



factsheet  
Investment Management

# NAVaudit: Adding Value to Fund Accounting

# NAVaudit for accelerated and secure fund accounting

Controlling a fund's Net Asset Value (NAV) is a time-consuming, cumbersome, error-prone, and costly task for fund accountants. If hundreds, thousands or more funds are to be controlled every day, this represents a serious obstacle in the workflow of this core process of fund accounting.

COMIT's NAVaudit is designed to accelerate the daily process of NAV control and at the same time to ensure more accurate, reliable, and audit-proof results. NAVaudit streamlines the workflow of senior and junior accountants alike: Instead of controlling NAVs manually they can rely on a fully automated process. Thus they can focus on the evaluation and correction of deviations and achieve more in less time.

## NAV Control made easy

NAVaudit applies a powerful set of rules to all relevant data used to determine a fund's NAV. These data are derived directly from the fund accounting system, like IGEFI Multifonds. If NAVaudit detects an inconsistency, it marks the respective fund, and accountants can take appropriate actions.

## Intuitive user interface

The fund accountant uses the intuitive online interface to check the results. He or she recognizes immediately, if a fund's NAV has failed any of the plausibility checks, can view the details to see which rules have been contravened. The fund accountant may then clarify the inconsistency and ask a senior controller for approval. This is done automatically by e-mail, and the senior controller can accept or refuse the approval.

## Smart role concept

NAVaudit leverages a differentiated role concept, which ensures that only authorized users are able to perform a certain task, e.g. to approve a fund's unexpectedly high deviation from the previous day. The role concept can also be used to ensure that certain funds may be controlled only by specific persons.

## Customizable rules

The rules utilized by NAVaudit reflect the investment bank's policies for NAV control and may be applied in a flexible way to individual funds or to hierarchical groups of funds. Thus it is possible to define fine-grained plausibility checks according to the type of a fund being evaluated. Some rules allow for the definition of variables, for example if an equity fund may be more volatile than a pension fund, the acceptable deviation from the previous day may be set accordingly.

It is even possible to define very sophisticated rules, which inspect various items within a fund or a group of funds. This is important, e.g. if a fund consists of mixed investment types such as shares, bonds and real estate certificates. In this case it is necessary to assign an individual deviation threshold to each investment type. The grouping of funds also allows reflecting the characteristics of different markets. For instance, a fund with Chinese high tech shares might vary more than a fund with European high tech shares.

The image displays three overlapping screenshots of the NAVaudit software interface. The top-left screenshot shows the 'Welcome to COMIT - NAVaudit' dashboard with a navigation menu on the left and a main area displaying a list of funds with columns for Fund ID, Fund Description, Country, Currency, NAV Date, NAV Timestamp, and Result. The top-right screenshot shows a 'Funds' table with columns for Fund, Header, Description, Country, Currency, Rule group, Action, and W/Active. The bottom-center screenshot shows a 'Rule Results' table with columns for NAV Date, TRT Date, Fund, Rule Category, and Rule, displaying a grid of results for various rules (R001-R014) across different dates (08/05/2007 to 04/03/2007).

### **Rapid control**

NAVaudit retrieves “live” data from the fund accounting system within seconds after the respective data have been computed from the fund accounting software. If inconsistencies are detected, the responsible managers are notified and can take actions without delay.

### **Based on standards**

NAVaudit is built upon established technology standards such as Microsoft’s Internet Information Server, an Oracle database and advanced techniques for data extraction using XSL Transformations. This facilitates the integration of NAVaudit into existing environments.

### **Small footprint**

NAVaudit is based on a powerful client-server architecture to ensure that the performance of the fund accounting software is in no way adversely affected. Furthermore, NAVaudit may be installed in existing environments and does not require additional hardware.

### **Benefits of NAVaudit**

Accountants, senior accountants and fund managers alike will take advantage from the multitude of NAVaudit’s operational and business benefits. With NAVaudit, you will:

- Achieve more in less time

The time needed to control NAVs is reduced from hours to minutes. Furthermore, there is virtually no time lag between the occurrence of a potential inconsistency and its detection.

- Increase process quality

Traditional approaches are inherently bound to produce errors. NAVaudit helps you to minimize the number of errors dramatically. Furthermore, possible errors are detected at an early stage. This significantly reduces the “cost per error” and increases the quality of control procedures.

- Meet compliance goals

The control activities – and possible corrections – for every single NAV are open to later scrutiny, thus rendering the whole process audit-proof. This makes NAVaudit a valuable tool to meet compliance requirements.

- Rely on excellent service

COMIT experts have a deep know-how – both in technical aspects of this industry and customary software like MultiFonds. Combined with their expertise in the field of investment banking, they deploy NAVaudit in a timely manner to the maximum benefit of its users and offer post installation support.

- Reduce costs

Overall, NAVaudit helps managers to reduce the cost of fund accounting significantly, because fund accountants are more productive and errors will be detected early and are easier to correct.

## NAVaudit Management Reporting

NAVaudit offers a plethora of reporting possibilities. It meets today's requirements of a professional reporting system with a focus on usability, transparency, and a high level of data quality by reducing the complexity, but still maintaining the accuracy.

NAVaudit not only offers drill-down web reports, it also includes a KPI reporting functionality, which creates reports in Microsoft Excel format.

### Main features:

- TOP-n reporting
- statistics about rule exceptions
- possibility of sorting funds by number of exceptions, filtering it by a specific time period

- summary reports of rule violations for a specific time frame, visualized by eye-catching symbols, you will get an overview of what went wrong at the blink of an eye
- option to execute specific rule / exception validation or focus on a specific fund to drill down fast to the core of the problem
- detecting violations of SLAs, e.g. deviations of quality and / or time
- marking performance bottle-necks and peaks, for better time scheduling and resource planning according to customer's needs



## Contact

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COMIT has served the finance industry for 30 years with professional IT services within the value-added chain: from strategic consulting through system implementation to the development and operation of the implemented IT solutions. Our areas of expertise are consulting & solutions, the implementation of core banking solutions – especially the Avaloq and Finnova systems – as well as core insurance solutions, application management, and IT infrastructure services. COMIT is an independent subsidiary of Swisscom IT Services. We employ 700 IT and business specialists at various locations in Switzerland, Luxembourg, Germany, Austria and Singapore.

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