

# Metastorm Reference Model for Finance & Audit



In the wake of the corporate accounting scandals of the last decade, compliance has secured a place at the forefront of every publicly-traded company's financial and IT initiatives.

So to answer the demand for a more effective way to document financial processes and internal controls, Metastorm offers the Metastorm Finance & Audit Reference Model.

## A Process-Driven Path to Compliance

Using the Metastorm Finance & Audit Reference Model, you can significantly reduce the time and expense to document financial processes and controls, while improving the overall quality and accessibility of documentation for future maintenance and audits. Metastorm collaborated with audit and financial reporting experts to develop this reference model, which includes a series of pre-built, best practice financial process and control models housed within the Metastorm ProVision® enterprise modeling solution.

The Metastorm Finance & Audit Reference Model is comprised of a framework of financial operating and reporting process models for process documentation and improvement initiatives, which as a result accelerate the development of required process documentation efforts. Our reference model covers 14 key financial processes:

- Purchasing
- Accounts Payable
- Cash Disbursements
- Inventory
- Sales
- Accounts Receivable
- Cash Receipts
- Property, Plant and Equipment
- Payroll
- Cash and Investments
- Long-term Liabilities
- Stockholders' Equity
- General Ledger
- Financial Reporting

This reference model serves as the basis for analyzing and documenting current processes, and includes applicable internal audit controls into an organization's financial processes. A pre-built framework of audit controls (based on the GAAP and COSO) facilitates the complete implementation of all audit controls and procedures for the above listed transactions, as well.

## Highlights

### Benefits

- Provides a fast-start rollout using a structured, process-driven approach to compliance
- Delivers long-term return on investment
- Supports organizations in every phase of Sarbanes-Oxley compliance
- Accelerates the development of required process documentation efforts
- Reduces the time and expense to document financial processes and controls
- Improves the overall quality and accessibility of documentation for future audits
- Uses a framework of financial operating and reporting process models for process documentation and improvement initiatives

As an integral component of this solution, Metastorm's Sarbanes-Oxley implementation support delivers an evaluation of existing financial process documentation. This determines the level of support the documentation will lend to compliance efforts. It also allows for the creation of an implementation action plan that will accelerate analysis and evaluation of as-is and to-be environments to assist in defining the implementation plan for compliance. The plan addresses roles and responsibilities, primary/secondary deliverables, and the necessary steps for compliance.

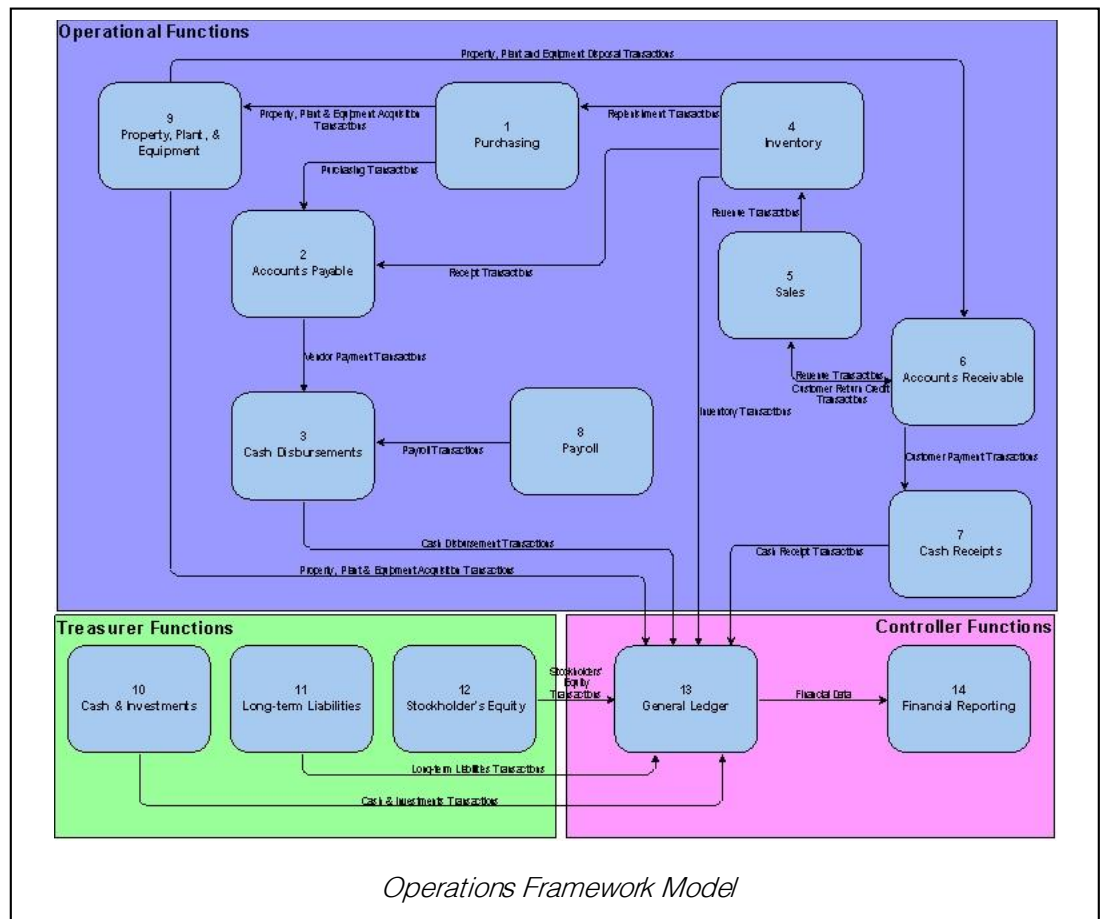
The Metastorm Finance & Audit Reference Model provides a structure for compliance by building a series of visual models that represent views of the enterprise from a variety of vantage points such as:

- Organizational objectives, risks, internal controls, internal and external audit procedures – all aspects of setting a compliance framework
- Organizational components, such as divisions, departments and job roles
- Grids showing the relationship of objectives to risks and financial transactions to internal controls
- Models of financial processes and their associated controls
- Models depicting the interactions among the systems and the financial processes
- Models of the internal and external audit procedures
- Models of the financial reporting processes for generating control reports

Some of the key models within the Metastorm Finance & Audit Reference Model include:

*Financial Operations Framework* — The objective of the Operations dimension of the COSO Integrated Framework is to ensure the effectiveness and efficiency of your organization's financial processes. This involves the identification of the financial processes, their high-level interactions, and the operational organizations internal and external to the enterprise.

*Operational Framework Model (Communication Model)* — This model represents the core financial processes that are included in the solution, as well as, the communications (i.e. transactions) that occur between the processes. Each financial process is further detailed with one or more workflow models, describing how work is accomplished and who is responsible.



*Organization Model*— The Organizational Model is a functional representation of the organizations and roles that interact to perform, or be served by, a particular set of business processes. The internal organizations, which interact within the financial compliance framework, include finance operations, business operations, information technology and internal auditors.

*Process Model*— A Process Model is a hierarchical model that structures business processes and their component activities. It is kept consistent with the corresponding Workflow Model, but can show all levels of a business process. This hierarchy places the business process for Payroll at the highest level in the model.

*Workflow Model*— A Workflow Model provides the most effective method for visualizing a business process with a picture of how work is accomplished and who is responsible. To fully understand a business process the Workflow Model portrays the who, what, when, how, how much and how long aspects of the process.

*Risk Model*— As you search through existing or “as is” models to identify where risks of achieving Sarbanes-Oxley compliance can occur, a Risk Model is of great help. It structures the primary risks identified in processing financial transactions and is an effective interactive analysis tool for structuring the risk investigation exercise. Its high-level, broad categories keep your investigating team from concentrating on a single problem area.

*Control Model*— Understanding your internal audit controls and the application of those controls to your financial operating and reporting processes is the heart of the Sarbanes-Oxley Act. This model provides the organization with a system of integrated elements, including people, structure, processes and procedures — acting together to provide reasonable assurance that an organization addresses the risks that are inherent in their financial processes.

The Metastorm Finance & Audit Reference Model provides a fast-start rollout using a structured, process-driven approach to compliance while delivering a long-term return on investment. This solution’s flexibility makes it ideal for organizations in every phase of Sarbanes-Oxley compliance. If you need further guidance, Metastorm’s Professional Services Team offers the necessary experience, tools and techniques to successfully employ the reference model in your compliance initiatives.

Other reference models in Metastorm’s portfolio include those for supply chain (SCOR), customer chain (CCOR), design chain (DCOR), value chain (VRM), Information Technology Infrastructure Management (ITIM, based on ITIL®), and the telecom industry (base on eTOM®). Metastorm built the reference models to be integrated within a common taxonomy, so they can be tied together to provide a comprehensive organizational view.

All of these various reference models serve as starting points for process initiatives. They empower you to easily evaluate your processes and systems, and then intelligently establish your priorities. All the reference models are stored within the shareable repository in Metastorm ProVision, which provides the framework necessary to define and analyze specific requirements and models.

For more information on how Metastorm solutions can help you, contact us at 1 877-321-META or [sales@metastorm.com](mailto:sales@metastorm.com).

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