BARNOWL

Compliance enabler for the International Professional Practice Framework (IPPF)

1.   Introduction

BarnOwl is a leader in Governance, Risk Management and Compliance software. The integrated approach and highly customisable features make it unique in the GRC space. The compliance enablement features are presented in the table below.

Table 1:   BarnOwl Compliance with IFFP Requirements

Requirement	BarnOwl Compliance Enablement Feature
IPPF – 1 January 2009	
CODE OF ETHICS	
Compliance to Code of Ethics	Surveys can be drafted to assess compliance by means of: ▪ Self-Assessment (All staff - self) ▪ Peer Assessment (All staff – same level staff) ▪ Management Assessment (Junior Staff – Levels above)
ATTRIBUTE STANDARDS	
1100 and 1120 - Requirement for independence and objectivity	An independence and objectivity assessment form or declaration form template can be built into the project types for completion during the planning stages of each internal audit review. History of staff involvement in operations can be captured and monitored to assist in ensuring that compliance to these requirements is achieved.
1210 – Requirement for Proficiency	▪ Recording of qualifications per staff member ▪ Recording of training courses attended per staff member
1220 – Requirement for due professional care	Engagement objectives are captured as part of internal audit projects. Key risk indicator functionality enables comparison of complexity, materiality and significance of potential audit targets to ensure that appropriate assurance is obtained. Key risk indicators also aids in assessment of the probability of significant errors, fraud and non-compliance. Governance, Risk Management and Control processes are captured in BarnOwl and with the functionality to assess both the adequacy and effectiveness thereof. Risks (which are rated in terms of impact and likelihood) enable prioritisation to ensure that the most significant risks are covered. Audit procedures (and routines) and results for data-analysis can be captured against relative controls.
1230 – Requirement for Continuing Professional Development	Recording of CPE hours per staff member
1310 – Requirements for Quality Assurance and Improvement Programme 1311 – Requirements for Internal Assessments 1312 – Requirements for External Assessments	Surveys can be drafted and sent out for purposes of evaluating the Internal Audit Activity. Quality checklists can be built in and completed upon completion of each internal audit project. A Microsoft Word document project file can be generated for each project, enabling easy review by an external reviewer that does not have access to BarnOwl.
PERFORMANCE STANDARDS	
2010 – Requirements for establishment of Risk-based plans	Risk appetite, which should be used by CAE to draft risk-based plans, is documented in the Enterprise Risk Management Module of BarnOwl.
2010.A1 – Planning requirements for assurance engagements	The annual risk assessment results are available within the BarnOwl application and can therefore easily be used by the CAE as a basis for the Internal Audit Activity's Plan of Engagements.

Requirement	BarnOwl Compliance Enablement Feature
2030 – Requirements for effective Resource Management	BarnOwl Internal Audit enables the planning and allocation of resources per project. Qualifications and Experience can be captured on the Staff Database for easy referral when planning. Actual hours versus budgeted hours can be monitored to improve efficiency and effectiveness of planning going forward.
2050 – Requirements for Coordination with other assurance providers	BarnOwl permits assurance providers to be captured per risk, so that coverage can be assessed, monitored and optimised.
2060 – Requirements for reporting to Senior Management and the Board	BarnOwl offers a wide range of Enterprise Risk Management and Internal Audit reports which can be tailored according to the requirements of senior management and the board. Significant risk exposures are easily determined as results of internal audit reviews are updated in the Enterprise Risk Management module, providing a continuous, up-to-date assessment of the extent to which risks are mitigated across the organisation.
2100 – Requirements for Nature of Work	BarnOwl forces the implementation of a systematic and disciplined approach for the evaluation of governance, risk management and control processes by means of formally sequenced steps that have to be signed off electronically.
2110 – Requirements for the assessment and improvement of the Governance process	BarnOwl Surveys can be used to draft Ethics Assessment Surveys which could be distributed for completion to regularly assess and report on the Ethical Climate of the Organisation. Performance management and accountability can be driven in BarnOwl by means of allocating Key Performance Objectives and Risks to particular individuals for monitoring purposes. Risks and controls are captured and linked to appropriate areas of the organisation thereby assisting in the monitoring and communication of risk and control information per area. BarnOwl Compliance Checklists can also be used to determine if key legislation and standards (such as King III) are being complied with.
2120 – Requirements for Risk Management	A risk management process review can be designed as a specific project type within the BarnOwl Internal Audit Module, which can be used to routinely audit the risk management process of the organisation. BarnOwl provides the vehicle for the identification and assessment of risks, to identify significant risk exposure relating to the organisation's governance, operations and information systems, specifically: - Reliability and integrity of financial and operational information - Effectiveness and efficiency of operations - Safeguarding of assets - Compliance with laws, regulations and contracts BarnOwl also permits the immediate initiation of corrective procedures where an unfavourable risk exposure exists. Fraud as a risk can be captured with multiple contributing factors, (with detailed controls for each) thereby ensuring that fraud risk is not only managed on a high-level basis but also on a root-level basis, providing a more comprehensive management structure for fraud risk as a whole. According to the engagement objectives identified for the audit / review, risks are linked to the review to ensure adequate coverage of risks relevant to the engagement objectives.
2130 – Requirements for Internal Control	BarnOwl permits the assessment of both the Control Adequacy (design of controls in relation to the risk identified) and Control Effectiveness (compliance to the control within specified time period) as required by the IIA Standards (2130.A1)

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	BarnOwl Internal Audit (IA) module can also provide a percentage compliance indicator per each control tested in a sample testing scenario.
	The links built into the BarnOwl application enable the assessment of controls in terms of risks mitigated. As risks are linked to the objectives of the organisation, management effectively has a measure of the extent to which organisational goals and objectives are being achieved.
2200 – Requirements for Engagement Planning	BarnOwl Internal Audit module includes the functionality for capturing of audit plans which allows for the capturing of resources, timing and planned audit hours.
2201 – Requirements for Planning Considerations	BarnOwl allows for the capturing and storage of information regarding planning considerations for the review, including: ▪ Objectives ▪ Scope ▪ Responsibilities ▪ Expectations ▪ Restriction on distribution of results ▪ Access to engagement records This information is entered upon initiation of each internal audit review.
2210 – Requirements for Engagement Objectives	As the Enterprise Risk Management and Internal Audit Modules are integrated, risks related to the Engagement Objectives can be linked to the review my means of a simple checkbox feature.
	BarnOwl allows for Management / Business Objectives (criteria) to be captured against each unit. If this has been populated for the proposed audit area, it can easily be used as part of the control evaluation procedures.
	An engagement scope letter can be utilised for each review. This is signed off by the client as evidence of agreement to the engagement objectives.
2220 – Requirements for Engagement Scope	The scope and objectives of each internal audit review are captured as part of the internal audit project initiation.
	This is also documented in the engagement Scope letter for sign off by the client.
2230 – Requirements for Engagement Resource Allocation	BarnOwl Internal Audit enables the planning and allocation of resources per project.
	Unavailable time (leave, training, etc) can also be captured against the staff member to ensure that this is taken into consideration when planning resources for a project.
	Qualifications and Experience can be captured on the Staff Database for easy referral when planning.
2240 – Requirements for Engagement Work Programme	An engagement work programme can be completed as a document which forms part of the project execution. This is a document with sign-off requirements.
	Alternatively, detailed engagement procedures can be captured against each control and a report can be generated of all relevant control procedures for review and approval prior to implementation.
2300 – Requirements for Performing the Engagement	BarnOwl enables the assimilation of all relevant information and documentation in the achievement of engagement objectives
2320 – Requirements for Analysis and Evaluation	Supporting documentation can be saved (attached) at the audit control conclusions thereby facilitating the appropriate audit trail of conclusions reached.
	Independent review and sign-off is built into the BarnOwl Internal Audit application, and this allows for review notes to be raised if documentation is not sufficient to support the evaluation results.
2340 – Requirements for Engagement Supervision	Engagement supervision can be set as mandatory in BarnOwl, forcing each document and working paper to be signed-off by an independent reviewer.

Requirement	BarnOwl Compliance Enablement Feature
	BarnOwl provides an audit trail of supervision which can be documented for each review, which effectively meets the requirement that appropriate evidence of supervision is documented and retained.
2400 – Requirements for Communicating Results	Internal Audit Reports can be customised to the requirements of the Internal Audit Activity, and also for the needs of the client.
	Reports can include the criteria as specified in Section 2410, such as:
	▪ Internal Auditor's overall opinion / and or conclusion
	▪ Inclusion of areas where performance is Satisfactory / Good
	▪ Limitations on distribution where relevant
2500 – Requirements for Monitoring Progress	Management Actions are captured on BarnOwl and the status is monitored in an automated manner by email notifications and emailed progress updates.
	A report or register of action plans can be drawn from the system at any stage. This can be filtered in a number of ways, and enables easy assimilation of information for follow-up reviews.
2600 – Requirements for Senior Management's Acceptance of Risk	At audit level - Instances where findings have been raised and a risk has been accepted by management are easily identified for reporting to the Audit Committee.
	On an organisational level – Audit assessments of control adequacy may differ from Management assessments drastically if there is a difference in opinion regarding the level of risk that is acceptable. These results are reported to Management via the audit alignment process.