

Risk Advisory SERVICES

A holistic approach to
implementing effective
governance, managing risk
and maintaining compliance





Contents

Weaver's Risk Advisory Services	1
Enterprise Risk Management	4
Assessing Risk	6
Internal Audit	8
Maintaining Compliance	10
Improving Performance	16





What
Our
Client
Says

“We are highly dependent on Weaver to assist with compliance, and the firm is without a doubt the best in this space. It’s been a delight working with the many professionals I have over the past few years.”



Weaver's Risk Advisory Services

Business growth is fueled by risk. The most successful organizations are those that balance risk, operational needs and strategic goals.

Weaver provides a wide range of services designed to help organizations understand their unique threshold for risk and manage risk exposure across the enterprise accordingly.

From governance and compliance to risk management and performance improvement, Weaver helps organizations of all sizes anticipate and respond to risks associated with a variety of internal and external events, including organic growth, mergers, acquisitions, regulatory changes, technological advances, competitive pressures and marketplace shifts.

Our services include:





Why Weaver? The Benefits to You

Weaver's advisory services are designed to help build and sustain the foundation needed to support the growth and development of a strategically focused, risk-aware, compliant and operationally effective organization.

▶ **Strategic Focus**

We help companies ensure that policies and procedures, risk management efforts and performance metrics are linked to broader operational and business strategies.

▶ **Risk Awareness**

Risk doesn't exist in a vacuum. Weaver's experienced professionals provide the vital context needed to increase visibility across the organization and more fully understand potential operational and business impacts of identified risks.

▶ **Governance and Compliance**

Weaver helps organizations establish foundational governance components needed to achieve compliance with various regulations, including the Sarbanes-Oxley Act, and also provides the review and audit services needed to ensure ongoing compliance over time.

▶ **Operational Effectiveness**

By improving the framework and tools used to perform critical governance and risk management functions consistently, Weaver helps organizations decrease operational redundancy and improve overall performance.

“I enjoy working with Weaver. Their team members are courteous and professional. They meet deadlines and keep us informed. I would refer Weaver to other organizations.”

What
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Client
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Strengthening Governance

At a high level, governance consists of the overarching, top-down processes that professionals use to coordinate and monitor an organization's actions, ethics, accountability and management controls. An effective governance process integrates the following key foundational elements into a cohesive process:

- ▶ Definition and communication of corporate control
- ▶ Key policies
- ▶ Enterprise risk management
- ▶ Regulatory compliance management and oversight
- ▶ Evaluation of business performance, including risk scorecards and operational dashboards

Board/Senior Management

“Tone at the Top”

Strategy

Goals &
Objectives

Policies &
Procedures

Risk Appetites
& Thresholds

Business

The board of directors and senior management establish the tone at the top regarding the importance of internal control, including establishing the expected standard of conduct. Management then reinforces expectations at various levels of the organization.





CASE STUDY:

Enterprise Risk Management

Our client, a major public service organization, received feedback from the external auditors and the board of directors that an enterprise risk assessment should be performed and a risk management function established. The organization did not have a methodology for conducting and executing the enterprise risk assessment. Also, they were seeking guidance on how to establish an internal ERM function.

How Weaver Assisted

Weaver provided a methodology and facilitated the execution of an enterprise risk assessment methodology that allowed the organization to:

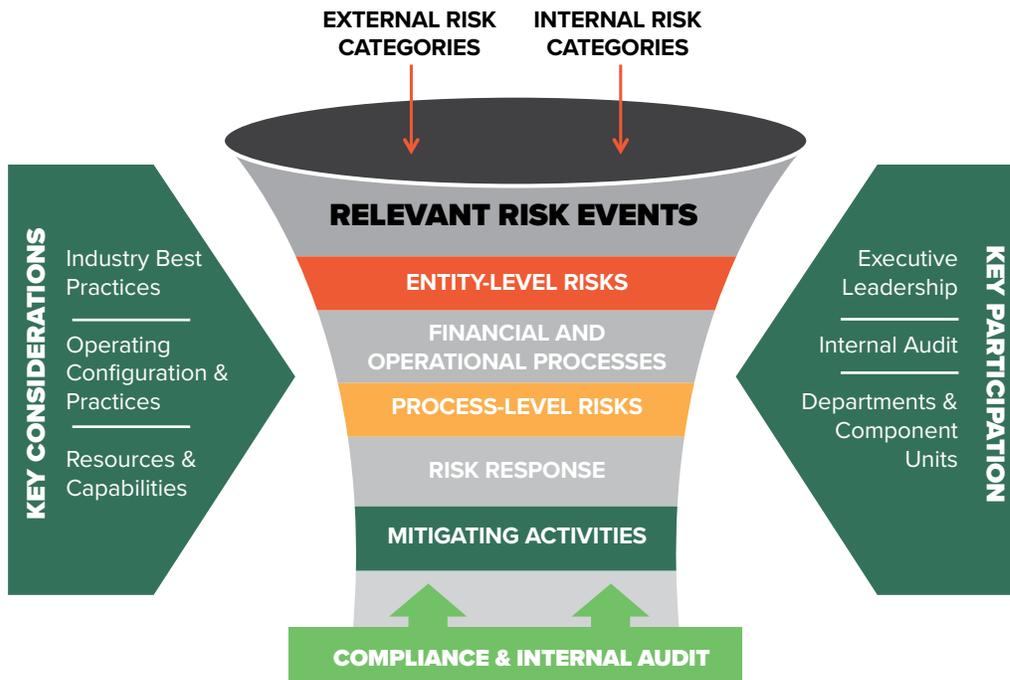
- ▶ Identify and assess the significance of critical risk events that may impact or impede the organization's ability to achieve strategic objectives
- ▶ Assess the significance of critical risk categories and events related to executing daily processes and functions across the entire entity
- ▶ Identify specific fraud scenarios within process areas having a high inherent risk to fraud
- ▶ Identify risks to the security, availability, integrity and reliability of IT systems used across all functions of the organization

Benefits to Our Client

At the conclusion of the enterprise risk assessment, Weaver provided templates to build a risk response plan and recommendations to develop the ERM function internally. Overall, the engagement provided a significant increase in the awareness of risk across leaders, managers and supervisors in all functions and departments. A risk appetite framework was established that provided guidance and boundaries to the decision-making process at all levels of management across the organization.

Enterprise Risk Management

As with broader governance efforts, Weaver approaches enterprise risk management (ERM) from the top down, with a focus on maturing the ERM posture over time. Addressing critical systems, technology, architecture and processes at the entity and process levels, we work to develop a true enterprise-wide view of risk.



Throughout the ERM lifecycle, our team focuses on efficiency, working to achieve multiple initiatives through a single effort to help reduce overall costs. Our approach and reporting tools are designed to enable executive management to better understand progress toward specific strategic goals, gain insight regarding key risk indicators and key performance indicators, and benchmark internal performance against industry standards.

What
Our
Client
Says

“Every owner needs a comfort zone with any professional service. Weaver gives you that and more.”

Assessing Risk

Risk assessments provide a macro-level view of both internal and external risk factors. They serve as the first step in developing a risk profile — the foundation for developing additional components of a broader risk management program.

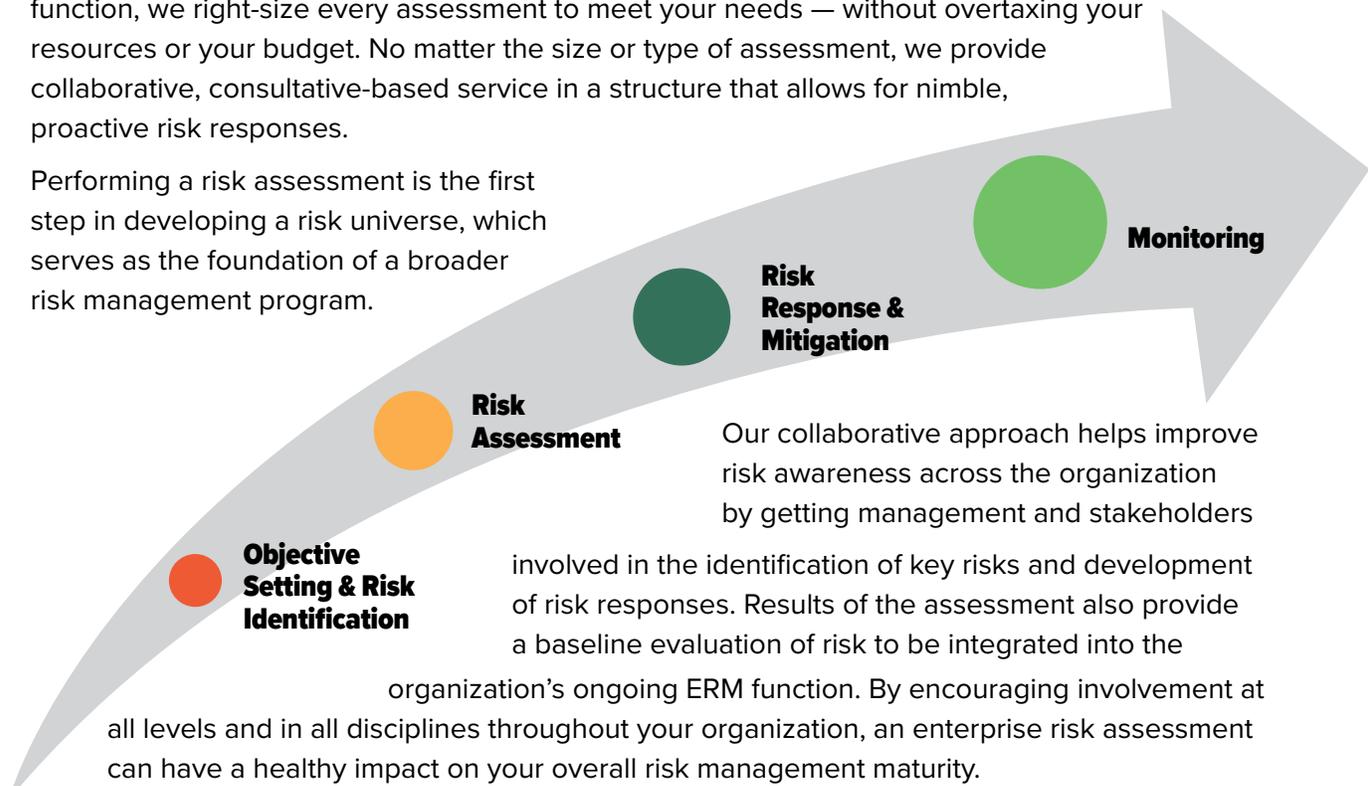
Common types of risk assessments can include:

- Enterprise
- Entity-level
- Process-level
- Operational
- Information technology
- Information security

A risk assessment sheds light on vulnerabilities that are oftentimes hidden, enabling your organization to create processes, controls and procedures to mitigate those risks. Risk assessments often serve as the basis internal audit programs and procedures; they can also be leveraged to help meet compliance and strategic business planning objectives.

Whether performing an enterprise-wide or a narrowly focused risk assessment over a specific function, we right-size every assessment to meet your needs — without overtaxing your resources or your budget. No matter the size or type of assessment, we provide collaborative, consultative-based service in a structure that allows for nimble, proactive risk responses.

Performing a risk assessment is the first step in developing a risk universe, which serves as the foundation of a broader risk management program.



Enterprise Risk Assessment | Organizations face a multitude of exposures that create more than one type of risk. There can be business risk, financial reporting risk, compliance risk, information risk and more. All of these risks, collectively, can impact operations across the entire enterprise.

Weaver's enterprise risk assessment reveals invaluable information across the organization through a risk universe, risk maps and a risk assessment report. Together, these tools help management see all risks affecting the organization and its major systems. An enterprise risk assessment is an excellent baseline for your organization's broader ERM practices.

CASE STUDY:

Risk Assessment

Weaver has provided ongoing enterprise risk management consulting to a leading independent natural gas company operating in the U.S. for more than 12 years, iteratively maturing the risk management function over time. Most recently, Weaver assisted with initiating an enterprise risk management project beginning with an entity-level risk assessment.

How Weaver Assisted

Through an entity-level risk assessment, the Weaver team identified inherent risks from internal and external influences related to achievement of strategic objectives. We determined their significance to the client through facilitated brainstorming with members of senior management to develop an inventory of risk categories, events and attributes. An assessment of risk was conducted through surveys distributed to members of management across all divisions and departments.

Significant risk categories, events and attributes were used to inform a process-level risk assessment, which was initiated through facilitated discussions using a process-identification exercise and assessment of risk

From the process-level risk assessment, we created a recommended two-year internal audit plan for senior leadership approval. The assessment of entity-level risks resulted in a risk response plan that identified mitigating activities performed within processes. The company will have a qualitative assessment of residual risk based on mitigating activities and ongoing internal audit activities.

Benefits to Our Client

At the conclusion of the enterprise risk assessment, Weaver provided templates to build a risk response plan and recommendations to develop the enterprise risk management function internally. The project has since fundamentally changed the way senior management and the board of directors consider risk-related information and incorporate it into their decision-making process.





Internal Audit In Action

Weaver has provided outsourced internal audit services for a publicly held U.S. independent natural gas, NGL and oil producer for more than 10 years. We have responsibility for internal audit, internal control, IT audit and investigations as directed by the audit committee.

Over the course of a decade, our team has worked with management and the board of directors to establish an internal audit function, perform risk assessments, establish the internal audit plan, perform all internal audit activity and perform compliance monitoring for SOX.

A primary benefit of both the SOX compliance and internal audit engagements is that we identified and prioritized the key performance indicators that drive the business. As a result, we identified, documented and evaluated the manual and automated controls in place for the various processes or financial statement line items under review, such as derivatives, revenue and expense accruals and cash management activities, which has dramatically increased efficiencies reduced redundancies company-wide.

What
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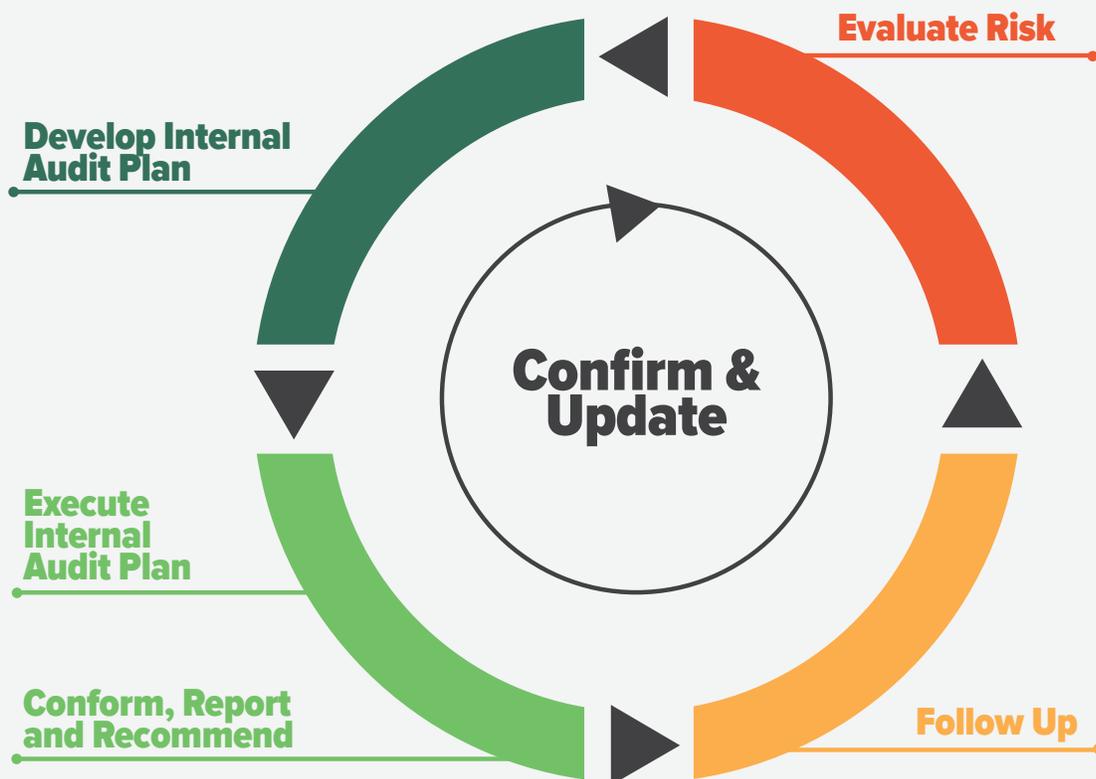
“The entire Weaver team provided us a high level of service throughout the internal audit engagement.”

Internal Audit

Internal audit is a critical component of risk management. Used effectively, internal audit can help organizations better understand risks that may be obstacles to achieving business objectives, and it can improve the effectiveness of the controls in place to mitigate those risks. An effective internal audit function also provides assurance to management, the audit committee and the board of directors that the organization's controls provide reasonable assurance around the following:

- ▶ Adequacy of plans, policies and procedures
- ▶ Effectiveness of design of internal controls and operations
- ▶ Effectiveness and efficiency of operations
- ▶ Reliability of financial and operational reporting
- ▶ Compliance with applicable laws and regulations
- ▶ Company assets, ensuring they are accounted for and safeguarded from loss

The Internal Audit Cycle



By embedding controls into critical business processes and functions while remaining responsive to risks, internal audit can support long-term cost reduction and strategic objectives, benefiting all parts of the organization over the long run.

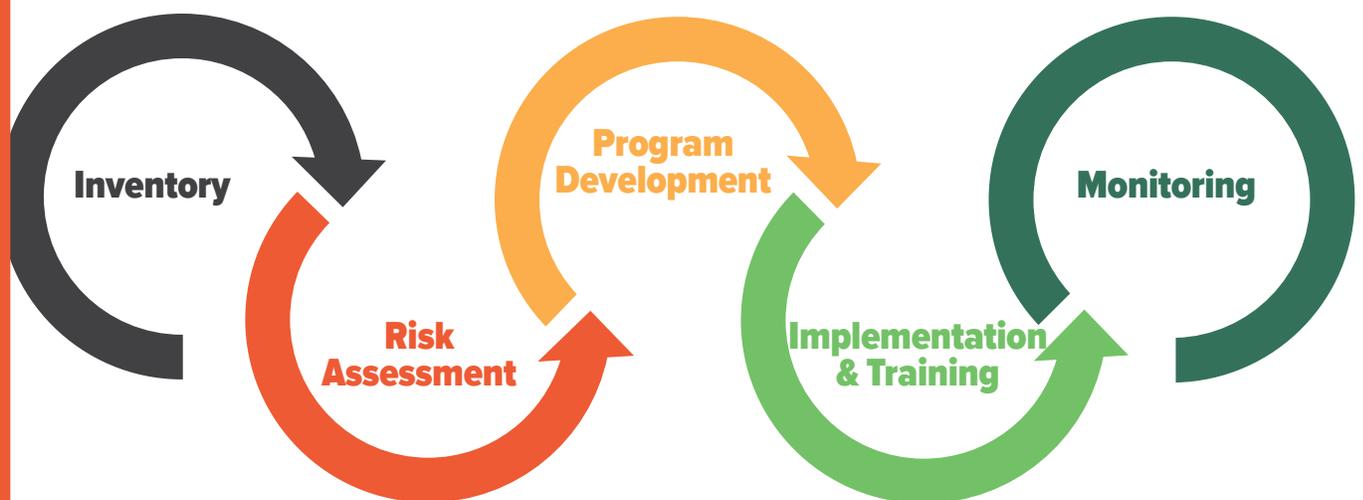
Maintaining Compliance

Many organizations view compliance as a regulatory necessity rather than a potential value-adding activity. But those with a strong compliance program know it can yield a variety of operational and business benefits, including increased efficiency and improved performance.

By helping to instill greater client confidence and yield better client outcomes, a mature compliance environment can also ultimately serve as a competitive differentiator.

An effective compliance program reveals negative trends that can lead to issues in the long run. As the program matures, controls and accountability are embedded throughout the organization to help ensure the program is scalable and can accommodate growth and operational changes over time.

Weaver's approach to compliance program development balances the need for compliance with operational demands and strategic goals in order to increase program effectiveness and value.



We start by performing an inventory of compliance requirements, which enables you to view compliance holistically so any overlapping requirements will become clear. We then help you prioritize your efforts based on the greatest compliance risks, so you can maximize the impact of your compliance investment and resources as you work to develop and implement your program. Once the program is in place, we work with you to develop monitoring processes and tools that will allow you to maintain and evolve your program over time.

Regulatory Compliance Audit Services

Regulatory compliance audits are an essential component of an effective compliance management program, allowing you to objectively evaluate the compliance of the organization with laws, regulations and the associated policies and procedures. In tailoring our service approach, Weaver's experienced consultants work to provide a risk-based compliance audit plan consistent with the company's size, complexity and risk profile.

Our approach to regulatory compliance audit services includes:



We address areas of concern through recommendations tailored specifically to your operating environment based on industry best practices. Once an appropriate remediation plan is developed, we will provide feedback and assistance, if desired.

In addition to strengthening existing compliance programs, an independent regulatory compliance audit helps you avoid costly non-compliance penalties.





External Auditors Rely on Weaver

We have extensive experience working with Big 4 and other national firms that perform the external financial statement audits for our clients. The external auditor is one of several key stakeholders of the work we perform on a SOX engagement because they rely heavily on Weaver's work to reduce procedures and build efficiencies throughout the audit process.

This level of coordination benefits the client and is a clear differentiator for Weaver.

Because the auditors we work with have a high level of confidence in Weaver, they will come to our team as a resource during the audit, which reduces the impact of an audit of internal controls on the client. And, because we are already familiar with many firms' methodologies and requirements, we come to the engagement more informed, which saves time and money.

What
Our
Client
Says

“I continue to be impressed with the quality of personnel assigned to my projects and the proactive approach taken by the entire Weaver team.”

Sarbanes-Oxley 404 Compliance Services

Establishing an effective internal control environment and maintaining Sarbanes-Oxley (SOX) compliance is an ongoing, evolving challenge. Whether your business is facing year one of SOX compliance or working on year two and beyond, Weaver works with you to fine-tune and nurture SOX compliance throughout the year, so you can effectively manage the ongoing scope and avoid potential unforeseen difficulties.



We focus on remediation, sustainability and scalability to develop a maintainable SOX process, rather than one that must be recreated from year to year. To keep your SOX universe spinning, you should identify remediation needs, promote continuous improvement and ensure the same weaknesses do not continually present difficulties.

For some smaller organizations, conducting all SOX-related activities in-house may not be affordable or practical. Weaver works with these organizations to provide outsourced SOX compliance services, including developing a compliance plan, assessing related risks, devising controls and/or maintaining documentation to attain efficiency and optimize internal resources.

Compliance Services for a Fortune 500 Company

For almost four years, a large Fortune 500 refining company has relied on Weaver's compliance professionals for ongoing thought leadership and subject-matter advice with regard to the company-wide strategic compliance program management. As a part of this role, we perform specific services upon request to address compliance gaps or issues for the internal compliance department; we also provide design and management services for the company's annual Compliance Week event.

How Weaver Assists

Our ongoing compliance consulting includes:

- ▶ Strategic analysis of the company's governance documentation structure against best practices to identify structure and/or policy gaps
- ▶ Annual Compliance Week curriculum and material development
- ▶ Compliance risk assessment to identify the compliance risk universe and determine high-risk areas
- ▶ Business impact analysis, including determination of risk/impact associated with application failure with regard to compliance requirements
- ▶ Strategic analysis of the company's information management procedures across the entity
- ▶ System implementation consulting to ensure control environment integrity as new applications or systems are implemented
- ▶ Compliance training

We also provide services related to special projects, some of which include:

- ▶ Periodic compliance monitoring with key business owners to identify upcoming risks
- ▶ Development of policies and governance documentation
- ▶ Development of entity-wide training program that considers specific training requirements across all business units
- ▶ Development of a document management and records management solution for both electronic and physical records
- ▶ Business continuity planning to address human capital, fixed assets and IT assets

Benefits to Our Client

- ▶ Reduced fines and penalties associated with the inability to produce required documentation
- ▶ Reduced risk of evidentiary interference claims
- ▶ Identification of minimum critical resources required for continued business operations in the event of a disaster or other major issue
- ▶ Alignment of current compliance program activities to the Seven Elements of an Effective Compliance Program, thereby reducing the risk of unmitigated non-compliance events
- ▶ Reduced risk of fines, penalties or fees associated with noncompliance with certain regulations



What
Our
Client
Says

“The senior people at Weaver are experts in their areas of focus. Their leadership does a good job of letting the staff know what’s important in an engagement.

Great responsiveness and anticipation of upcoming needs.”

Improving Performance

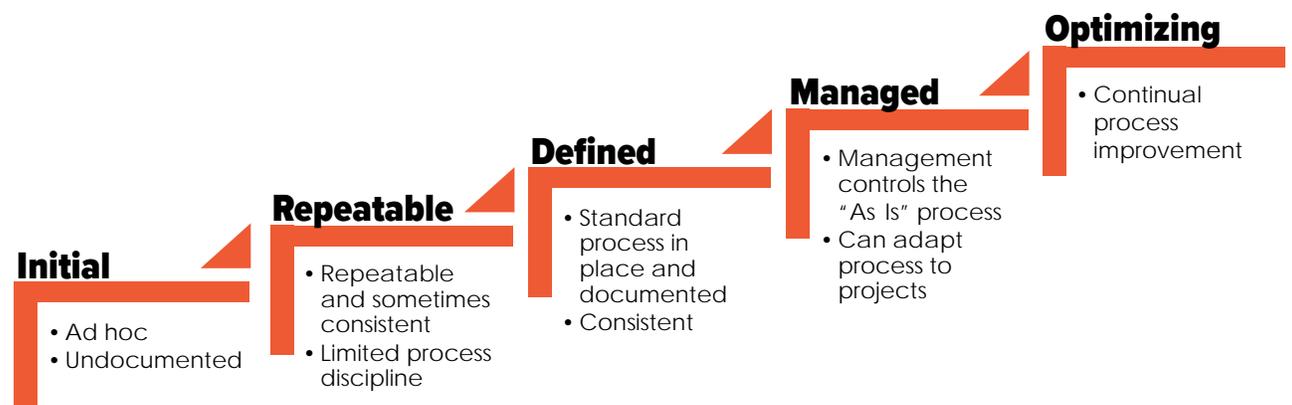
Risk comes in all shapes and sizes. While it is essential to manage traditional forms of risk — from weak controls to noncompliance to fraud — organizations must not overlook a key business risk: performance. A mature risk management and compliance environment will naturally have a positive impact on performance as a whole; however, the most successful and agile organizations are those that actively work to mature their business processes and review their performance.

Business Process Analysis and Improvement

Business processes are the backbone of every company's ability to operate and execute a business strategy. More mature processes are documented and well established, whereas immature processes tend to be informal and ad hoc. Weaver's business process analysis and improvement (BPA/BPI) services are designed to help organizations understand their level of process maturity, and develop tools and methods for continuous process improvement over time.

By analyzing and improving business processes, we help you identify and eliminate redundancies, bottlenecks and process breakdowns.

We also help align business processes with supporting information management technology. Over time, we help you mature your processes to ensure greater transparency, improved efficiency across the entity and scalability.



Weaver's BPI engagements combine our depth of knowledge and experience in the design and implementation of control frameworks and our analysis methodologies to align disparate data sets and produce actionable recommendations. Each recommendation includes solutions for short-, medium- and long-term plans, while aligning operational requirements and considerations with the mitigation of risk to the levels defined by management. In other words, we find solutions to problems that work for both management and operations while grounding the resolution in data-driven facts and analysis.

CASE STUDY:

Process Improvements for a High-Growth Entrepreneurial Company

We assisted the management team of an extremely fast-growing entrepreneurial company in developing business specifications for the selection of an ERP system. As a part of this, we evaluated the company's existing business operations in its key operational areas: inventory, sales, manufacturing, accounts payable and disbursements, research and development, and intangible assets. We also considered the current design of the accounting function and management reporting.

Because the company was growing so rapidly, their goal was to optimize and automate processes to create an efficient system that could handle their pace. Using business process mapping, we documented the desired future flow of operational and accounting transactions, aligning it with the requirements of a new ERP system.

How Weaver Assisted

Our process engineers evaluated key areas of the business that would be directly affected by the processes — business management, accounting, internal control, and compliance objectives — while also considering the specifications required of the new ERP application.

Once the specifications were complete, we helped management evaluate several ERP applications, providing guidance around fit and functionality as required by the desired future state of the accounting function, significant business processes, and management reporting. We also assisted management through the implementation of the new ERP system, ensuring that the system configuration was correct and that the process flows integrated in the ERP met the business specifications as designed.

Benefits to Our Client

The business realized efficiencies across the organization. We improved the production cycle, reduced the value of raw material on-hand, reduced order lead time and improved capacity planning. We also addressed ad hoc process tied to revenue and cost of goods sold, resulting in more efficient customer order fulfillment, a reduced collection period from 60 days to 30 days, more accurate cycle counts, and reduced purchase price variance.



BPA/BPI In Action

A large industrial manufacturing company called upon Weaver to help the company with the transition to a new ERP system.

Weaver was initially engaged to perform a process alignment to update the historical processes operating under the current ERP system and identify the future process requirements in the new ERP environment; however, management ultimately elected to take a deeper dive, asking us to perform a process design analysis tightly aligned with both the new ERP system's out-of-the-box functionality and best practices of the internal control environment.

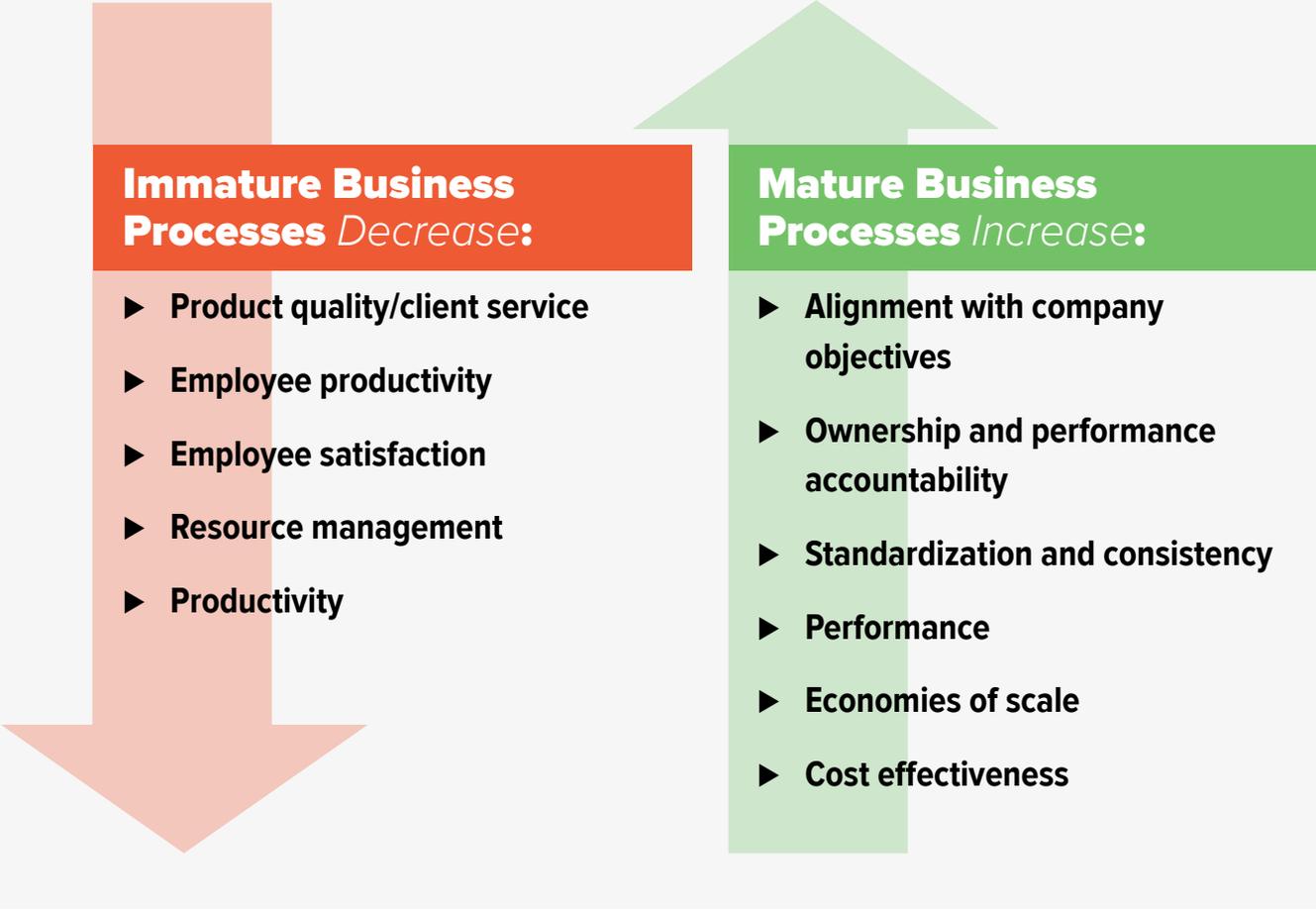
Weaver mapped the core processes of quote to collection, inventory and manufacturing, and procure to payment, and identified where operational internal controls and efficiencies could be enhanced. We also identified inconsistent processes and procedures across locations, and identified opportunities to centralize the control of certain processes to create standardization and efficiency across the company.

Through automation and centralized, consistent processes — which included reengineering the core inventory processes to fully leverage the functionality of the new ERP system — Weaver turned what was once a high-touch set of processes into a high-tech system aligned with their internal controls over financial reporting. The company realized extensive increases in efficiencies and reduction of costs, which will continue to save the company both time and money over the long term.

Our BPA/BPI Services

- ▶ Documenting processes and sub-processes in their current state
- ▶ Performing business process mapping analysis
- ▶ Creating process flowcharts
- ▶ Evaluating segregation of duties and internal controls
- ▶ Clarifying needs and proposing recommendations for improvement for specific business functions
- ▶ Preparing documentation and analysis

With each BPA/BPI engagement, we are focused on your long-term growth and profitability. In BPA/BPI engagements, we look to reduce organizational risks, integrate business processes with technology, and streamline all processes across the organization.



Immature Business Processes *Decrease:*

- ▶ **Product quality/client service**
- ▶ **Employee productivity**
- ▶ **Employee satisfaction**
- ▶ **Resource management**
- ▶ **Productivity**

Mature Business Processes *Increase:*

- ▶ **Alignment with company objectives**
- ▶ **Ownership and performance accountability**
- ▶ **Standardization and consistency**
- ▶ **Performance**
- ▶ **Economies of scale**
- ▶ **Cost effectiveness**

CONTACT US



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What Can Weaver Do For You?

Weaver offers a full range of advisory, assurance and tax services. Every day, our clients rely on us for:

ADVISORY

Risk advisory • IT advisory • Financial institutions consulting
Financial advisory • Public company services
Energy compliance and consulting • Forensics and litigation
Private equity services

ASSURANCE

Audit, review and compilation • Employee benefit plan audit
Agreed-upon procedures • IFRS assessment and conversion
Private equity services • Public company services
SOC reporting services

TAX

Federal tax compliance and planning • International tax
State and local tax • Wealth strategies • Public company services
Private equity services



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