Analytics transforms Accenture’s internal audit for a digital future

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Opportunity
For many businesses, the Internal Audit function is essential for helping to identify fraud, improve process and controls monitoring, and promote policy compliance. As a global organization serving clients in more than 120 countries, Accenture faces a large and complex challenge in carrying out this function on a daily basis.

Traditionally, internal audit has focused testing on a sample basis and gaining insight from data that exists in individual transaction systems to perform its work. In recent years, however, advances in digital solutions that encompass company-wide data analytics are transforming this domain. Today, leading organizations are embracing analytics and continuous auditing tools to significantly enhance their internal auditing activities and digital capabilities.

In addition, the Internal Audit team’s vision was to not only dramatically change the way they operate, but also to work with Accenture business functions to create improved business insights and drive change in the ongoing business operating model by incorporating the power of analytics.

Internal Audit partnered with groups such as Procurement, Accounts Payable, Travel, Time and Expense and others to create analytics which improved business monitoring and the identification of value opportunities.

Accenture recognizes the business value proposition from seizing the opportunity to adopt new digital products and solutions to advance its capabilities and drive its digital agenda. "It was clear Accenture could take its audit capabilities to the next level and provide measurable, added value back to the business through the increased use of analytics in our audit processes," notes Dave Hildebrand, Accenture’s Business Lead for Continuous Auditing and Analytics.

"We can monitor key processes, controls and transactions to focus our attention on the risks of the organization rather than using traditional sample testing of transactions and periodic process review."

In addition to reducing risk,Accenture stood to gain efficiencies and identify savings opportunities across the organization. These benefits could be achieved by automating results and continually and proactively following up on process improvements and data anomalies—leapfrogging current techniques—and advancing Accenture toward a leading practice of continuous monitoring and greater use of analytics in internal auditing. The use of analytic tools enables Internal Audit to gain insights for potential policy violations and business saving opportunities that are only visible by simultaneously analyzing data across multiple transaction systems.

Solution
With strong support from Accenture executive leadership, the Internal Audit organization launched an initiative in collaboration with Accenture’s internal IT organization to implement a Continuous Auditing and Analytics capability leveraging a leading marketplace solution.

To begin, Accenture assembled a global team, comprised of both business and IT resources. Accenture’s IT organization managed a core team with deep skills in architecture, infrastructure, applications, information management and data warehousing that worked together with experienced internal auditors who provided the functional knowledge needed to develop the analytics, risk criteria and processes. The project was structured along traditional design, build and run phases, with the IT core team carefully orchestrating an extended global team and resources in various Accenture Integration Factories around the world. These individuals augmented the team with specialized skills in hardware and software installation, network connectivity, systems integration, and the testing and deployment of the solution.

The six-month initiative focused on enabling a number of new internal auditing capabilities, including:

- Automating monitoring activity (i.e., regulatory compliance, policy violations, and potential fraud) supported by regular analytics that identify risks on an ongoing basis for more effective controls.

- Increasing audit coverage and assurance, promoted by auditing a full data population (vs. traditional "sample-based" auditing), and analyzing data patterns across multiple transaction systems.
• Enhancing business operations and controls. For example, automation allows Internal Audit and the business areas to continuously monitor for policy violations, errors or adverse trends, identifying cost savings opportunities for the business.

A key activity of the project was the creation of a direct link toAccenture’s single, global SAP instance, enabling the solution to draw from a global, homogenized source of data. Additional interfaces were developed with other critical applications and systems, such as Time & Expense and Procurement, to enable the remainder of the necessary analytics. The resulting interfaces load queried data into an enterprise-wide data warehouse, referred to as the Continuous Audit Data Mart. The data is sanitized and combined, creating one place that houses cross-subject area data for the solution to pull from, which in turn provides better data for auditing purposes.

“The solution integration was critical for delivering long-term value,” explains David Hanley, the IT Project Lead from Accenture’s internal IT organization. “Pulling from key data sources now enables Accenture to drive more efficient, comprehensive and risk-focused internal audit activity.” Rigorous master data management and data governance also contributed to the overall success of the project.

The Continuous Audit solution was successfully rolled out to the Accenture global audit community, and easily adopted and applied. Its success is evident in how quickly Accenture leadership and Internal Audit agreed on expanding the scope of the solution’s capabilities across additional functional areas, which will continue on an ongoing basis.

Today Internal Audit has a toolbox of over 120 analytics that run on a periodic basis across nearly all Accenture business functions. In addition, the team creates custom analytics on an as-needed basis to support specific business requests or audit team needs. With the existing analytics, the team is able to provide insights in a matter of minutes, and custom analytics in a matter of hours or days depending upon access to the data.

Visualization technology and automation have been added to the solution, enabling dashboard-based monitoring and risk assessment, all in support of Internal Audit’s transition to a continuous risk assessment approach.

Accenture business functions have incorporated analytics into their ongoing operating model and rely on the analytics capabilities to improve the way they run the business.

Results
“The new Continuous Audit and Analytics solution helped take Accenture’s internal auditing capabilities to the next level, by enabling the Internal Audit organization to provide business insight and perform more valuable auditing, in less time, and with more objectivity — all delivered in an agile way at-speed,” says Bob Kress, Managing Director of Global IT Audit. “Continuous risk assessment and more focused auditing provides greatly improved assurance to Accenture.”

The use of analytics has fundamentally changed the way Internal Audit operates, with Analytics used on more than 75% of audits. Since its implementation, the Continuous Audit and Analytics solution has demonstrated its effectiveness through increased efficiency in processes (improved detection of potential policy violations in less time) and more efficient identification of exceptions (both in larger datasets and in faster analytic processes). With an 80 percent reduction in audit analyst time spent gathering and cleansing data, they are able to focus more time on analyzing and creating new analytics—an objective Accenture leadership readily promotes.

By having one global capability leveraging an enterprise-wide data warehouse containing data from multiple transaction systems, the solution provides full population coverage consistently rather than relying on sample-based testing. This approach has enabled Accenture to transform its internal auditing capability. The solution significantly automates and digitizes processes, supports compliance to existing company policies, and importantly, provides a capability that flags potentially fraudulent transactions by applying global analytics on a timelier basis. Going forward, Internal Audit continues to collaborate with the internal IT organization to add data sources and create additional analytics to continuously improve operations and continue building the foundation for a digital Accenture.
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