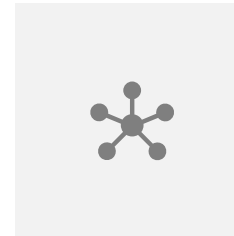
VAT Registered
4280276199

Our core team has over 40 years combined experience in IT development, IT consulting and IT assurance

Our extended team of developers and professional consultants cover a variety of subject matters including financial, tax, audit and general advisory

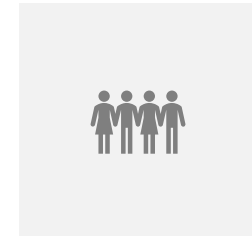


We operate globally servicing our clients on every continent



Portfolio of Service Offerings

- Application Criticality Assessment Toolkit
- Bursary Management
- Case Management Solutions
- Declarations
- Document Collaborator
- Finding Manager
- Employee Mobility
- Help Desk Solution
- IFC Toolkit
- Polls
- Questionnaires
- Risk Manager
- Risk Management Query System
- Self Assessment Toolkit
- Staff Management
- Surveys
- Tax and Rebate Calculators





Major Clients





Contact Us

 Eugene Pfister

 +27 83 297 3452

 eugene.pfister@readyplatform.co.za

 <http://www.2digital.co.za/>

Definitions and terms

Term	Meaning
Application controls	Controls that contribute to the accurate and complete recording and processing of a specific task within a cycle of the accounting or ERP system
Automated controls	Controls built into the computer application systems to ensure completeness, accuracy and authorisation of transaction recording
Control	An action or activity to prevent or detect misstatements within a process or misappropriation of assets
Control coordinator	Person who has the responsibility to project management and coordinate the internal financial controls implementation, policy execution, compliance monitoring and oversees proper and timely execution
Control deficiency	A deficiency in IFC's exist when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis
Control owner	The person responsible for control success or failure. Responsible for ongoing execution/ maintenance of the controls on a daily, weekly, monthly, quarterly or annually
COSO	Committee of Sponsoring Organisations of the Treadway Commission
Detective control	Controls designed to find errors or fraud in transactions after they have occurred
Entity level controls (ELC)	Controls that operate pervasively across and throughout the organisation to mitigate risks threatening the organisation as a whole and to provide assurance that organisational objectives are achieved
Estimates and judgements	Activities that involve management assumptions, decisions, judgements and choices, in the absence of a precise means of measurement, that must be made in the preparation of financial statements
General information technology controls (GITC)	Controls that establish an overall framework of control for computer activities
ICOFR	Internal Financial Controls Over Finance Reporting as established by the SEC
IFC	Internal financial control

Definitions and terms

Term	Meaning
Internal control	The process designed, implemented and maintained by those charged with governance, management and other personnel to provide reasonable assurance about the achievement of an entity's objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations
Lines of defense	<ul style="list-style-type: none"> ▪ The first line of defense is responsible for setting up the controls and to adhere to the defined controls ▪ The second line of defense monitors compliance with adherence to and execution of the defined controls ▪ Independent assurance on the activities of the first and second lines of defense is the third line ▪ Each of these three "lines" plays a distinct role within the organisation's wider governance framework and combined assurance
Material weakness	A deficiency or combination of deficiencies in IFC's such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis
Non-routine transactions	Transactions that occur periodically and are not part of the routine flow of transactions. Most often generated in conjunction with the preparation of financial statements
Preventative control	Controls designed to avoid errors or fraud in transactions before they occur
Process	Action of taking a transaction or event through an established, usually routine set of processes, tasks or steps.
Process owner	The person who has the ultimate responsibility for the performance of a process and controls resident within the process/sub-process and who has the authority and ability to make necessary changes
Routine transactions	Frequently recurring financial data transactions recorded in the normal course of business
Significant deficiency	A deficiency or combination of deficiencies, in IFC's that is less severe than a material weakness but important enough to merit the attention of those charged with governance since there is a reasonable possibility that a misstatement of annual or interim financial statements will not be prevented or detected on a timely basis
Significant unusual transactions	A transaction that is outside the normal course of business for the entity or is unusual due to its timing, size or nature
SOX	Sarbanes-Oxley Section 404