LEVERAGE TECHNOLOGY TO EMPOWER INTERNAL AUDIT

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Internal Audit Challenges and Constraints

• Internal audit is challenged to:
  – Increase Effectiveness
  – Increase Efficiency
  – Increase Visibility

• Internal audit is constrained by:
  – Software costs
  – IT support structure
  – High cost of consultants
Increased Effectiveness

Audit Management Systems enable Audit Organisations to increase effectiveness through:

- Standardisation
- Focused risk assessments
- Audit Management visibility into ongoing audits
- Collaboration amongst audit team members
- Access to best practice content
Increased Effectiveness (Cont.)

Audit Management Systems enable Audit Organisations to increase effectiveness through:

- Leveraging pre-existing audit content (findings, risks, controls, programs, etc)
- Smart staffing of Audits
- Using best practice data analytics
- Exception based auditing / continuous control monitoring
Increased Efficiency

Audit Management Systems enable Audit Organisations to increase efficiency through:

• User specific homepages / quick access to relevant data
• Electronic workpapers
• Multiple location reviews / sharing
• Delivery of best practice audit techniques (test, programs, checklists, etc.)
• Offline audit management
Increased Efficiency (Cont.)

Audit Management Systems enable Audit Organisations to increase efficiency through:

- Leveraging existing GRC Content
- Email Notifications
- Standard audit document creation (audit reports, plans, memos, etc.)
- Centralised resource management
- Using best practice data analytics
- Exception based auditing / continuous control monitoring
Increased Visibility

Audit Management Systems enable Audit Organisations to increase visibility and transparency into the audit organisation and auditees through:

- Real time access to data
- Centralisation of data
- Common terminology and standardisation of data
- Centralised issue and action plan management
- Quick access drillable dashboards
- Easy to use reporting capabilities
Audit Software Challenges

• Cost

• User Acceptance

• Rigidity

• Implementation / Training

• Executive / IT Buyoff
### Key Functions of Audit Software

- A comprehensive internal audit management system:
  - Audit Universe
  - Risk Assessment
  - Audit Planning
  - Audit Scheduling
  - Audit Programs
  - Audit Checklists
  - Electronic Workpapers
  - Electronic Review and Approval
  - Issue Management
  - Interactive Dashboards
  - Audit Reporting
  - Audit Committee / Executive Reporting
  - Continuous Auditing
  - Data Analytics
  - Auditor Management
  - Best Practice Content
Auditors

Challenges

- Manual creation of workpapers
- Lack of guidance regarding audit standards
- Paper binders
- Lack of response from business owners regarding identified issues and action plans
- Manual time entry
- Difficulty with file management
- Untimely response to management review of workpapers and review notes
- Difficulty manually tracking CPE credits

AMS Provides

- Automated indexing of workpapers
- Automated recording of workpaper results
- Consistent audit standards via programs, checklists, and control tests
- Automated time and expense entry
- Skill set, certification and CPE tracking
- Access to previous audit information
- Automated issue and action plan notifications in response to the business

Value to Organisation

- Reduction in issue and action plan follow up time
- Reduction in file management time
- Easy access to standards and guidance
- Easy access to audit workpapers and review comments
Audit Management

Challenges
- Lack of oversight of audit workpapers
- Poor cycle time for audit completion
- Inefficient maintenance of audit schedule and audit plan
- Lack of response from business owners regarding identifies issues and action plans
- Time consuming gathering of quality assurance information
- Accuracy and consistency of gathering time and expense information

AMS Provides
- Automated review and approval of audits, audit programs, workpapers, etc
- Central database of Information
- Automated planning and resource management
- Real time milestone and KPI reporting
- Time and expense approval and reporting
- Automated issue and action plan notifications and response to / from the business

Value to Organisation
- Provides visibility into the audit teams work resulting in higher quality audits
- Decreases cycle time of audits resulting in better resource utilisation
- Provide assurance to the Chief Audit Executive / VP of Audit have accurate and timely information
### Challenges
- Lack of visibility
- Inaccurate information
- Loss of audit hours due to inefficiencies within audits
- No resolution to identified issues
- Increased workload expectancies with less staff
- Lengthy and inconsistent risk assessment process
- Manual information gathering for reporting

### AMS Provides
- Executive reporting
- Central database of information
- Automated review and approval of audits
- Paperless audits
- Automated issue
- Automated planning and resource management
- Auto generated audit report
- Automated Risk Assessments

### Value to Organisation
- Gain efficiency through automation of the audit process and increases quality of audits
- Enables more insightful and impactful reporting to stakeholders
- Provide assurance to audit committee that the appropriate areas in the organisation are being audited
Key Considerations for Selecting Audit Management System
Software Approaches

• Out of the Box

• Out of the Box - Configurable

• Toolkit

• Custom
Standard Software Deployment Options

• In-House

• Vendor Hosted

• Software as a Service