

Draft Proposal for Rutgers 23 WCARS in Newark on November 4 & 5, 2011.

Title: The Benefits of Continuous Monitoring: Results from the FERF Research project published July 2011

Speakers- Michael P Cangemi CPA, President of Cangemi Company LLC and co author of “The Benefits of CM”; William Sinnett, Director of Research, Financial Executives Research Foundation (FERF); Margaret (Peggy) Boissoneau UTC (Invited)

Abstract

Computerized continuous monitoring is enabling companies to improve operations effectiveness, data accuracy, internal controls compliance and cash flow. In addition, CM is critical to meeting customers’ expectations in the information age.

The presentation will draw from the presenters’ research project on “The Benefits of CM,” published by FERF, July 2011. The research team interviewed executives at 11 major companies to determine their level of understanding of the need for CM and the status of their plans for implementation.

Key findings and take-aways include:

- Leading companies recognize the importance of and are effectively using CM;
- There is a need for ROI estimates and follow ups just as with any capital expenditure;
- Customer expectations, and therefore risk to brand reputation, should be included in ROI calculations;
- There are many new CM software products available that have improved capabilities and lowered the cost of using CM;
- Internal Auditors, and the recent expansion of compliance departments in many companies, are often the champions of CM;
- Since IA’s have been using computerized monitoring, know as Continuous Auditing (CA) for years, they are aware of the benefits of

- CM. However, there is some confusion between CA and CM, which is the use of the similar techniques by management. ;
- In many cases CM starts with the “procure to pay” cycle, in which, due to cash recoveries, the ROI is more easily estimated and tangible. (suggest we use UTC as case study in the presentation)

LEARNING OBJECTIVES

Continuous Monitoring

Improved awareness of how computerized continuous monitoring is enabling companies to improve operations effectiveness, data accuracy and cash flow, and is critical to meeting your customers’ expectations in the information age.

Study of Continuous Monitoring expansion in many aspects of society: Government, Medicine, and Business.

Case studies, based on recent research of current uses of CM, in business and assurance

Explore the significant role the GRC community has played in the furtherance of Continuous Assurance and CM, and the recent COSO monitoring guidance.

Review The Benefits of CM.

Speaker Bios:

Michael P Cangemi CPA

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Michael P. Cangemi CPA, an author and business advisor, is the former President, Chief Executive Officer and Director of Etienne Aigner Group, Inc., a leading designer of women's accessories (Aigner- 1991-2004) and President and Chief Executive Officer of Financial Executives International, the professional association for senior-level corporate financial executives (FEI 2007-08).

He currently serves as President of Cangemi Company LLC, which he founded in 1968, and has a significant focus on Continuous Monitoring and Auditing. Mr. Cangemi is a Senior Advisor to Oversight Systems, has served on the Approva Corporation advisory board, and serves on the Pace University Lubin School of Business Advisory Board, the Rutgers Continuous Audit Advisory Board (Founding Member); FEI Committee on Finance & Technology, the EDPACS Editorial Advisory Board, the SOX&GRC Institute Advisory Board, and on the Board of the Association of Certified Green Technology Auditors.

Michael has had a successful career with a long term significant focus on continuous monitoring. He progressed from auditor to CAE, to CFO, CEO and Board member. He served in numerous ISACA and IIA professional capacities, including International President of ISACA, many years on IARF BORA and the IARF Board of Trustees. His experiences as a CAE were published in his second successful book, *Managing the Audit Function*. The book, now in a third edition, was featured in the business section of the Sunday **New York Times** in August 2002 and translated into Chinese in 2005. He is currently working on a significant CM research project with FEI's research foundation FERF.

In 2007-8 he served as the FEI representative on the Board of COSO, during which the Guidance on Monitoring Internal Control Systems was drafted and issued in January 2009. He was the Editor-in-Chief of the *IS Control Journal*, in which his regular column, **Issues & Comments** appeared from 1987 to 2007. His **Presidents Page** editorial column appeared in **Financial Executive** magazine 2007 – 2008. In 1991, Mr. Cangemi co-authored *Auditing in an EDP Environment* with Peter Reed.

He is a Certified Public Accountant, and a Certified Information Systems Auditor-Honorary/Retired and member of FEI, AICPA, Institute of Internal Auditors (IIA), and the N.Y. Society of CPAs. Mr. Cangemi is a honorary life member of the IS Audit & Control Association (ISACA). In 2000, **The Cangemi**

Audit & IT Audit Library was established at the University of Mississippi's National EDP Auditing Archival Center to house his collection of over 250 books on Auditing and EDP Auditing.

Mr. Cangemi recently completed a two year term on the International Accounting Standards Board (IASB 2007-8)-Standards Advisory Council, served as the FEI representative on the Board of COSO and served as a member of the FASB's Financial Accounting Standards Advisory Council (FASAC), beyond his term at FEI for four years to 2010.

In 2006 he was awarded the **Thomas Johnson Lifetime Achievement Award** for contributions to IA by the IIA NY Chapter. In the last few years, he has hosted a number of Audit Managers Symposiums based on his book and devoted a good portion of his professional research and presentations to expanding the understanding of Continuous Monitoring.

William M. Sinnett (bsinnett@financialexecutives.org) is Director of Research for Financial Executives Research Foundation, Inc. (FERF), the research affiliate of Financial Executives International (FEI). Bill has authored or co-authored a number of research reports for FERG and magazine articles for *Financial Executive* magazine, including:

- The Benefits of Continuous Monitoring
- FERG's annual Audit Fee Survey
- Building an Agile Finance Function
- Excellence in Information Integrity
- IFRS for Mid Market Companies: Tips for Transition

Bill joined FEI as Accounting Manager in 1985, and became Manager of Research for FERG in 1989. He was promoted to Director of Research in October 2005. Prior to his positions at FEI and FERG, Bill was employed by Carnegie-Mellon University and Mellon Bank in Pittsburgh. He has an M.B.A. from the University of Pittsburgh, and has been listed in *Who's Who in Finance and Industry*.