ACL Analytics

HighBond
The only cloud-based platform to unite the objectives of audit, risk, and compliance professionals through data.

Drive strategic change with our solutions

RiskBond
Integrated risk management software that identifies, assesses, responds to and monitors your enterprise risks.

AuditBond
Easy-to-use software for audit professionals to efficiently manage the entire audit workflow.

ThirdPartyBond
End-to-end, automated and continuous vendor risk management and reporting software.

ComplianceBond
Simplify and centralize regulatory compliance management, minimize risk exposure, and share one-click, real-time reporting.

FraudBond
Software that uses data automation to detect, prevent, and remediate fraud and corruption.

PolicyBond
Workflow-based IT risk and compliance management software that streamlines IT assessment activity.

ContinuityBond
Workflow-based business continuity management and planning software.

ITGRCBond
Automatic deployment and management of a governance, risk, and compliance program.

IncidentBond
Monitor your entire incident landscape while simplifying and speeding up triage, workflow, and resolution.

CyberBond
Consolidate and simplify threat and vulnerability remediation by aggregating, normalizing, and prioritizing data from any source.

ACL Robotics
Optimizing the way governance professionals work by automating time-intensive and repetitive—but critical—processes.
Combining strengths, ACL and Rsam make truly “integrated GRC” real.

**Our Vision**
A world where GRC professionals are an organization’s most sought after people.

**Our Mission**
Deliver a beautiful customer experience through the planet’s ONLY cloud-based, data-driven GRC solution.

**Our Values**
Authenticity, Disruptive Innovation, Customer Intensity

<table>
<thead>
<tr>
<th>ACL</th>
<th>Rsam</th>
<th>Business Operations</th>
<th>Accounting &amp; Finance</th>
<th>IT &amp; InfoSec</th>
<th>Risk Management</th>
<th>Legal &amp; Compliance</th>
<th>Internal Audit</th>
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</thead>
<tbody>
<tr>
<td>Internal Controls Management</td>
<td>Third Party Risk Management</td>
<td>Incident Reporting &amp; Management</td>
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<td>Regulatory Compliance Management</td>
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<td>Fraud &amp; Corruption Management</td>
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</table>
Purpose built products, delivered in an integrated platform, that bond silos for accelerated impact when working together.

- Risk Management
- Regulatory Compliance
- Internal Controls
- Audit
- Fraud & Corruption
- IT GRC
- Third-Party Risk Management
- Policy Management
- Incident Response & Case Management
- Threat and Vulnerability Management
- Business Continuity
- Robotics – Data Automation, Analytics, Monitoring and Integration
Largest Global Community in the Industry

7000 organizations, including 72% of the Fortune 500, use HighBond

135 countries where companies using HighBond are headquartered

900 agencies in national, state, provincial, and local governments use HighBond

>100% annual “net” retention of Galvanize customers
Our Customers

Public Sector & CPA's

40+ National Governments
1000+ Regional Governments
100% CPA Partners
Galvanize Customers include:

- Defense Finance & Accounting Service
- Office Under Secretary of Defense (Comptroller)
- USAF DEAMS
- US Army Audit Agency
- US Army Garrison Redstone
- US Army Garrison Fort Rucker – IR
- US Army Garrison Fort Lewis - IR
- US Army Aviation & Missile Command
- US Army ASA (FM&C)
- US Army Training & Doctrine Command
- US Air Force Audit Agency
- US Army Garrison Rock Island Arsenal-IR
- National Guard
- Army Sustainment Command (ASC), AMSAS
- US Army Garrison Fort Rucker - IR
- US Navy Military Sealift Command
- US Army Corps of Engineers
- Army & Air Force Exchange Service
- Air Force FMO (WPAFB)
- US Navy Engineering Logistics Office
- Navy Exchange Service Command
4th Industrial Revolution
Driven by AI, IoT, and Robotics
What is the #1 searched job on willrobotstakemyjob.com?
<table>
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<tr>
<th>Occupation</th>
<th>Automation risk</th>
<th>Projected growth (by 2024)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Accountants and Auditors</td>
<td>94%</td>
<td>11%</td>
</tr>
<tr>
<td>2. Lawyers</td>
<td>3.5%</td>
<td>6%</td>
</tr>
<tr>
<td>3. Computer Programmers</td>
<td>48%</td>
<td>-8%</td>
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<tr>
<td>4. Software Developers, Applications</td>
<td>4.2%</td>
<td>19%</td>
</tr>
<tr>
<td>5. Teachers and Instructors, All Other</td>
<td>0.95%</td>
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<tr>
<td>6. Software Developers, Systems Software</td>
<td>13%</td>
<td>13%</td>
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<tr>
<td>7. Graphic Designers</td>
<td>8.2%</td>
<td>1%</td>
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<tr>
<td>8. Taxi Drivers and Chauffeurs</td>
<td>89%</td>
<td>13%</td>
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<tr>
<td>9. Engineers, All Other</td>
<td>1.40%</td>
<td>4%</td>
</tr>
<tr>
<td>10. Veterinarians</td>
<td>3.8%</td>
<td>9%</td>
</tr>
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Top searched for jobs @ willrobotstakemyjob.com

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<td>1. Accountants and Auditors</td>
<td>G (Highly likely) says</td>
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<td></td>
<td>All they do is menial tasks and processes. While they might require some mathematical skill, this can easily be automated, even without machine learning.</td>
</tr>
<tr>
<td>2. Lawyers</td>
<td>Mike (No chance) says</td>
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<td>Machines will force them from number crunchers to decision makers. They will not be replaced. They will evolve!</td>
</tr>
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<td>3. Computer Programmers</td>
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<td></td>
<td>Jfjdsjxnx (Could go either way) says</td>
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<td></td>
<td>Depends on how specialized you are or are you just working with QuickBooks.</td>
</tr>
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</table>
“The probability that some types of accounting, auditing, and tax jobs will be automated in the next decade is 100%.

The repetitive work of auditing is well-suited to robots. Large swaths of audit and advisory work can be replaced by smart algorithms and cognitive artificial intelligence.”

The Big Four: The Curious Past and Perilous Future of the Global Accounting Monopoly

-Ian D. Gow; Stuart Kells
What will you do to stay relevant?
How can you become a trusted advisor to the business?
How can you automate the *repetitive* to focus on the *strategic*?
Let’s talk about HighBond powered by ACL Robotics.
But first... a story.
The commission estimates that around 82,150 records including personal details such as names, contact numbers, home addresses, hashed passwords, transaction details, and mode of payment of customers among others were exposed in the leak.

“...”

- ABS-CBN News, NPC orders Wendy’s PH to inform users affected by data breach, May 4, 2019
“The commission estimates that around 8,851 customers of Globe Telcom were affected including personal details.

- PhilStar.com, January 29, 2019
Data Privacy and Cybersecurity concerns are driving fast-paced regulatory change.
Siloed lines of defense are no longer going to be effective.
So what is all this Robotics?
This year, we introduced ACL Robotics

Automating the entire process from gathering data, to analyzing and presenting the insights, to taking action.
HighBond Blueprint

Enterprise Risk Management Strategy

Organization's master risk & controls library

Organization's audit universe (Processes, third-parties, IT Applications)

Regulatory Obligations
Compliance Maps

Productivity & Utility tools
Projects
- Issue Mgmt
- Request items
- To Dos
- Timesheets
- Assessments
- Questionnaires
- Workflows
- Scheduling

Risk
Compliance
Controls Mgmt
Audits

Data Automation & Workflow

Your Data

Cleansed Normalized Tested Analyzed

Deploy Analysis to Stakeholders, Enabling Data-Driven Decision Support

Results

Data

Cleansed
Normalized
Tested
Analyzed

Your Data

Oracle
Amazon
Market
Active Directory
SAP
Salesforce

Results
Core Capabilities of ACL Robotics

- **Connectors** to any datasource and operational system.
- **Analytics** to prepare and analyze the data.
- **Robots** to automate the process.
- **Workflows** to take action on the results.
- **Storyboards** to present the insights and report on progress.
- **Machine Learning** to make the robots smarter.
Connectors & Data Integrations

Available Now

- Support ITGC Automation via Active Directory & ServiceNow Connectors
- Risk & controls monitoring via Concur & SAP Connectors
- Support sensitive data management using Hashing on Data Import
- Support automating unstructured data via OCR Scripts

Roadmap

- More Cloud Data Sources
- Full Data Integration Strategy
- IMPORT EXCEL ALLCHAR
Available Now

• Pattern detection via CLUSTER
• Fraud & error detection via TRAIN & PREDICT, OUTLIER
• Cleanse and match data via FUZZY JOIN

ML Use Cases

• False-positive identification
• Misclassifications
• Fraud detection
• Risk Assessments
Robots Repository to Automate

Available Now

- Manage RCM deployments Source Control & Development Mode
- Create audit data library via Shared Tables

Roadmap

- Create a single RCM platform by enabling non-ACL Script powered Robots
- Support other GRC use-cases via platform triggered Robots (e.g. auto-risk scoring, data enrichment)
Storyboards & Visualization

Available Now

• Visual Summarize via Treemaps
• Executive reporting via Storyboards
• Continuous Risk Assessment via KPI/KRI management

Roadmap

• Expose all HighBond data to other tools via Platform-wide-reporting
• Expose Robots data via ODBC
Workflow & Collaboration

Available Now

- Better user management via Group Permissions
- Better trust in emails via Custom Email Templates
- Whistleblower & Hotlines for compliance & controls management workflows

Roadmap

- Support more RCM use cases with large (100K+) table support
How do Clients use Robotics?
What are our federal agencies clients currently doing?

**Reactive Data Analytics**
- Audit readiness
- DATA act
- Fraud identification

**Proactive Data Analytics**
- Forecasting
- Workforce management
- “What if” drills

**Process Improvements**
- Aligning requirements with execution
- Aligning risk with execution

**Process Automation**
- Workforce efficiency
- Shifting time from low value to high value activities
USAF UoT Concept of Operations

Financial Statements
General and Working Capital Fund Logistics and Financials

DFAS
- Quantitative Drill Down
- Financial events correctly convert to Ledger balances
- Ledger balances correctly post to Financial Statement
- Interfaces reconcile to
- Ledger summary
- Financial Events
- 120 Months

Accounting Systems (Multiple)
- Tiers 3-4

Financial Reporting Systems
- Tiers 1-2

USAF/AFMC FM/FZ/A4
- Logistics Universe of Transactions
- Business events correctly converted to financial events
- Monthly balances reconcile to business events
- Interfaces reconcile to transaction details and monthly summaries
- 120 months

Tier 4: DFAS vs. AF case by case

Feeder Systems (Multiple)
- Tier 5+

IF DFAS Owned and Operated: DFAS (e.g., GAFS BQ)
IF AF owned and operated: AF (e.g., Stock Control)
Universe of Transactions
Concepts

Financial Statements
Logistics General Fund and AF Working Capital Fund

Quantitative Drill Down
- Trace from financial summary to detailed
  - Journal Vouchers
  - Interfaces
  - Transaction History

DoD has experimented with many approaches to this requirements set. Lesson learned is a “fit for purpose” solution that provides the underlying automation, controls, and documentation.
Galvanize Enables UoT

ACL Analytics & Exchange Client
- Reconciliation Scripting
- General Ledger Mappings
- Exception Identification
- Script Auditability

Data Landing Zone
- Raw Data Archive
- Quarterly Data for Analyst
- Auditor Drop Box
- Raw Data Auditability

Auditability
- Reconciliation Strategy
- Assessable Units Program Offices
- Financial Business Rules
- Remediation Management
- Interfaces
- Standard Operating Procedures
- DFAS & Partner Integration

Exception Manager Dashboard
- Remediation Monitoring
- Closed loop Exception Process
- Match Reporting
- Integrity Reporting

Analytics Exchange
- Reconciliation Automation
- High Performance Processing
- Reconciliation Process Auditability
- Reconciliation Data Auditability

Hanscom Mil Cloud Infrastructure & Tool Refinement

Tool Migration
- Release Production Class ACL Tools and Data Landing Zone in the most appropriate cloud environment

Desktop Reconciliation audit data verification, scripting, automation
Potential Maturity Phases: Reconciliation Tools

This chart demonstrates the level of maturity of different reconciliation tools. Both the tools used by DFAS and the commercial-focused 3rd party reconciliation tools are listed.

DFAS Current State
- SAS
- ACL Desktop
- Informatica
- Arbutus
- MS Access
- IDEA
- MS Excel
- DFAS Custom Tools (CCAS, ART, AFT, DRRT)
- ACL AX

Analytic/Repository Tools
- Auto-matching and auto-certification logic
- Automation and repeatability
- Direct connection to data sources
- Maturing standardization of report templates
- Manual issue tracking
- Supporting documentation stored within tool
- Integration with business processes

Integrated Solutions
- Chesapeake
- Trintech
- BlackLine
- Checkfree
- SmartStream
- Oversight Workbench (BAM)
- SAS Enterprise GRC
- ACL AX with GRC
- Archer eGRC

Key Activities
- Auto-workflow integrated into tool providing issue tracking
- Supporting Documentation stored within tool
- Evidence for JVs produced within tool
- Dashboards and other reporting functionality integrated.
The Galvanize solution at DFAS (Accounts Receivable):

- Reduction in resources required to complete the reconciliation from 16 to 1.
- Reduction in manual reconciliations being performed from 38 to 2.
- Process time reduced from 6-8 weeks to 2 weeks after month end reporting.
- FLARD-CAR report is consistently compiled and auditable.
- Extensive analysis and explanation of any variances.

Due to this, DFAS was able to provide the complete report to the Department of Navy in the month immediately following the reporting period, allowing more timely information for DoN financial management, analysis and decision-making.
ACL Analytics
Access Data from ERP, Cloud, Flat Files, or Legacy Systems
Key Government Benefits

Efficiently and conveniently access precise data sets directly from source data systems

Built in functions to profile data, assess completeness and accuracy, and assure population parameters

Ad hoc, scripted, packaged, scheduled, and automated modes are all fully supported

ACL maintains an activity log that serves as evidence capture, but can also be use to generate automated scripts
Key Robotic Process Automation Benefits

Run analytic chains on a schedule aligned with resource availability and risk dependencies

Direct analytic activities based on business rules

Access environment through Web client, Packaged Applications, and Lightweight Excel Plug-In

Integrated support to specialty external systems
What can you do to stay ahead?

How can you be *sought after*?

How can you automate the *repetitive* to focus on the *strategic*?
ARE YOU SURE THE DATA YOU GAVE ME IS CORRECT?

I'VE BEEN GIVING YOU INCORRECT DATA FOR YEARS. THIS IS THE FIRST TIME YOU'VE ASKED.
Data Driven Governments

- **Ideate**: High value ideas are moved forward for fleshing out into standalone concepts.
- **Develop Concept**: If fail to be a viable concept, go back to ideate or abandon. Concept is material and a test can be defined for experiment.
- **Experiment**: Go back to ideate if experiment fails to prove a tangible business case. Rigorous feasibility test before moving to scale.
- **Scale**: Prepare operating environments, conduct training and rollout, and apply performance metrics.
Data Driven Governments

ask the specialists

[Image of a robot and a chart]
Executive Dashboards

Articulate audit value with executive dashboards that visualize the impact of audit results.

Easily surface cases of Fraud, Waste and Abuse.
Illuminate Opportunity with Integrated Analytics and KCI metrics

ACL Storyboards bring the results of monitoring your data to light by combining the power of interactive data visualization, narration and annotation. Easily build data stories that put assessments in the context of organizational strategy & performance objectives.
Untimely responses to consumer complaints down

Untimely responses to consumer complaints are trending downwards in January 2019 to 2019, with a high of 391 in August 2018.

Because these are untimely responses, February’s numbers will not be reflective of actuals by the end of March 2019.
Results = Clarity = Better decision making.

Clear, quantified understanding of risks that matter.

Automated, real-time measurement of performance and metrics.

Direct impact to what matters.

YTD April, we are $32.5M below Plan on below target performance, delivering 42% new revenue growth globally, led by NA and LAC at >60% each. $221M of our annual target ($695.1M) is due in Q4 and based on weighted pipeline (partial channel reporting), we have a $26.7M gap to close to hit Plan by fiscal YE.

Our risk will shrink as prospects mature and New Pipeline is created (we average >$247.5M in new pipeline creation).
We are in the fourth industrial revolution, driven by AI, Robotics, and IoT.

Those who don’t adapt will become irrelevant.

The challenges of cybersecurity, regulatory change, and strategic risk are converging.

Siloed lines of defense aren’t going to work any more.

HighBond powered by ACL Robotics is the only platform that will allow you to automate the repetitive so that you can focus on the strategic across all three lines of defense.

Become a sought after trusted advisor to your organization.
Consider Amazon’s recommendation engine...

How do you account for AI assets on your balance sheet?
Cognitive Assets can be used for good or evil...

It’s our job to ensure that our AIs have morals. Are your organization’s AI assets in your audit universe?
TO CHANGE AND CHANGE FOR THE BETTER ARE TWO DIFFERENT THINGS
Thank you.

Questions?