The Audit Analytic Capability Model

John Verver CA, CISA, CMC
Vice President, Services & Product Strategy
ACL Services Ltd
Audit Analytic Capability Model

- To help organizations chart their course in audit analytics
  - Codified based on 20+ years of experience
  - 14,000 customer organizations worldwide
  - Reviewed by Big Four partners
  - Covers the full spectrum of audit analytics needs
  - Will lead to an evaluation tool for our customers
Introducing the Audit Analytic Capability Model

Level 1: Basic
Level 2: Applied
Level 3: Managed
Level 4: Automated
Level 5: Monitoring

Sophistication

Audit Contribution

Foresight

Insight

Hindsight
Level 1: Basic

Characteristics
- Audit-specific technology
- Ad hoc query and analysis
- Used to perform analysis of large data sets

Benefits
- Rapid insight into entire data populations
- Increased ability to detect fraud, errors and inefficiencies
- Increased audit quality and assurance
Level 2: Applied

Characteristics
- Analytics fully integrated into audit process
- Comprehensive suite of repeatable tests are designed and developed
- Applied to a range of audit and control objectives

Benefits
- Gain greater insight into targeted audit areas
- Improved quality and reliability of tests
- Improve audit efficiency and effectiveness
Level 3: Managed

Characteristics
- Centralized or local processing
- Secure environment to store data
- Audit analytic content shared within the team

Benefits
- Manage all audit analytic content in one secure place
- Do more with faster analysis
- Risk mitigation / sustainability
Level 4: Automated

Characteristics
- Recurring and scheduled analysis
- Audit processes change from cyclical to continuous
- A broader set of the audit team applying analytics across the audit process

Benefits
- Achieve timely insight into audit and control issues
- Improve audit team efficiency through automation
- Audit scope increased through multiple concurrent auditing
Level 5: Monitoring

Characteristics
- Exceptions routed to business process owners for review and remediation
- Reporting and monitoring of the results and trends identified
- Increased use of audit analytics across the organization

Benefits
- Develop a partnership with business process owners to provide insight into their operational performance
- Achieve timely resolution of exceptions
- Provide the organization with a clearer picture of risks in business processes
Summary

We need your feedback:
- Survey
- acm@acl.com

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