

The PwC Internal Audit Internal Audit. Expect More.

*Continuous Auditing solutions:
Developing and implementing
sustainable technology to
deliver data-enabled audits*

Data-enabled Internal Audit

“The potential impact of Data & Analytics for the Internal Audit function is immense – from having 100% coverage over control samples to discovering previously unseen patterns in control failures. It is now time for Internal Audit to extract the value Data & Analytics can bring to the table.”

Julia Leong, Partner, PwC Singapore



Why is it important?

Described as an automated method of performing internal and external auditing activities, on a more frequent basis, continuous auditing have helped not only Internal Audit (IA) but also their second line of defence in achieving wholesale efficiencies and credibility enhancement.

Even with data maturity within your IA function, you will need an enduring solution for regular and periodic auditing. With efficient technology, you will be able to deliver efficient management compliance testing. Especially if you are a global organisation, you would want technology that can be used on a global scale without reliance on experts.

Increasingly, organisations are relying on data-enabled audit. It is time to either risk being seen as outdated and out of touch by the business or push boundaries and lead the way in developing data-enabled auditing.



What is on your mind?

What is the art of the possible in Continuous Auditing?

How continuous could and should it be? What should I focus on in terms of tests? Are all my audits suitable for Continuous Auditing? How do I handle the non-routine data analytics that I need to do?

How can I drive consistency in data analytics across my global IA function?

How can I leverage a continuous auditing solution globally? What will the cost implications be?

How can I reduce the cost of the data-enabled audit?

What tools can I use to automate my periodic audits and how can I automate them so that I do not need to rely on IT to provide the data?

How involved does IT need to be?

Will the IT function be required to sign this off? How can I be sure this will fit within our existing IT estate?

How can I reduce my dependency on external consultants?

Once I have delivered a continuous auditing solution, how do I ensure my IA function can use it with confidence?

How can I automate my existing data analytics?

I have been using data analytics as a routine within my IA lifecycle, how can I build this into a sustainable solution? How do I free up my resources to allow them to focus on other value add IA activities?

When does Continuous Auditing become continuous monitoring?

Can I incubate a Continuous Auditing solution that the second line of defence could be of use for continuous monitoring of the overall control environment in the future?

Our point of view

Your business case has to be compelling – like any investment, a Continuous Auditing solution needs a clear, concise and approved business case, with benefits, costs and return on investment. This provides an ideal means of socialising the opportunity with IT, the business and other senior stakeholders.

Selecting your technology – whether your Continuous Auditing technology is a packaged solution, cloud-based solution or a custom built solution on premise or cloud solution, your need from your business and IT stakeholders is the key to success. If your IT is outsourced, these suppliers should also be involved.

Get a roadmap and de-risk your approach – you need to have an end goal in terms of scope and coverage for your solution, backed up with the capability and change management to underpin it. Taking a staged approach to this will allow you to stop, pause and rethink as needed.

Start small, it does not have to cost the earth – do a proof of concept and demonstrate it widely. Some of the existing architecture and technology from the business may be fit for purpose and can be updated and upcycled to meet your needs.

Rethink your approach – it is important not to think about Continuous Auditing as just a technology change. Consider how this will change the way you and your auditees work together and the impact on your audit plan. You will still have a mix of traditional audits, data-enabled audits and continuous audits.

Re-inforce the use of it – use KPIs to monitor and quantify whether your team are using the continuous audit solution. Share these with the business as an indication of your ongoing success and involve them in understanding how the solution can be enhanced in the future.

It has got to be scalable – the IT and systems used by the business will change over time, as will the technology available to support your continuous auditing solution. You need to make sure that you can adapt and flex the solution easily so that it is future-proof.

Celebrate success – do not be the best kept secret in your business. Let people know what you have achieved and the value that has been delivered. Developing benefits metrics and qualitative evidence helps here.

How can we help?

- We can help you to create the **business and stakeholder appetite** for a data-enabled Continuous Auditing solution.
- We can work alongside you, to help you to **engage with IT and the business**, to build the business case and realise the benefits that this will have for internal audit and the second lines of defence.
- We can **co-develop a roadmap** to achieve your vision and run a **proof of concept** to demonstrate this to the business.
- We can **develop and install the architecture** –Whether it is new architecture that has been installed based on your requirements, or utilizing existing technologies we can configure them to ensure they are ready for use.
- We can provide the **extract, reconciliation and data model intelligence** to get your financial and operational data into your continuous Auditing taxonomy.
- We can provide the **content and rationale** for analytical tests ensuring your audit team understand what follow up is required.

When to act?

- ☒ Do you have data maturity within your IA function but need an enduring solution for regular and periodic auditing?
- ☒ Are your peers delivering data-enabled audits? You need to catch up or risk being seen as outdated and out of touch by the business.
- ☒ Is your IT function frustrated at the range of tools that you are using or suggesting that you need them?
- ☒ Do you want to move to Continuous Auditing so you can focus your efforts on other more dynamic internal audits?
- ☒ Do you need to deliver efficient management compliance testing and need an efficient technology that can cover all the requirements?
- ☒ Is a high proportion of your audits data ripe and highly repeatable?
- ☒ Are you a global organisation and want technology that can be used on a global scale without reliance on experts?
- ☒ Is your business transforming its technology and you have an opportunity to state your assurance requirements at the outset?

What you gain



Self-efficiency and the ability to change your assurance requirements rapidly.



The ability to place more focus on the more dynamic parts of the business where risks may arise through uncertainty.



Real time assurance.



The ability to meet multiple assurance needs through one solution – SOX, Regulatory reporting and internal control testing.



Greater business ownership of controls through creating the pull into the second line and continuous monitoring.



Assurance has a higher profile in the business and is fully embedded in core business processes.

Delivering value

Having a complex landscape of systems and inconsistent reporting across its organisation, one client in the retail industry wanted to develop a consistent approach to reporting and interrogating their enterprise data. After helping them to shape a vision, we worked alongside them to deploy the technology and develop the content.

We worked alongside a global telecommunications organisation which wanted to develop a data lake for their financial and operational data sources. We also helped develop content that could then be leveraged across the three lines of defence.

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