Modernizing Your Internal Audit Infrastructure:
A Checklist for Optimizing Efficiency and Impact

Introduction

Running an internal audit department today isn't easy. Regulations and business requirements are constantly evolving. Responsibilities are expanding, with senior leadership increasingly asking for a comprehensive view of audit status and organizational risk. Traditional tools and processes — disparate documents, spreadsheets and manual workflows — struggle to keep up, posing a variety of risks and administrative challenges.

The problems start with fragmentation. Audit processes, data sources, plans, issues and remediations are too often siloed. This precludes organization-wide visibility and effective reporting. It also hinders consistency across departments; information trapped inside electronic documents and spreadsheets effectively becomes "dark data," impossible to search, reference, analyze, export, report on or access on mobile devices.

Systems are too often static and unable to keep up with evolving risks in areas such as cybersecurity or sustainability, unable to quickly adapt to changing regulations and requirements, and unable to scale as the organization and its responsibilities grow. Teams spend their time toggling across spreadsheets and ticking boxes rather than on higher-value work.

This all adds up to an untenable situation in today's business environment. Increasingly, leadership expects internal audit teams to not only identify issues and track remediations but also provide strategic insight into risk, revenue opportunities and more. It's an escalated and expanded role that often comes without a commensurate increase in budget or staffing.

Technology is key to success and critical to keeping pace. Yet adopting a modern audit infrastructure often requires a shift in perspective.

Read on for four key steps to also building an optimized audit infrastructure, with checklists to guide your journey.
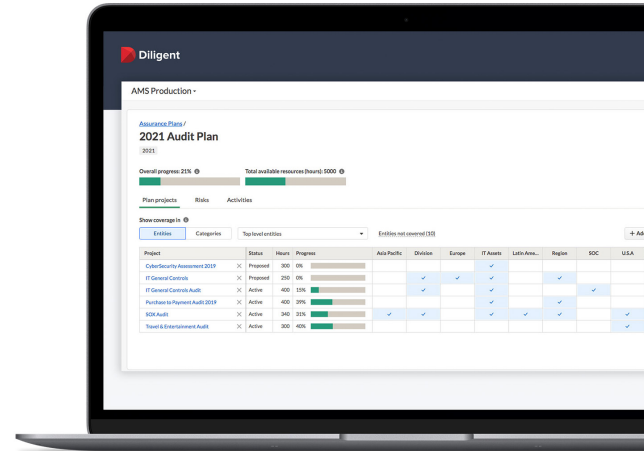
1. Centralization

Standardization, speed and simplicity — these are the benefits unified audit management platforms and centralized repositories and libraries deliver. With such centralization, audit teams can stay organized, process audits faster, reduce their workloads and aggregate assurance across the organization's overall risk and control framework, to rapidly highlight areas of concern.

A unified "source of truth" also keeps teams on the same page, for greater accuracy, less duplication and fewer repetitive tasks.

Audit infrastructure built on a centralized platform can:

☐ Store test results, supporting documentation and evidence, all in one place

☐ Plan, conduct fieldwork, execute on procedures, identify findings and make recommendations from a single platform

☐ Manage all the audit programs from a central location

☐ Maintain a library of past audits, workflow templates, customized workpapers, and risk and control matrices

☐ Integrate audit analytics and questionnaires

☐ Mass migrate legacy or multi-department issues into a single, secure platform

2. Automation

Centralized platforms are one step to improving audit efficiency. Automation is another, with several other benefits — such as scalability.

With automated workflows based on industry best practices, teams can conduct more audits in less time and free up their days for strategic insight. When programs are preconfigured, teams can stay up to date on and respond quickly to evolving audit standards and regulations, without cumbersome manual research or having to move between numerous programs and systems. Additionally, with mobile capabilities, auditors can conduct tasks at any stage of the process at any time, from any device.

Automation also enables internal audit teams to swiftly scale their operations, adding new processes, requirements, workflows and staff at the speed of change.

Automation as part of a technology-based audit infrastructure should include:

☐ Standardized templates and reusable risk and control libraries

☐ Automatically deployable and trackable audit questionnaires, with the ability to easily capture evidence, and make in-line citations

☐ Automated workflows to manage requests and responses from control owners across the organizations

☐ The ability to quickly plan, schedule and assign audit plans and manage them through to completions

☐ IIA-recommended methodology and best practices built into programs and processes

3. Visibility

Across these processes, systems and data sources, internal audit teams need to be able to see what's going on, both for their own objective oversight and to guide leadership in critical business decisions.

How is the audit program performing? What are the biggest risks that could derail business strategy?

Here's where audit dashboards and reporting tools come in. Such technology distills the complexities and delivers real-time insights for informed decision-making. The best solutions also provide assurance, with data that is defensible to regulators and external auditors during investigations.

Modern audit dashboards and reporting tools enable teams to:

☐　Gain real-time visibility into individual audits and overall strategy and communicate progress

☐　Zero in on the highest priority risks via drilldowns into status, findings, audit logs and more

☐　Perform real-time risk assessments

☐　Illustrate how audits tie to strategic objectives and key areas of risk

☐　Be confident that the information they're using is up-to-date, consistent, accurate and aligned with the latest regulations and requirements
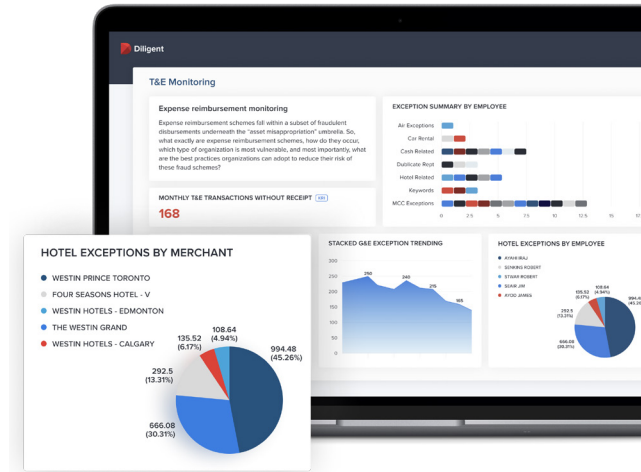
4. Continuous Assurance

As audit teams are all too aware, identifying issues is just one part of the job. Teams must also monitor progress and remediation — activities currently rife with inefficient manual processes.

Consider all of the operational processes that require continuous oversight: SOX, P2P, SoD, payroll, the list goes on. Modern audit technology serves as an accelerator and force multiplier for performance and risk monitoring, automatically testing controls, delivering continuous assurance and freeing up auditors for more strategic work.

Look for the ability to:

☐ Track and automate real-time KPIs/KRIs

☐ Automatically test controls against standards and regulations and monitor them in real time

☐ Track, remediate and report on deficiencies, issues and findings

☐ Automate action plans and assignments for follow up, with the ability to cite evidence directly within the platform

☐ Analyze transactional data in real time for leakage

☐ Enable collaboration, escalation and reporting on issues and deficiencies

Diligent for Audit Management

Diligent Audit Management helps audit teams move forward with the four key steps of centralization, automation, visibility, ongoing assurance:

- ☑ A unified platform with centralized data, templates and libraries

- ☑ Automation and dynamic workflows supported by agile, best-in-class audit methodology

- ☑ Built-in analytics and machine learning capabilities

- ☑ Real-time dashboards and one-click reports

But this is just the beginning. For audit teams tasked with doing more with less, while evolving into an expanded role, Diligent provides:

Effortless and Efficient Audit Management

With Diligent, audit teams are able to effortlessly and efficiently manage every audit. They can conduct more audits in less time with automated workflows grounded in best-in-class audit methodology, which simplify the end-to-end audit life cycle.

Diligent connects directly to any data source with built-in data connectors, including SAP, Oracle and Concur. This removes work duplication and the risk of human error and gives teams the ability to analyze 100% of their data. Automated monitoring of operational control processes — such as P2P, SoD, payroll, general ledger analysis, AP analysis, fixed asset management, access control, SOX and AML — saves time and resources that are typically spent on manual monitoring.

Diligent further helps teams work more efficiently through the ability to schedule and manage audit projects and the ability to maintain a library of past audits, workflow templates, and risk and control matrices. Working from a single source of truth both eliminates repetitive tasks and duplication and enables the audit program to scale. Moreover, with Diligent's mobile apps and offline modes, audit teams can conduct fieldwork, including end-to-end audits, from anywhere and on any device.

Strategic Insight

Diligent Audit Management empowers audit teams to turn audit into a strategic advantage. Teams are able to maximize executive visibility into audit workflows and insights with one-click reports that keep stakeholders informed and individualized dashboards that drill down into audit status, findings and remediation plans.

Real-time dashboards and reports both support agile decision-making and instill executive confidence in the audit program. For external communications and investigations, audit teams are able to report on the performance of their entire program with data that is defensible to regulators and external auditors.

Continuous Assurance

Finally, Diligent Audit Management enables audit teams to operate as a strategic audit leader that mitigate risks in real time, supporting their ability to swiftly identify areas of concern, focus on the highest priorities and ensure remediation.

With Diligent Audit Management, teams are able to:

- ☑ Create risk-based audit plans that span the entire audit universe and aggregate risk assurance across the company's enterprise risk management framework

- ☑ Track and automate performance and risk KPIs/KRIs in real time

- ☑ Track remediation efforts by owner with scheduled follow-ups, reminders, and notifications

- ☑ Directly map audit engagements to strategic business priorities

- ☑ Use machine learning and analytics to perform advanced analyses and predict future trends

Take the next step in modernizing your audit infrastructure. Download Diligent's Audit Management Software Buyer's Guide.

Diligent

About Diligent Corporation

Diligent is the leading governance, risk and compliance (GRC) SaaS company, serving 1 million users from over 25,000 customers around the world. Our innovative technology gives leaders a connected view of governance, risk, compliance and ESG across their organizations, sparking the insights they need to make better decisions and lead with purpose. Learn more at diligent.com.

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