A Step-by-Step Guide to Successful Audit Analytics Journeys

Live CPE Webinar

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Agenda

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2 How to leverage ready-to-use analytics?
Jordan Widom

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A Step-by-Step Guide to Successful Audit Analytics Journeys

1 Jump into Audit Analytics

68%

of CAEs want to implement data analytics.

In fact, it's a risk to not have an audit analytics program, but deciding where to begin can be challenging

Audit analytics top use cases:

- › Internal controls testing
- › Fraud detection
- › Compliance monitoring
- › Understanding the business

Is analytics dead now that we have AI?

- › Higher ROI with analytics for most organizations
- › Audit analytics maturity and success rate is higher - it's been around for 35+ years
- › More buy-in of data governance for AI initiatives

2 How to create value with analytics?

Uncover Potential Risks

By spotting anomalies that might have been missed with manual review

Increase Assurance

By providing a more systematic and complete review of business processes

Relationship Building

Finding insights using analytics leads to much stronger relationships with management

Increased Efficiency

By reducing manual efforts and enabling auditors to focus on higher-value tasks

Improved Audit Quality

By examining an entire dataset rather than just a sample, and identifying issues as they arise

Hiring and Retention

Want to audit with pen and paper? Of course not. The best tools matter when hiring.

3 Tips to start: how to go from 0 to 1

Consider People, Process and Technology

People

› Hire full-time data analyst
› Bring in third-party
› Upskill current FTEs

Process

› Understanding and interpreting analytics results
› Effectively communicating findings
› Telling the story with data

Technology

› Writing scripts
› Developing workflows
› Using out-of-the-box solutions

Quick Wins

› Start with SOX/Financial data

› Go where the money is

› Leverage historically impactful audit analytics tests that yield results

4 Ensure the adoption of your analytics program

Make sure everyone understands

Educate auditors on the significance of analytics in identifying risks and control issues. What are the risks related to a script? How do you prioritize investigations?

Integrate the analytics program into the audit plan

Successful adoption requires close collaboration between analytics experts and end-users to ensure that analytics align with specific risks and controls.

Align with management priorities

Avoid overwhelming the business with hundreds of results that are not key risk findings. Demonstrate value of the program to the business before involving them and trying to gain acceptance.

Promote a culture of change

Drive cultural shift within the internal audit function. Educate all levels of staff, including the audit committee and senior management to analytics to ensure support

Planning and Approval

Include analytics' role clearly in your audit planning phase. Your audit plan should explicitly incorporate analytics and include their role in achieving audit objectives.

Data Accessibility and Understanding

Build relationships with data owners and IT personnel. You have to use the data to build the audit story, not make it something separate.

Continuous Effort

Developing knowledge of potential data sources, securing access rights, and nurturing a network of IT specialists should be ongoing activities rather than being delayed until the start of an audit.
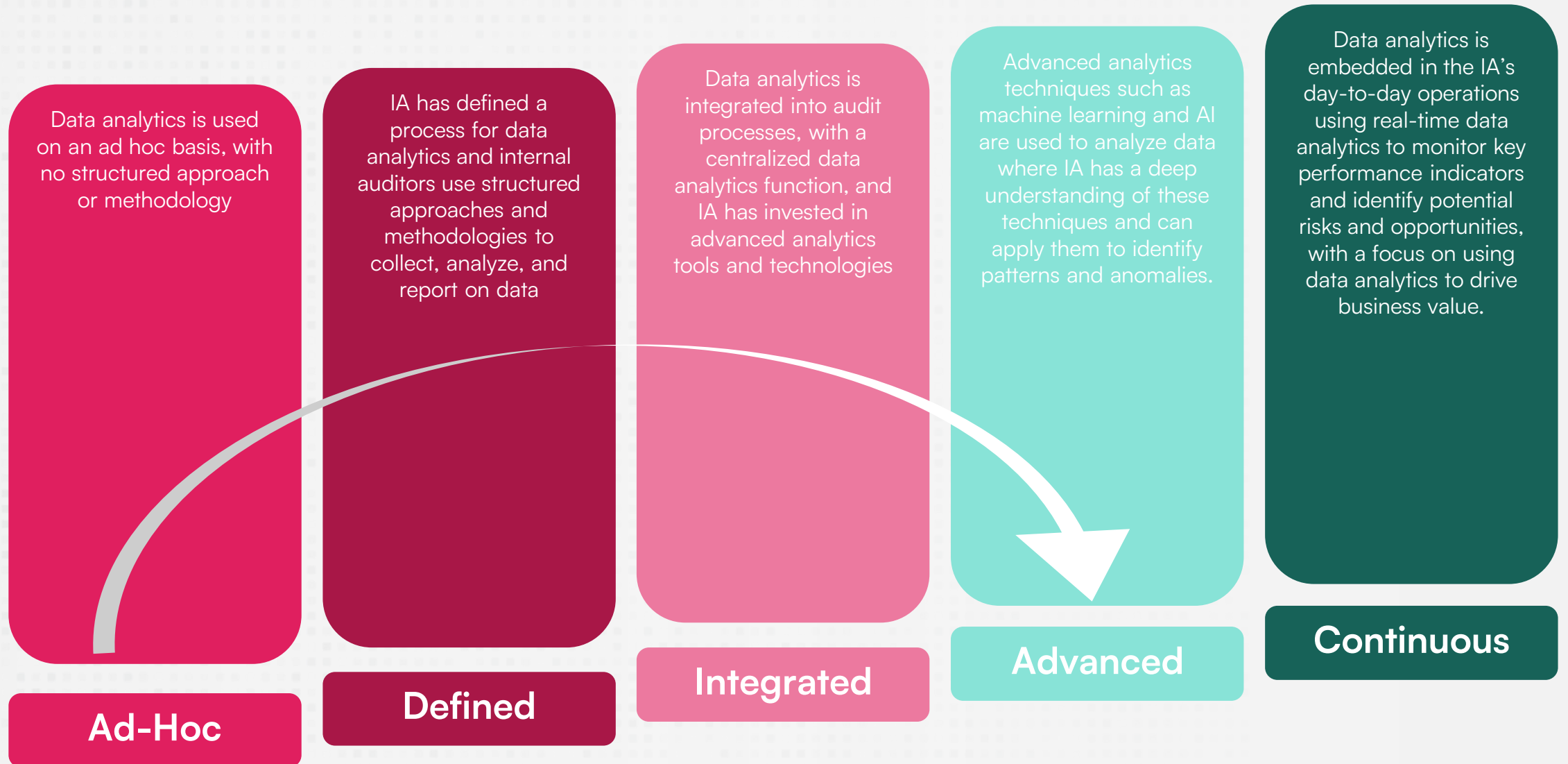
Share Wins with Management

Just because you don't "find something" with analytics, doesn't mean it doesn't add value. Testing 100% of a population and not identifying issues is still a win.

5 How to scale: going from 1 to 10

Data analytics is used on an ad hoc basis, with no structured approach or methodology

Ad-Hoc

IA has defined a process for data analytics and internal auditors use structured approaches and methodologies to collect, analyze, and report on data

Defined

Data analytics is integrated into audit processes, with a centralized data analytics function, and IA has invested in advanced analytics tools and technologies

Integrated

Advanced analytics techniques such as machine learning and AI are used to analyze data where IA has a deep understanding of these techniques and can apply them to identify patterns and anomalies.

Advanced

Data analytics is embedded in the IA's day-to-day operations using real-time data analytics to monitor key performance indicators and identify potential risks and opportunities, with a focus on using data analytics to drive business value.

Continuous

Poll Question

6 Software And Services Available

Different approaches for various maturity level

	Build your own analytics program	Leverage ready-to-use analytics
Software required	Data processing (Python, SQL), Analytics (Alteryx), Visualization (PowerBI, Tableau)	All-in-one solution with integrated analytics and reporting
Skills required	Requires a combination of technical and audit skills in-house	No technical skills required
Risks covered	Specific and customizable	Broad range of standard risks
Time to value	Years	Weeks
Maintenance and update	Requires ongoing resources for updates, editing scripts, and bug fixes	Included
Initial and ongoing costs	In house investment in technology and talents	Fixed subscription cost
Support and training	Requires dedicated in-house resources for training	Vendor-provided support and training, often included in the package

6 Software And Services Available

Different approaches for various maturity level

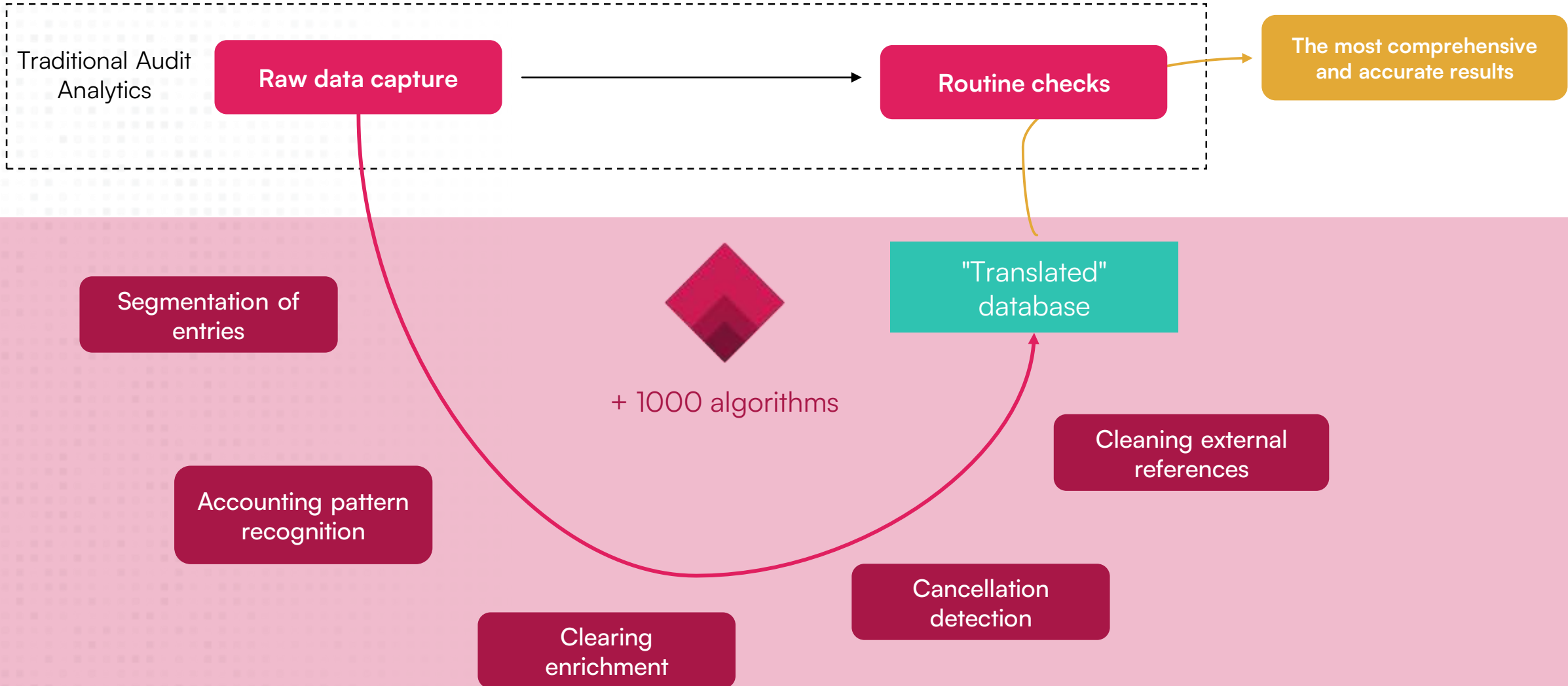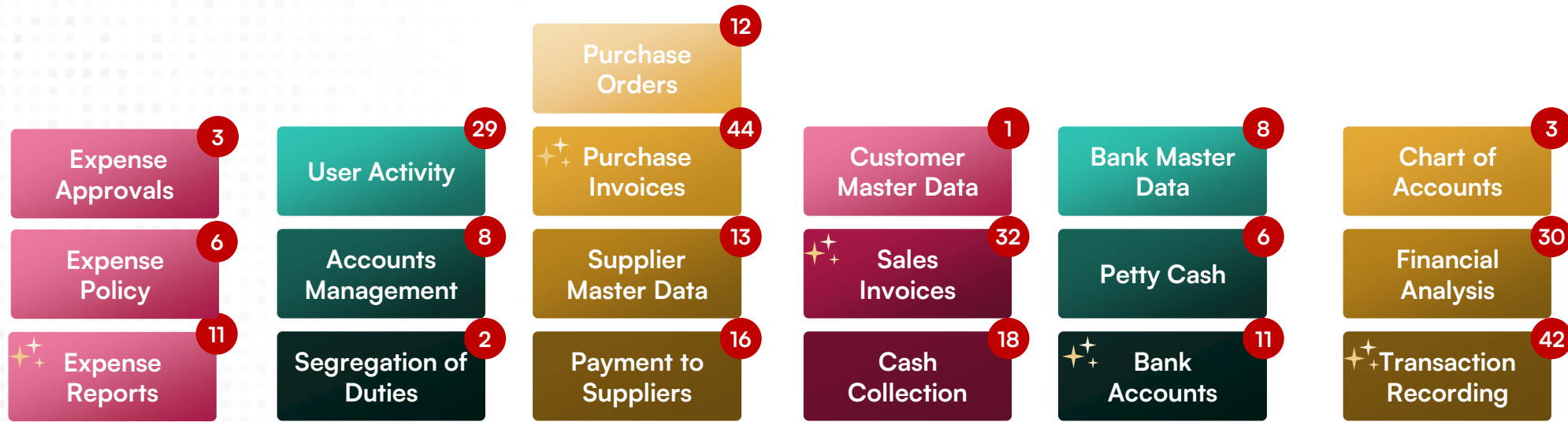|	**Build your own analytics program**	**Leverage ready-to-use analytics**
Upsides	1. **Customization:** tailored to specific needs and processes 2. **Control:** full oversight on data and updates 3. **Flexibility:** can be modified and expanded over time	1. **Quick setup:** two-week deployment and immediate insights 2. **Vendor support:** includes updates, new checks, support, and training 3. **Predictable costs:** lower initial investment and fixed subscription cost
Downsides	1. **High resource demand:** requires significant technical expertise and tools (Python, SQL, Alteryx, PowerBI) 2. **Slow time to value:** often requires years of trial and error 3. **Reliance on key staff:** risks if skilled staff leave	1. **Only covers standard risks:** less tailored to unique and industry specific-risks 2. **Vendor dependence:** reliant on external updates and data hosting 3. **Potential fit gaps:** may not meet all niche requirements, requiring need for control refinement over time

How to leverage ready-to-use analytics with Supervizor?

No data cleansing or preparation = immediate results

Traditional Audit Analytics

Raw data capture → **Routine checks**

The most comprehensive and accurate results

Segmentation of entries

Accounting pattern recognition

+ 1000 algorithms

"Translated" database

Cleaning external references

Clearing enrichment

Cancellation detection

350 rule-based and AI-based ready-to-use routine checks

Continuous improvement of results and risks covered

T&Es	ITGC	P2P	O2C	Treasury	R2R
Expense Approvals **3**	User Activity **29**	Purchase Orders **12**	Customer Master Data **1**	Bank Master Data **8**	Chart of Accounts **3**
Expense Policy **6**	Accounts Management **8**	Purchase Invoices **44**	Sales Invoices **32**	Petty Cash **6**	Financial Analysis **30**
Expense Reports **11**	Segregation of Duties **2**	Supplier Master Data **13**	Cash Collection **18**	Bank Accounts **11**	Transaction Recording **42**
		Payment to Suppliers **16**			

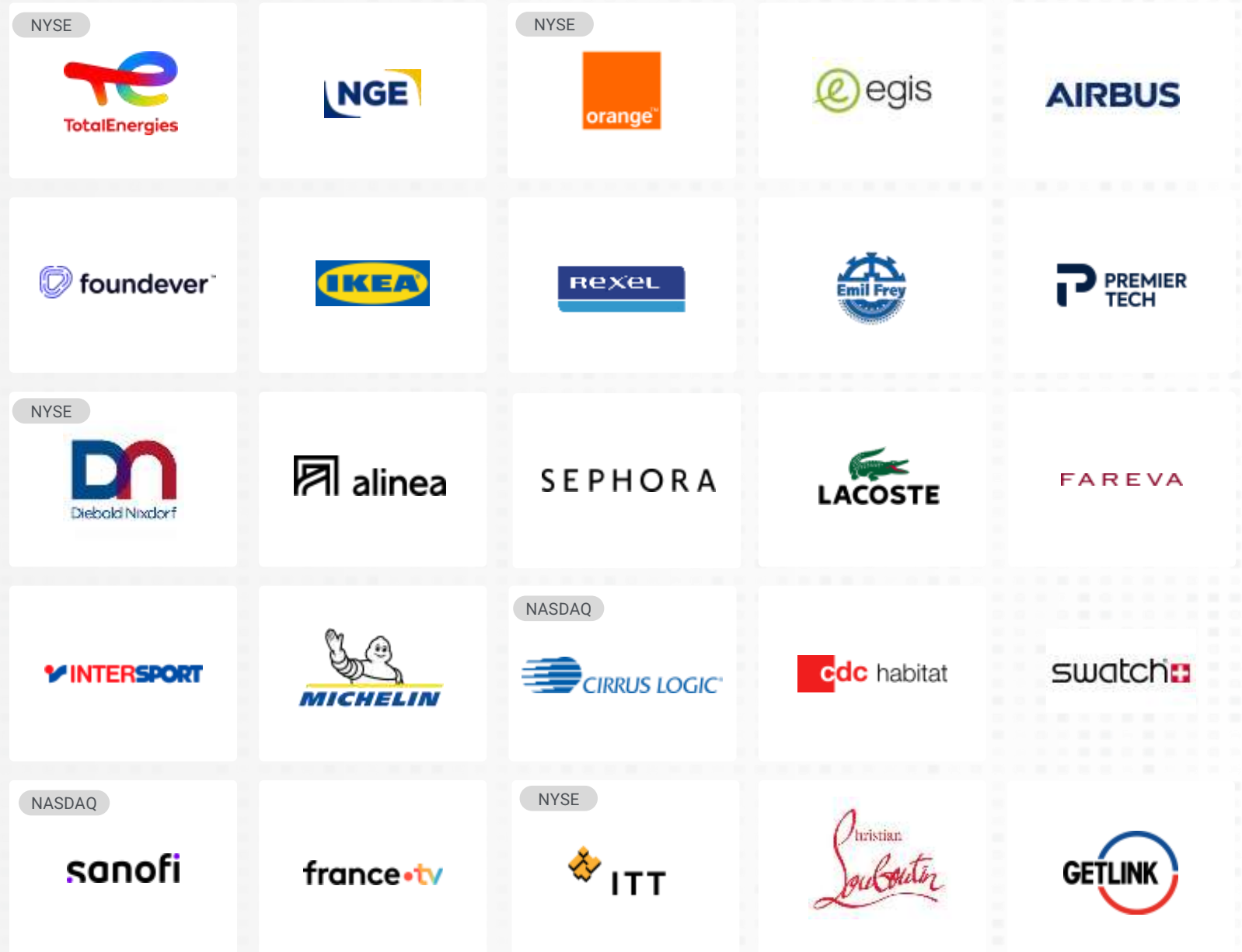**2** # of controls included

✦ AI controls included

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Q&A

Thank You!

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