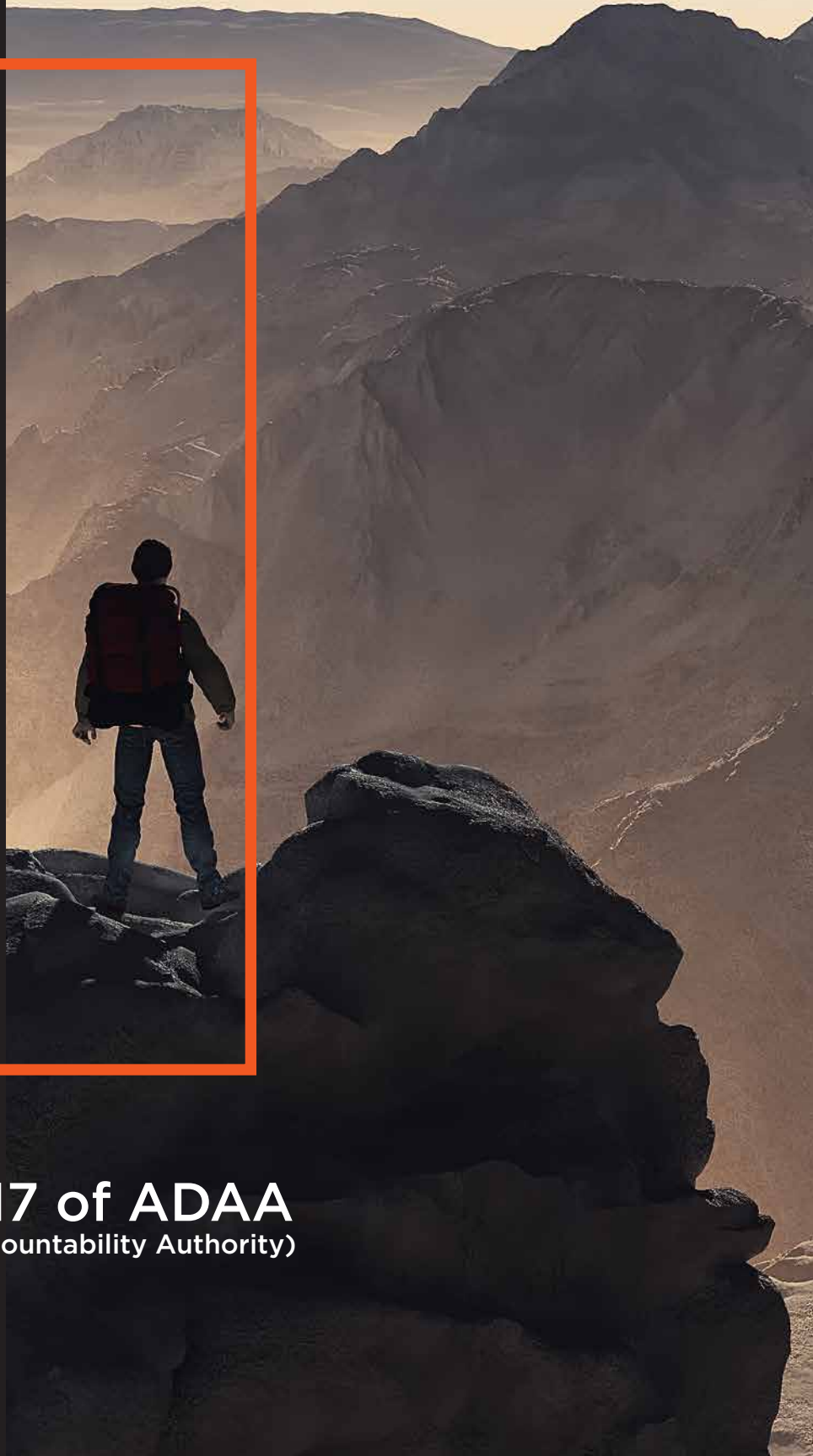




HYPHEN
—CONSULTANCY—
perspective that matters



**TAKING
GOVERNANCE
TO THE
NEXT LEVEL**



Resolution No.1 2017 of ADAA
(Abu Dhabi Accountability Authority)

Resolution No.1 2017 of ADAA Internal Control Implementation

”

WHAT THE RESOLUTION IS ALL ABOUT

Accurate financial reporting not only serves as a baseline to assess any entity's performance, but also is pivotal for planning the future. The significance enhances many folds when it comes to utilization of public finances and reporting the results of the same.

With this background the ADDA Resolution No.1 of 2017 requires the statutory auditor to test the **effectiveness of internal controls over financial reporting** and issue an opinion on its findings.

In addition to that it also requires the statutory auditor to verify an entity's compliance with Law Number (1) of 2017 concerning the financial system of the Government of Abu Dhabi and Department of Finance instructions as well as the law of establishment of the entity.

Based on our experience we are pleased to share here some of the insights which can help entities realize the true potential of this exercise



WHAT ENTITIES NEED TO DO

Establish Project Steering Committee

Map Business Processes & Sub Processes with Financial Statements

Identify and finalize Process Owners

Brief the organization's key stakeholders on the project & its significance

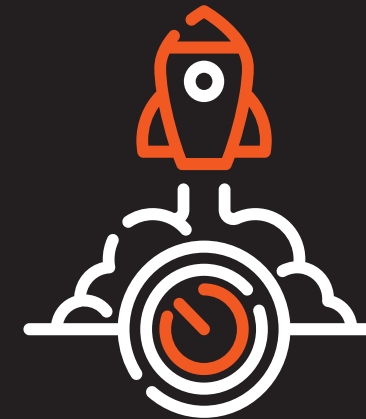
Establish & communicate detailed project time lines



Recommend additional control elements to bridge the design gap

Communicate & agree with the stakeholders

Present control gaps along with recommendations/action steps to Project Steering Committee



Develop testing procedures to assess the operational effectiveness of controls

Identify independent testers

Review the result

Take corrective action where required

PLAN

ASSESS AS IS

BRIDGE THE GAP

IMPLEMENT

TEST



Understand/document current business processes

Map underlying Objective, Risks & existing controls

Document existing controls and assign Control Ownership

Identify and communicate the control gaps



Establish detailed action steps and responsibilities for bridging the design gap

Monitor performance

Assess the effectiveness of implementation



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TRAP YOU MAY FALL INTO

1



Higher the number of controls; the better it is

2



Placing too much emphasis on the evidence of control being performed.

3



Using regulatory requirements as a lever for internal marketing and buy-in

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CHALLENGES & HURDLES

1 

Inculcating the right mindset across the organization i.e. “it is not just for compliance”

2 

Creating strong linkages between objectives, risks and controls

3 

Bringing controls automation within the project time frame

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**VALUE
GENERATING
OPPORTUNITIES**



1



Getting rid of redundant tasks by linking activities to the “Objectives” & “Risks”

2



Development of balanced business processes by giving due consideration to “Operations” objectives in tandem with “Reporting”

3



Bringing efficiency in current processes through more preventive and automated controls

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HYPHEN

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perspective that matters

We exist for creating better working lives through well governed organizations. Openness, Honesty and Balance are the values that provide the foundation to realize our vision. They are what drives us to achieve excellence for our clients, and improve the lives of people

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