RSA Archer Compliance Management 5.2 Webcast

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Agenda

- Introductory Comments
- 5.2 Enhancements Overview
- RSA Archer approach to Compliance Management
- Positive Outcomes
- Demonstration
- Q&A

Introductory Comments

- Newest version of Compliance Management solution became available on February 2 along with enhanced versions of Audit, Risk and Enterprise Management solutions
  - Existing, licensed customers can obtain the packages and install guides directly from the Archer Exchange
  - Upgrades will also be reflected in the 5.2 solution master
  - Updated Compliance Management Practitioner's Guide on the Exchange
- To fully benefit from Compliance Management solution, we recommend that you also utilize the Enterprise, Risk, and Policy Management solutions
- Consider requesting demonstration(s) around specific use cases

5.2 Enhancements Overview

- Enhanced configuration of the Control Procedures application to enable enhanced categorization and testing of internal controls
- Introduced cost to control
- Financial Close Management Checklist
- Developed Quarterly Financial Certification Questionnaires targeting the Business Hierarchy in the Enterprise Management solution
- Enabled Key Control Indicator Monitoring via Risk Management Solution
- Established a mechanism to capture relevant, point in time, compliance information to build and report on historical compliance data
- Various cosmetic changes

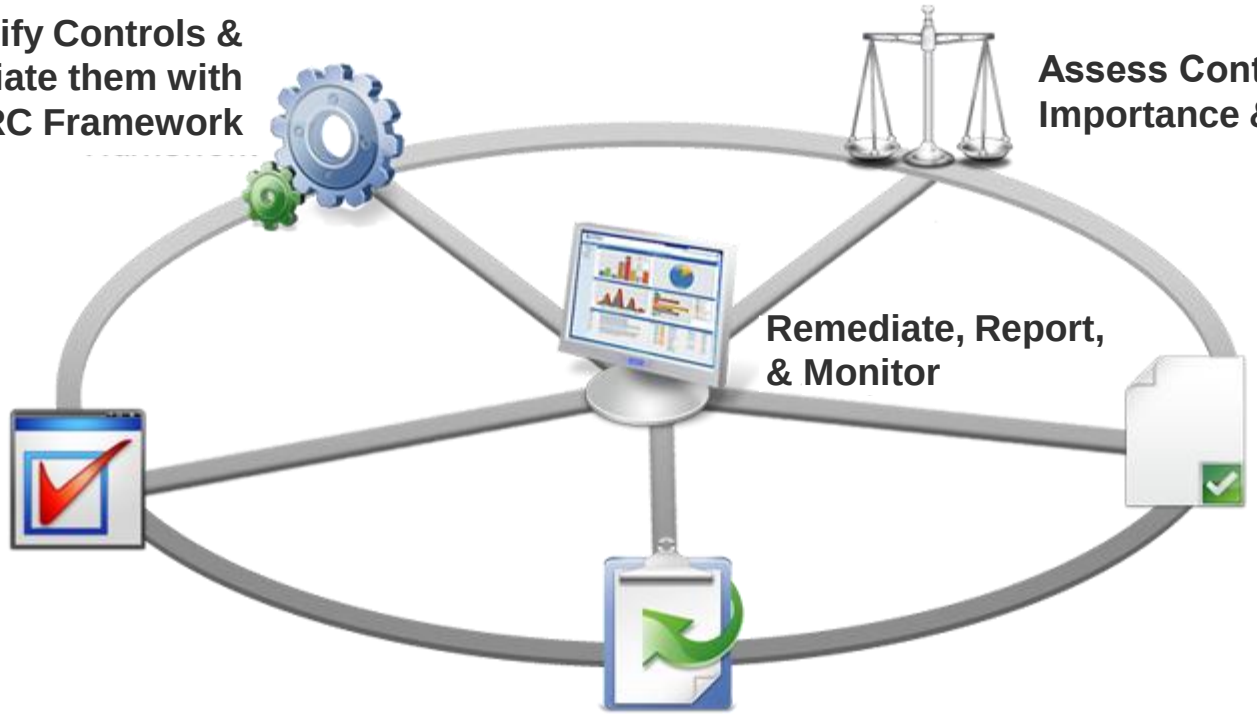
Controls & Compliance

- Internal Control – it's about managing risk to achieve objectives
  - Fines & sanctions from regulatory non-compliance
  - Litigation from product liability, human resources, and business operations
  - Losses from errors & fraud associated with people, process, technology
  - Brand reputation
  - Losses from extending credit or losing assets managed by 3rd parties
  - Insufficient liquidity to meet obligations
  - Charges from adverse change in markets and interest rates
  - Risk of not executing on strategy
- By compliance we mean control assurance, and compliance with policy, procedure, and authoritative sources
- Common Use Cases: Demonstrating Compliance with Specific Regulations, Financial Reporting Obligations, ERM / Performance Management

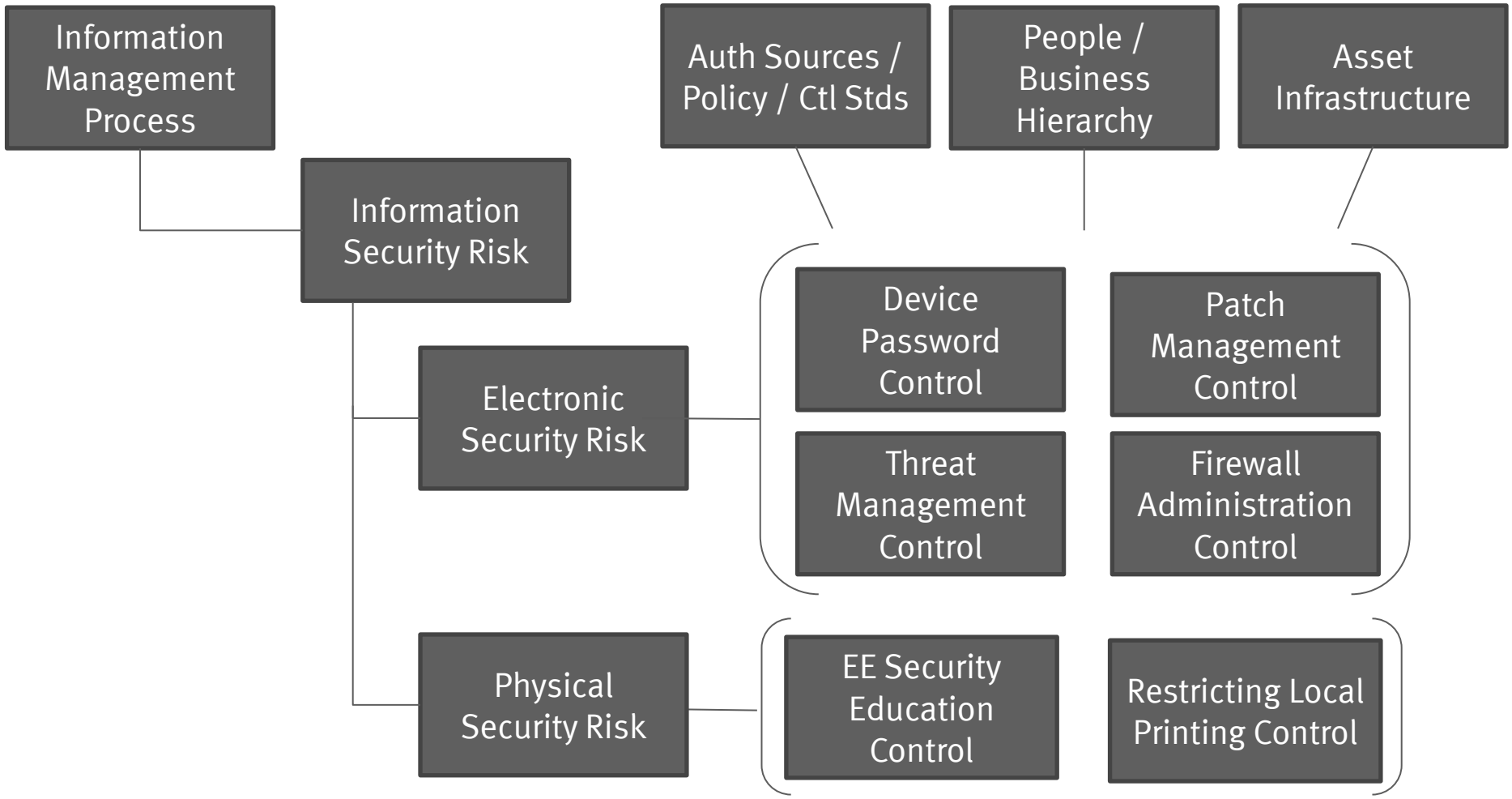
Compliance Challenges

- Knowing where all the controls are & should be
- Failure to focus on controls commensurate with their risk
- Significant cost to demonstrate compliance
  - Redundant focus on controls that mitigate multiple regulations/risks
  - Manual testing is laborious, expensive, and incomplete
  - Connecting the dots is time consuming and expensive
- Managing compliance with multiple regulations
- Coordination with other assurance functions
- Resource limitations
- Testing processes are inconsistent
- Exception reporting, remediation, and tracking
- Satisfying high profile stakeholders

RSA Archer Approach to Compliance Management

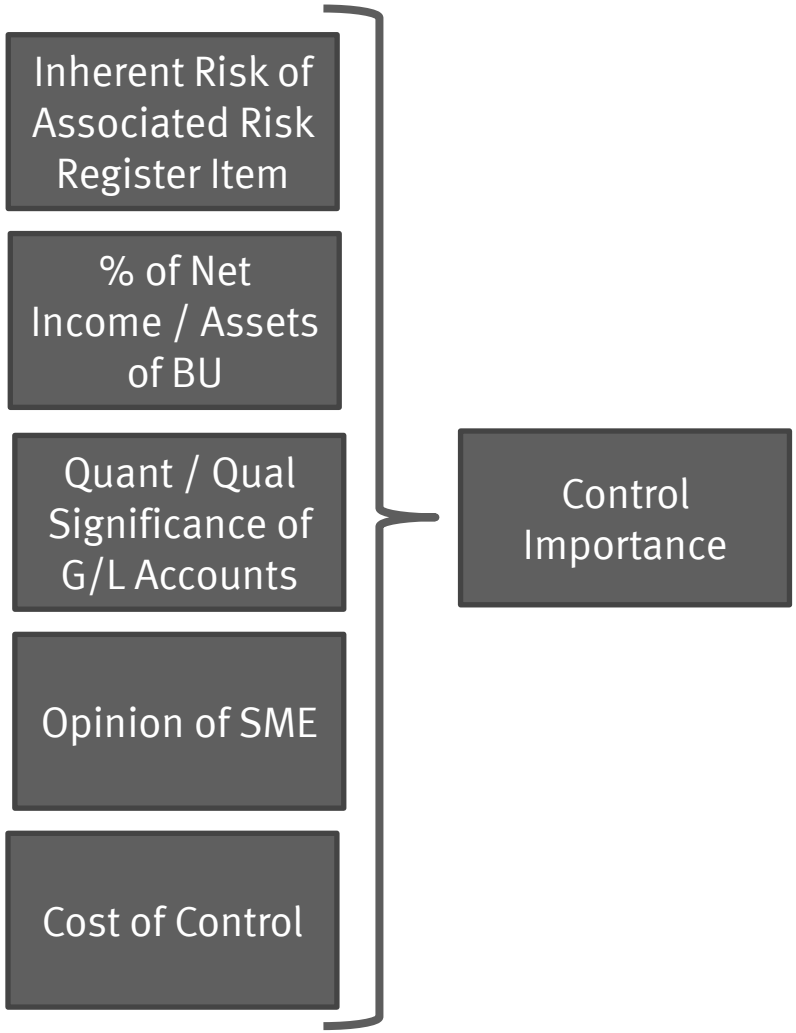


Document Controls & Associate them with GRC/ERM Framework



Assess Importance & Cost of the Control

- Risk-based Scoping of Controls is established in context of
  - Inherent Amount of Risk being Mitigated
  - Financial Significance of the Business Unit, Process
  - Quantitative & Qualitative Significance of associated G/L Accounts
  - Subjective opinion of assessor
- Estimate the cost of control(s) to compare with inherent risk
- Cull out controls that are not significant or cost more than the inherent risk they mitigate
- Scope tests based on significance



Establish Key Control Indicators

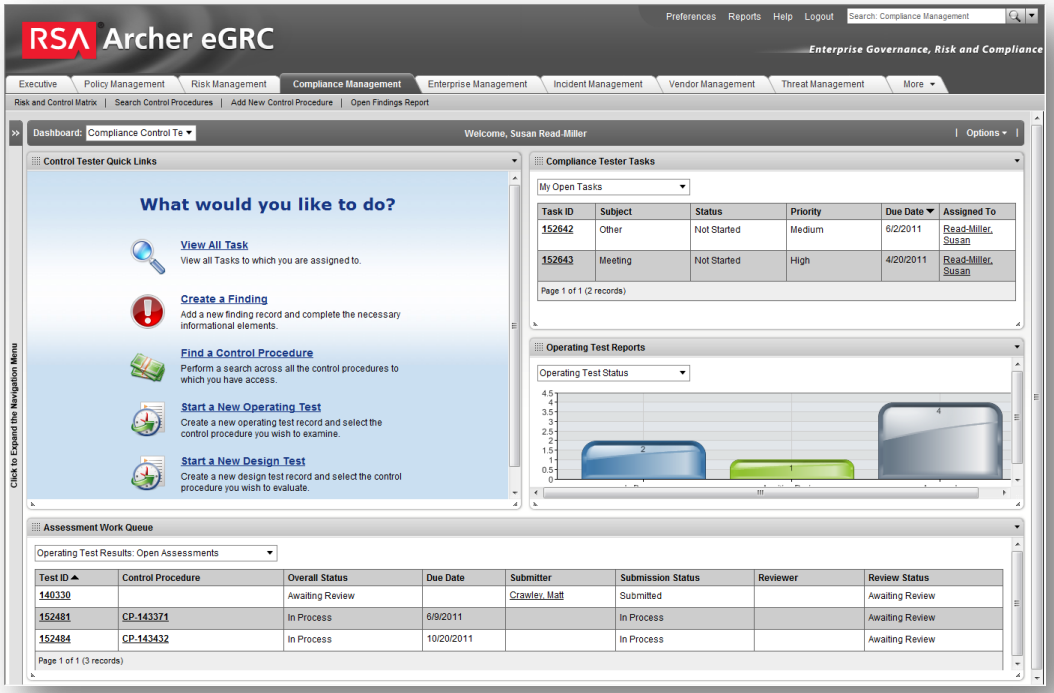
- Metrics documented in the Risk Management Solution can target control procedures
- Continuous control monitoring
- Automated feeds around IT technical assets

Conduct Assessments / Assertions

- Control Self-Assessments
- Financial Close Checklist - Assess the activities performed in the financial close process to ensure all required steps have been completed
- Quarterly Certifications
- Technical Control Manual Assessments
- Integration with scanning tools such as Qualys, McAfee, iSIGHT, etc.
- 36 Questionnaires; › 15,000 Questions

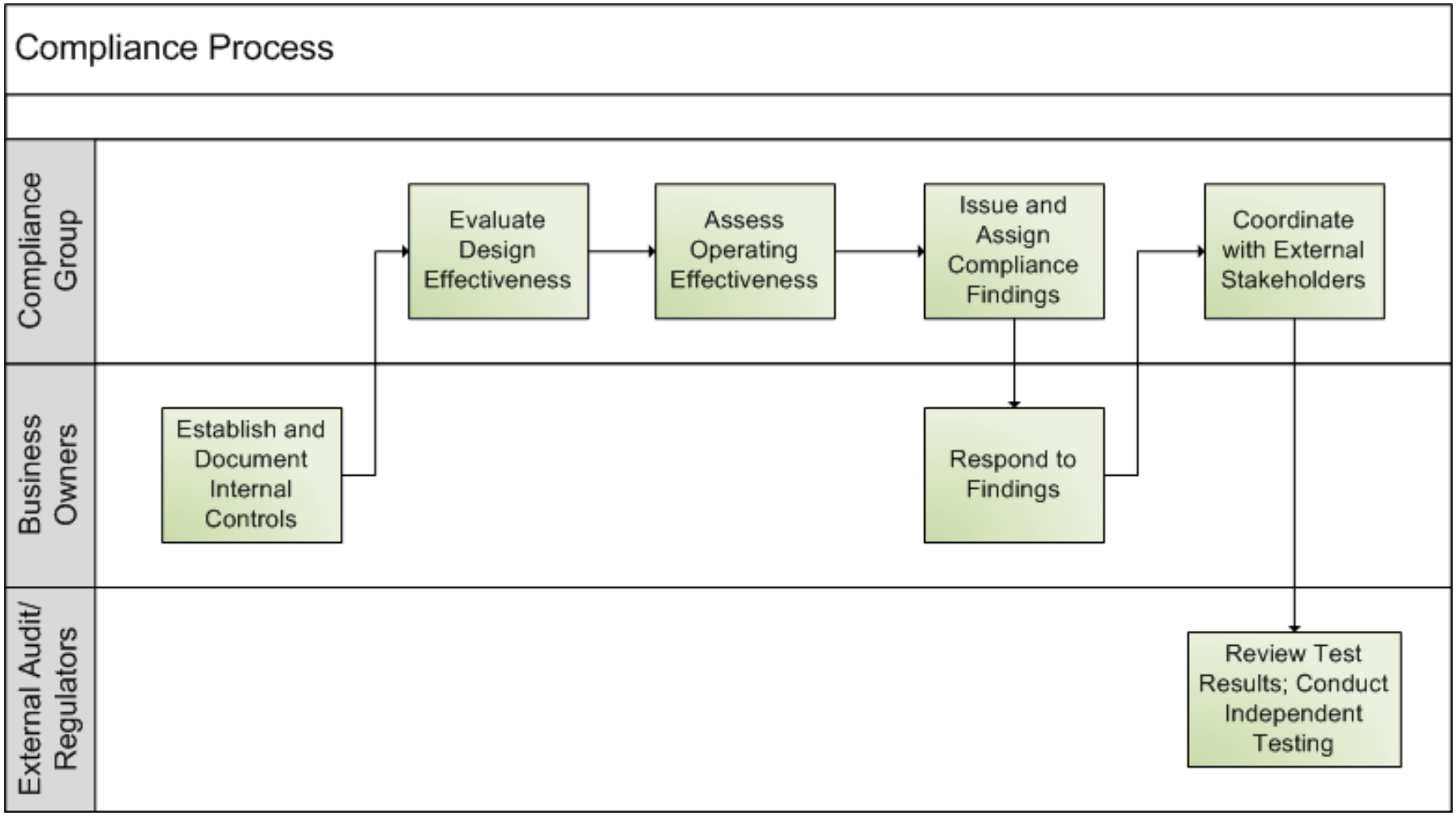
Execute Design and Operating Tests

- Assess whether design tests will mitigate the risk as intended
- Inform testers of their work queues via rules-driven workflow and “My Tasks” lists
- Execute operating tests to identify if the control is working as designed



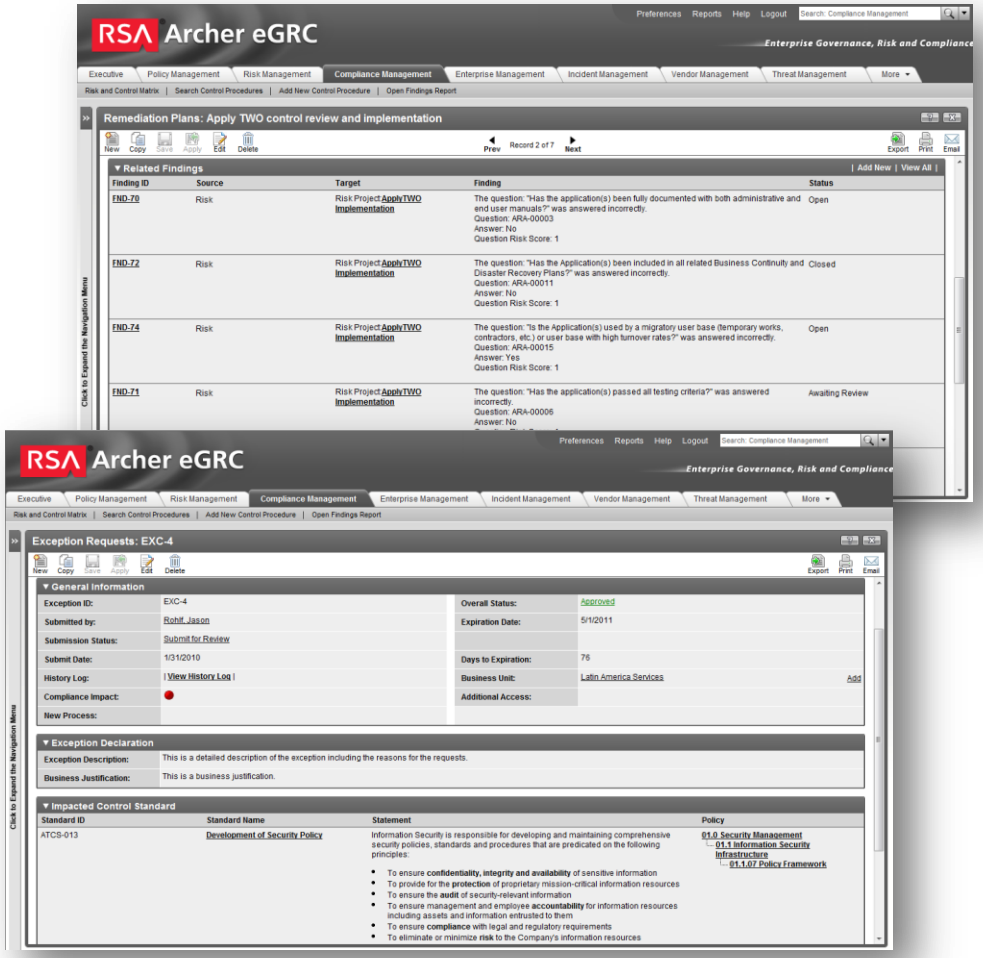
RSA Archer Compliance Control Tester Dashboard

Test Design & Operating Effectiveness

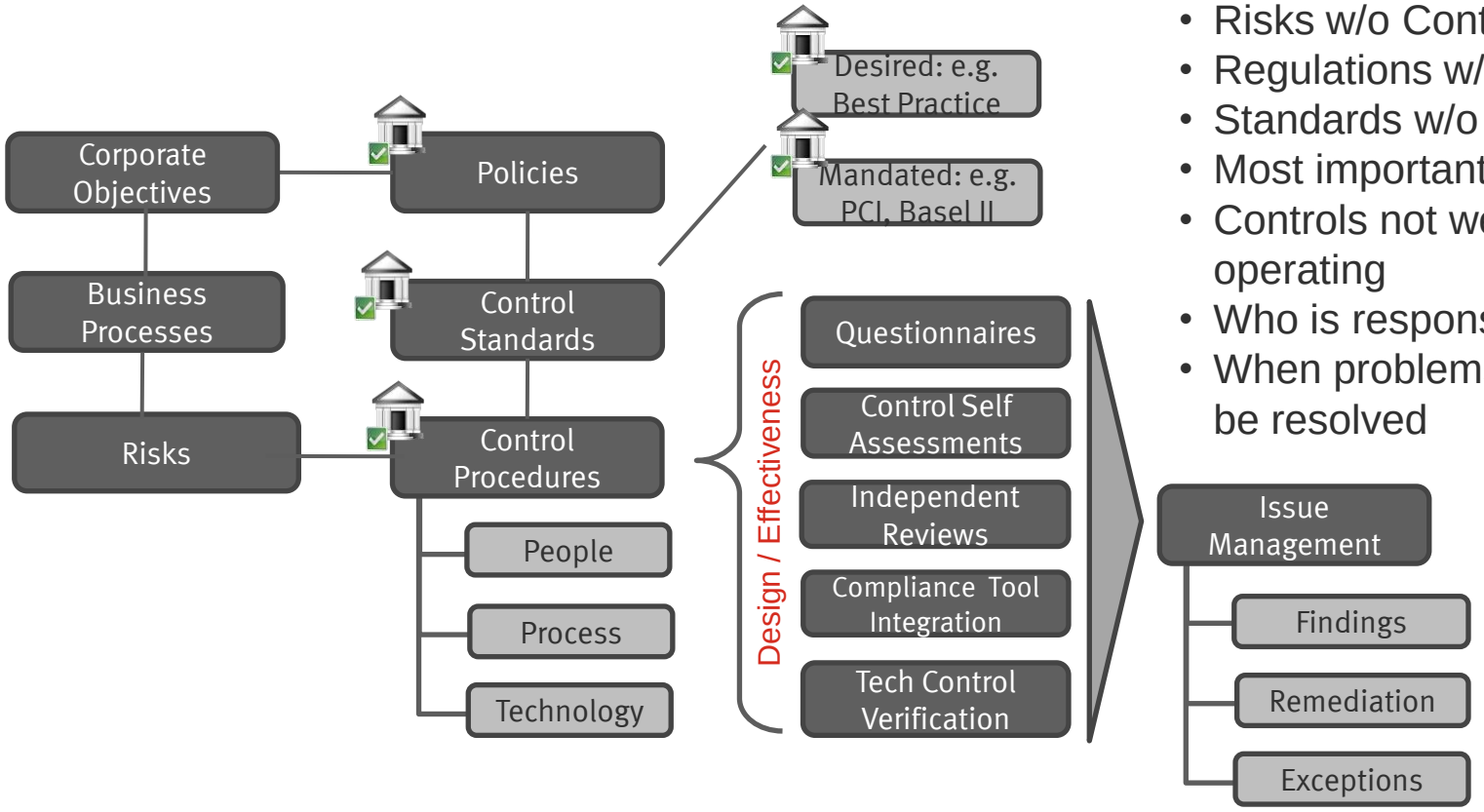


Maintain Continuous Controls Monitoring

- Auto-generate deficiencies based on failures noted within questionnaires and test results
- Understand how findings relate to controls, operating entities, policies, regulations and risk
- Relate multiple findings in a context of a remediation plan to identify larger issues and support informed decision making



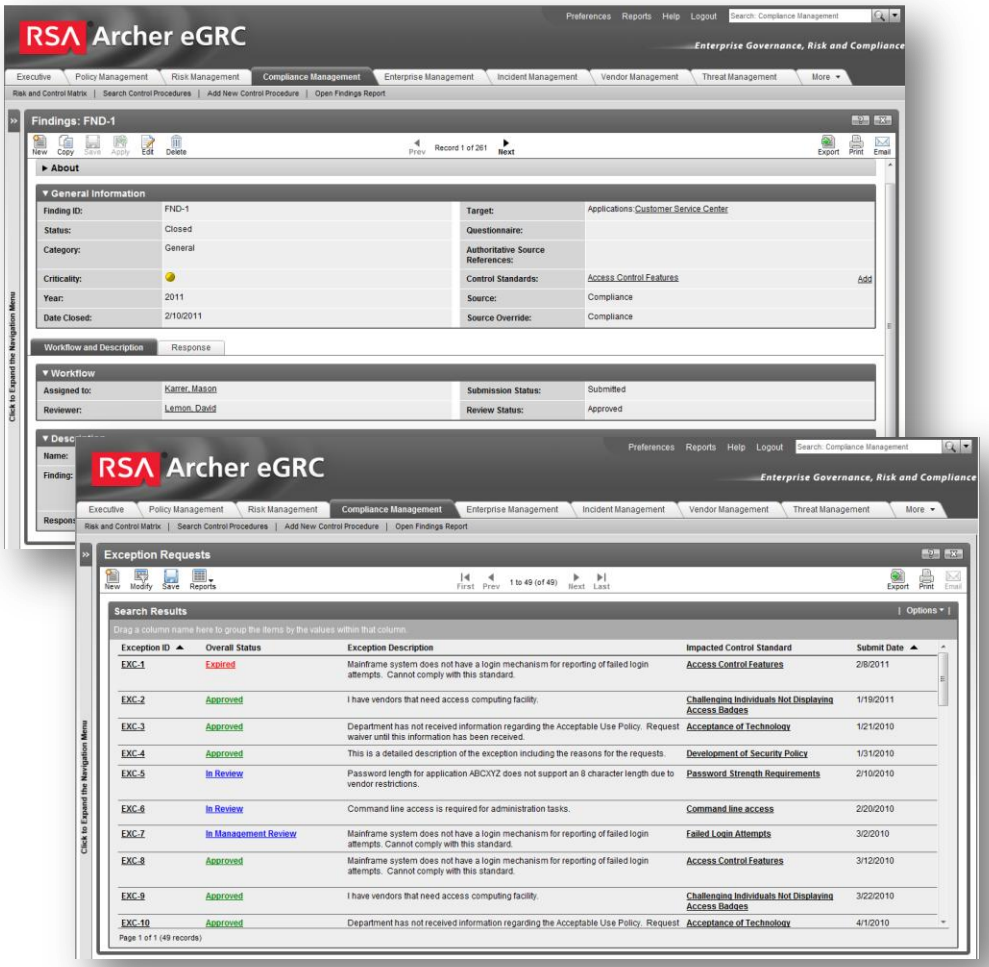
Compliance Management Reporting



Answers

- Risks w/o Controls
- Regulations w/o controls
- Standards w/o controls
- Most important controls
- Controls not well designed or operating
- Who is responsible
- When problems are going to be resolved

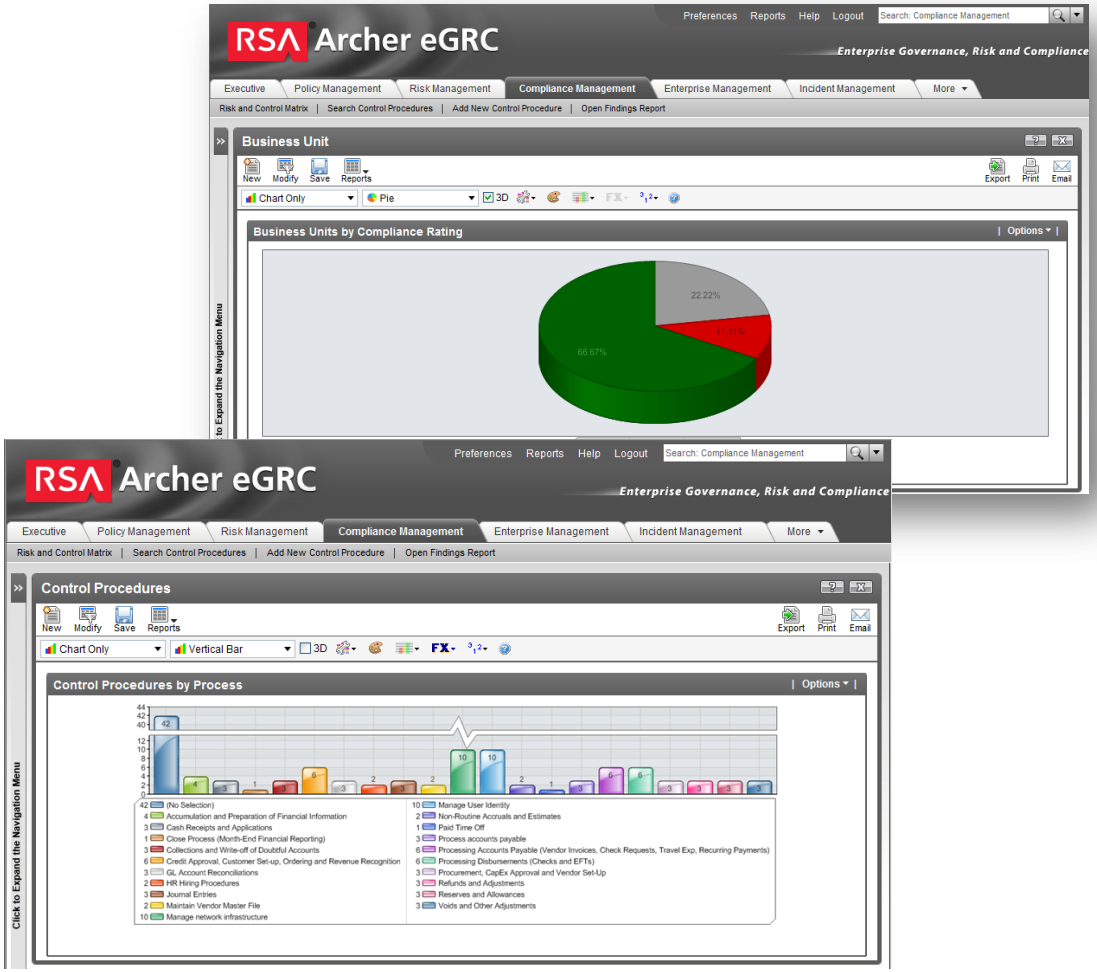
Respond to Deficiencies



- Employ automated workflow and task management capabilities to resolve compliance deficiencies
- Route findings and tasks to appropriate personnel
- Complete remediation tasks or log exception requests that identify effective compensating controls
- Review and approve the resolution of deficiencies using the pre-built, fully configurable workflow processes

Report on Overall Compliance

- Use real-time reporting capabilities and dashboards to form a consolidated picture of compliance efforts and remediation
- Ad hoc reporting allows you to deliver status and alert-type reports to users through dashboards, email or exports in a number of different formats



Positive Outcomes of RSA Archer Compliance Management

- After Scenarios
  - Multiple risks & regulations are satisfied while eliminating redundant controls
  - Ability to easily incorporate new or updated regulations within existing compliance processes
  - Consistent management and approach for control testing
  - Continuous monitoring of open compliance findings and remediation plans
  - Ability to report compliance posture against key regulations across the entire organization
- Positive Business Outcomes
  - Fewer redundant and unimportant controls = less control assessments and testing activities (fewer resource hours)
  - Transparency, accountability, and improved control culture
  - Institutionalized knowledge of business operations
  - Easier ability to satisfy multiple stakeholder interests

Compliance Management Demonstration

Q & A

The Security Division of EMC

Thank you!