



Your Trusted Partner for Audit Analytics

# The Journey to Continuous Auditing: Where are We?



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**23rd WCARS, November 4, 2011**

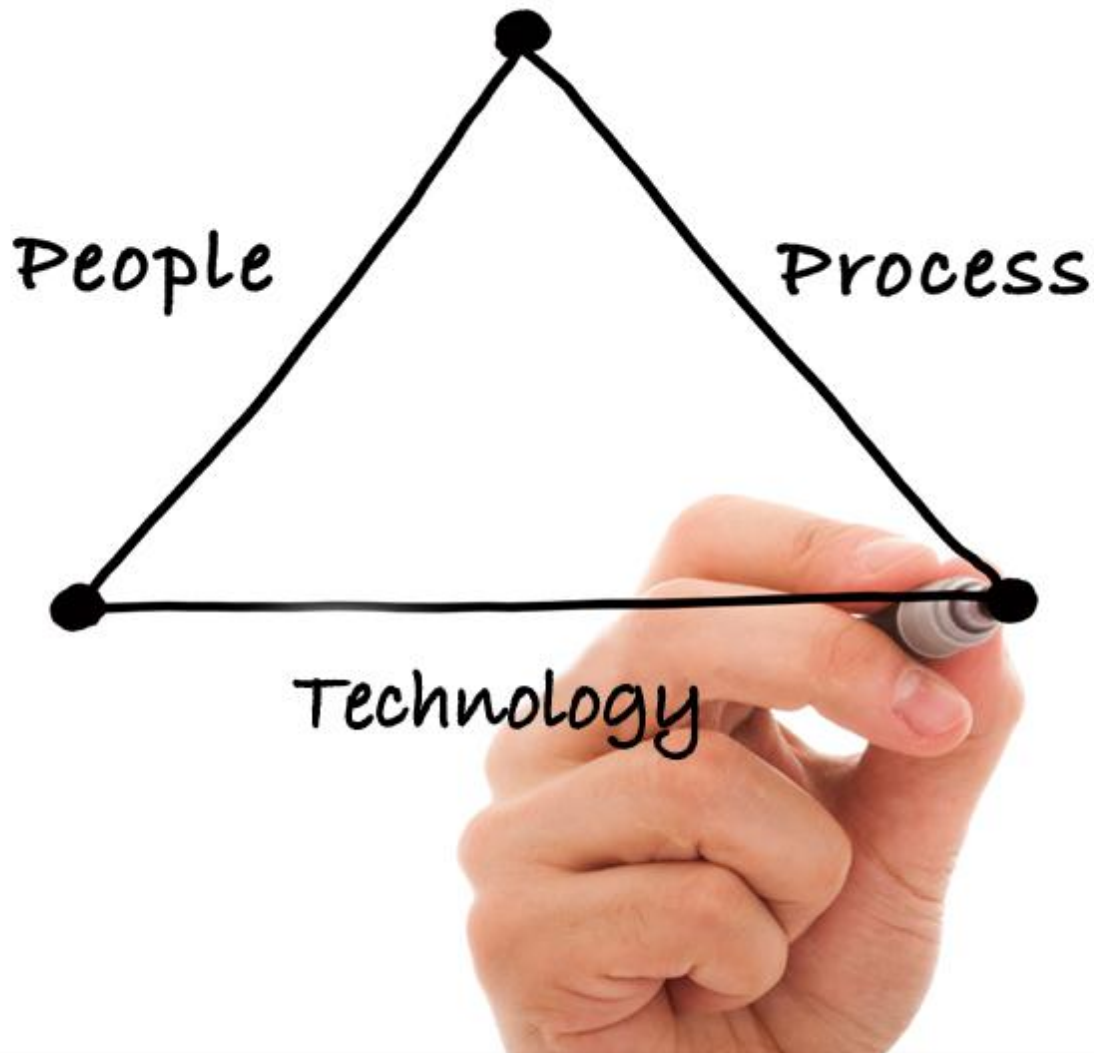
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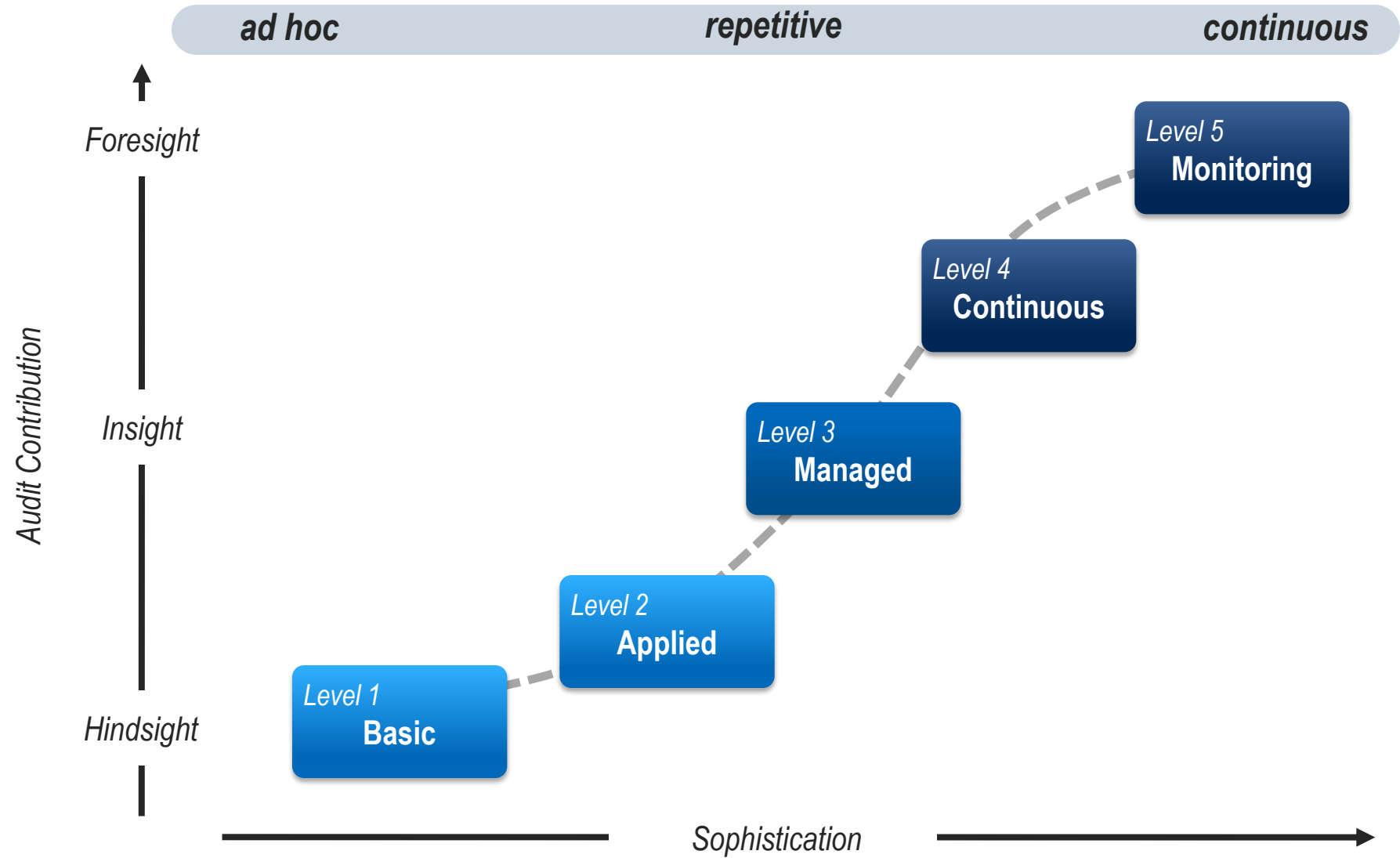


**It's a Journey**



Think in Terms of **People & Process** –  
its Not just Technology

# Audit Analytic Capability Model

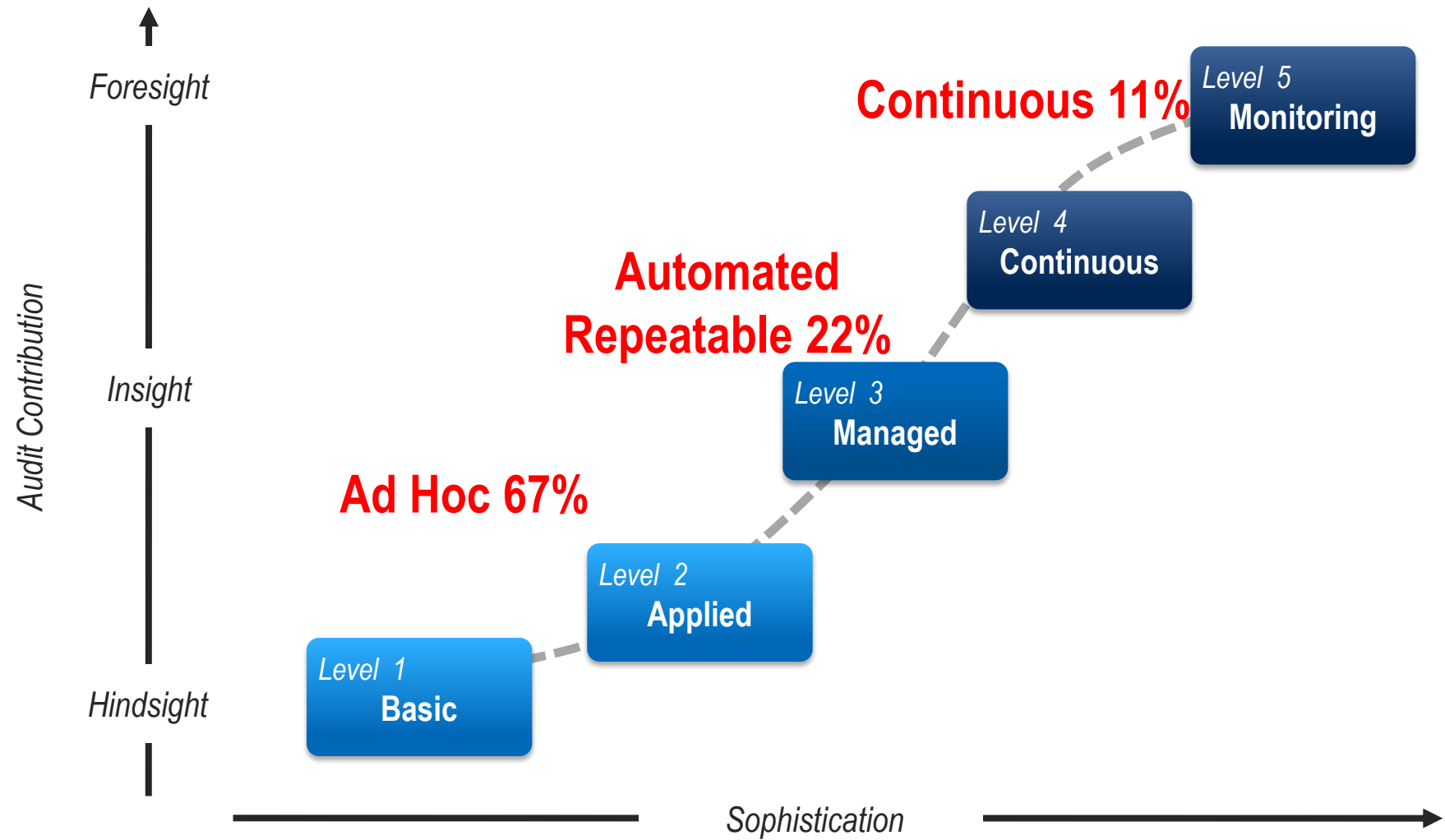


# ACL Internal Audit Survey - 2011

- Survey questions on audit process and technology usage
- Responses from 500+ audit and compliance professionals
- North America and EMEA
- CAE's, VP's, Audit Managers, Auditors and Analysts

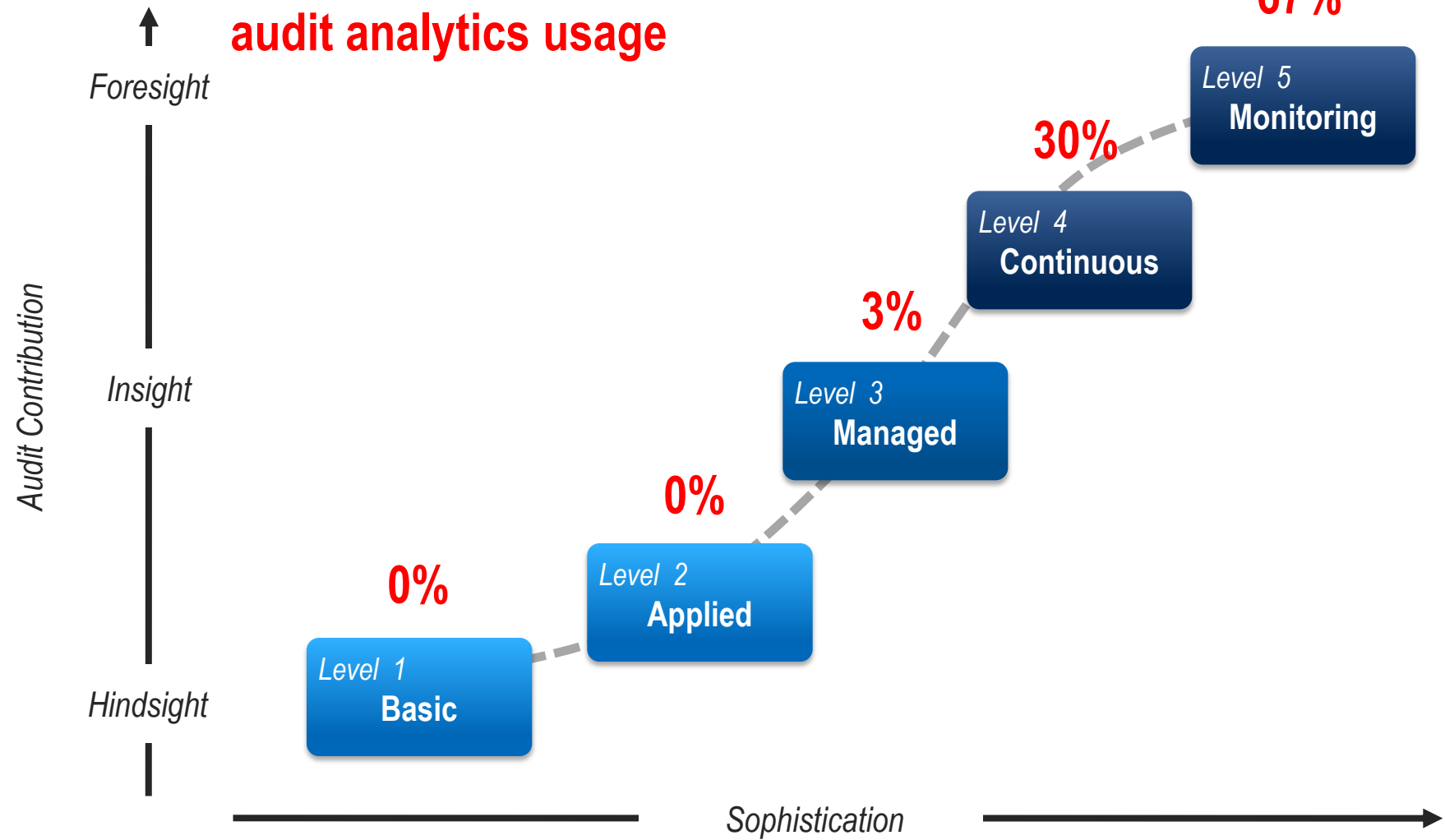
# Audit Analytic Capability Model

Survey responses: Level of current audit analytics usage



# Audit Analytic Capability Model

Survey responses: Highest level of desired audit analytics usage



# ACL Internal Audit Survey

**What audit-related areas are you seeking to improve through the use of data analysis technology?**

- |                                |     |
|--------------------------------|-----|
| ■ Fraud Detection              | 83% |
| ■ Controls Assurance           | 81% |
| ■ Regulatory & Compliance      | 61% |
| ■ Financial Reporting Accuracy | 55% |
| ■ SOD                          | 29% |
| ■ SOX                          | 28% |
| ■ FCPA compliance              | 15% |



# ACL Internal Audit Survey

**What are the business process areas of highest priority for improved audit analytic coverage?**

- AP / Purchase to Pay 64 / 42%
- General Ledger 53%
- Payroll 50%
- AR / Revenue Assurance 42 / 37%
- Inventory 37%
- Travel & Entertainment 35%
- Fixed Assets 31%
- PCard 28%
- .....

# ACL Internal Audit Survey

## Primary practical barriers to implementation of audit analytics

- Lack of technical expertise 65%
- Lack of appropriate automated analytic tests 52%
- Data access and availability 47%
- Lack of budgets 34%
- .....

# Progress in Continuous Auditing

- Perceived value of Continuous Auditing techniques among audit and compliance professionals remains strong
- Increasing view that ideal objective is Continuous Monitoring by the business
- People, Process and Technology barriers remain challenging

# Progress in Continuous Auditing

## How to overcome the barriers?

- Success stories – prove the value – spread the word
- Get senior management support (CFO, CAE, CRO) – budgets and resources
- Education – how to get there
- Develop a plan – assign responsibilities – measure progress
- Direction from the professions – standards
  - Standard Audit Data Model
  - Standard Audit Applications
- ACL Product Roadmap

# Resources: IIA



## **IIA Global Technology Audit Guide #16: Data Analysis Technologies**

<http://www.theiia.org/guidance/technology/gtag3/>

## **IIA Global Technology Audit Guide #3: Continuous Auditing: Implications for Assurance, Monitoring and Risk Assessment**

<http://www.theiia.org/guidance/technology/gtag3/>

## Resources: ACL



### The ACL Audit Analytic Capability Model:

*Navigating the journey from basic data analysis to continuous monitoring*

Download White Paper:

[www.acl.com/model](http://www.acl.com/model)

ACL FCPA eBook available at :

[www.acl.com/FCPA](http://www.acl.com/FCPA)

