



# audit accelerator

Driving productivity with ACL

## ACL technology supports worldwide governance & compliance for Siemens

### Largest Purchase-to-Pay Monitoring Project Ever Undertaken

Siemens AG, one of the world's largest companies, selected ACL technology to continuously monitor critical financial transactions that are at risk for fraud, error and abuse across its 1,300+ corporate entities in more than 190 countries.

The ACL technology installation—across Siemens' global corporate entities—represents the broadest implementation of monitoring technology and enforces the clear mandate to strengthen controls within the entire purchase-to-pay process (P2P), from order entry to approval to payment.

Siemens aims to become a world leader in transparency and compliance by establishing clear regulations for every employee and mandatory minimum requirements for suppliers worldwide. Michael Brauer, head of Siemens CIT CA and Program Manager for P2P Data Assurance, says "ACL technology, with its continuous auditing and monitoring capabilities, supports these goals by flagging exceptions within our purchase-to-pay process for immediate remediation action."



» Continued on page 2

- 3 UN World Food Programme: optimizing internal efficiency
- 4 UPC Ireland saves 750,000+ euros
- 5 7 best practices of highly successful auditors
- 6 Washington State Department of Licensing gets fast results
- 7 On-the-job advice
- 7 Enhance your team's skills with training
- 8 ACL Customer Community: User Groups

## Audit technology expands its reach

### Interview with Peter Millar, ACL Services Ltd.

We sat down with ACL's Peter Millar to talk about ACL AuditExchange. Peter has been involved in the evolution and development of audit analytics solutions for audit departments for 12 years. He is a member of The IIA Advanced Technology Committee and a frequent speaker at audit events around the world.

#### **Audit Accelerator: How is audit technology impacting other departments?**

Peter Millar: Organizations are recognizing that they've got to pay attention to how well they are running, and how efficiently their processes are working. It's especially important in times when budgets are getting tight with the current

economic downturn. Audit committees, executives and shareholders are showing much greater interest in what auditors can do for an organization.

Lately we've seen a number of departments other than audit recognizing that they can use audit tools to find savings, and that it can be done on an ongoing basis to create a high performing organization by addressing inefficiencies, reducing waste, preventing leakage, and reducing the risk of loss. ACL AuditExchange is a managed analytics platform for audit that has been well-received by audit and non-audit departments alike.



» Continued on page 2

Audit Accelerator is published by:  
**ACL Services Ltd.**  
 +1-604-669-4225  
 www.acl.com

## » ACL technology supports worldwide governance & compliance for Siemens

### Siemens AG

Siemens AG (Berlin and Munich) is a global powerhouse in electronics and electrical engineering, operating in the industry, energy and healthcare sectors. The company has around 400,000 employees (in continuing operations) working to develop and manufacture products, design and install complex systems and projects, and tailor a wide range of solutions for individual requirements. For over 160 years, Siemens has stood for technical achievements, innovation, quality, reliability and internationality. In fiscal 2007, Siemens had revenue of €72.4 billion and income from continuing operations of €3.9 billion (IFRS).

Further information is available at: [www.siemens.com](http://www.siemens.com)

Through continuous monitoring solutions that can catch these inconsistencies, organizations are better able to support governance, risk and compliance activities and ensure the integrity of internal controls and the transactions underlying key business processes.

Siemens selected ACL as one of the best-in-breed technologies for audit analytics and transaction monitoring. "We are pleased to support Siemens' focus on increased visibility into their financial processes and look forward to helping them to assure ongoing compliance," says Harald Will, president and CEO, ACL Services Ltd.

## » Audit technology expands its reach

### AA: Specifically, what other departments are finding value in ACL AuditExchange?

PM: It has been a variety of departments, such as finance, compliance, risk management, or fraud groups. For example, a recent joint purchase happened with a finance department, through Accounts Payable (AP). An AP manager can find value in analyzing transactions in the purchase-to-payment cycle to ensure there are no duplicate payments or inappropriate approvals.

There are many departments and functions in an organization that relate to overall assurance, and in everything but title are carrying out an audit activity in terms of their use of data analysis. We've seen compliance teams work very closely with internal audit and share common resources, such as data sets, scripts, etc. In these situations, the ability to use and reuse specific analytics and having a centralized managed platform like ACL AuditExchange upon which to coordinate the work provides enormous efficiencies with respect to knowledge-sharing.

### AA: What are some challenges to getting buy-in from other departments?

PM: Some departments outside audit may have experience with ACL technology, but many have not. There's a concern they would have to extensively train people to be able to benefit from AuditExchange, which was perhaps not planned for. Yet, these departments often have standard challenges that audit departments face - such as getting efficient access to data.

When they come to realize that the task of accessing data in AuditExchange is dealt with by those who know how to use ACL, and

that the creation and pre-testing of scripts is dealt with as part of the AuditExchange implementation process, they see that not everybody using AuditExchange needs to be an expert user - so that barrier is removed. The complex tasks of setting up data access and automating tests in AuditExchange can be dealt with independent of the actual end user. They may want to think about an introduction course, or it might even be a simple matter of taking online learning. This is certainly a lot less time-consuming than teaching someone all the intricacies of accessing and understanding data.

### AA: Do you have any advice on how audit can get other departments on board?

PM: Focus less on the technology and more on the business outcomes. Recognize that a lot of the manual tasks that need to be performed can be done efficiently by those who know how. ACL AuditExchange enables users to generate results that would otherwise be impossible, and those results can be used to investigate what's going on in a given part of the organization.

Audit has for years used their techniques and knowledge of internal controls in business processes to highlight areas in other departments that need to be fixed. Many of those departments see value in having the capability of doing that themselves. In the past, their capability of doing that has meant a fair bit of training on ACL. However, with AuditExchange, audit can share their knowledge and practices - and other departments can use audit practices on a more frequent basis to find out what's going on and ultimately raise the performance level in their own department.

### AA: How is data access controlled when other departments are sharing the same resources?

PM: AuditExchange enables specific users to get access to only specific data sets and run certain scripts. This addresses issues of inappropriate disclosure or unauthorized access to sensitive information - specific users are allowed access to only those things they are entitled to see. Access is controlled by the AuditExchange administrator. The standard user of AuditExchange has read-only access, so none of the data or audit routines can be changed. So there's always that single version of the truth that you can go to.

### AA: What size of organization is AuditExchange best suited for?

PM: Audit departments, both large (eg. more than 150 auditors) and small (e.g. three auditors), have universally recognized the value AuditExchange provides, the challenges that it helps overcome, and how they can be far more effective in their jobs with it. AuditExchange scales to any size of operation, as does its pricing. I think that's why we've seen such enormous success already with AuditExchange.

There have been audit departments that didn't have it budgeted but saw the value and got it going within three weeks. They just jumped on it - seeing the value of the solution and how it would help them rapidly achieve their goals. This is what drew over 100 organizations to purchase ACL AuditExchange within the first 90 days of its commercial release.

For more information, please visit [www.acl.com/axAA](http://www.acl.com/axAA)

# UN World Food Programme: optimizing internal efficiency



**T**he United Nations World Food Programme (WFP) is known as the largest humanitarian organization in the world, reaching an average of 90 million of the world's poorest people in 80 countries every year, including most of the world's refugees and internally displaced people. What it may not be known for is its technical ability to develop innovative tools for continuous auditing and monitoring using "off-the-shelf" software packages. This earned WFP the *ACL Impact Award* – an annual award recognizing individuals and organizations that use *ACL* to drive outstanding business value and achieve performance excellence.

According to WFP's Director of the Office of Internal Audit, Kojo Anayanful, when the organization replaced its legacy ERP system with SAP in 2001, the Office of Internal Audit (OSDA) needed a secure, independent way to access data from SAP and multiple platforms.

## Challenge: Huge volumes of data

After WFP implemented the SAP ERP, the Office of Internal Audit had limited access to SAP transactional data. When audit staff tested data migration from legacy systems to SAP, the team realized that a simple spreadsheet could not handle the volume and variety of data involved.

The Office of Internal Audit needed a new way to standardize data analysis among multiple audit teams, analyze full data populations, implement continuous auditing, and generate reports from the SAP system without IT intervention. They needed independent access to data from multiple platforms, and to strengthen their undefined user access and control gaps. As well, they needed to improve their random, judgment-based sampling procedures.

## Solution: Continuous auditing with *ACL*

The *ACL* Direct Link™ for SAP® ERP solution facilitated the Audit Division to develop its own continuous auditing and monitoring (CAM) tool that allows for continuous auditing practice with a suite of over 75 reports that cover more than 60% of WFP business processes.

The reports are generated periodically (monthly or quarterly) and highlight transactions that do not conform to established rules and controls. The reports have also enabled the team to update risk assessment practices, including a new protocol that shares these assessments with management and extends ownership of the continuous monitoring process beyond the internal audit unit.

In the past, producing audit reports was a time consuming and costly process, which strained limited IT resources. Now, the internal audit division has become a driver of change on fundamental corporate issues. By sharing critical data and comprehensive reports with management, the team can take pride in using industry best practices to support wide-scale organizational goals.

In the past, producing audit reports was a time consuming and costly process, which strained limited IT resources. Now, the internal audit division has become a driver of change on fundamental corporate issues.

## Results: Visible boost of internal efficiency

*ACL* technology has allowed WFP's internal audit team to achieve:

- Continuous auditing with value-added reporting
- Seamless, secure access to data from SAP and multiple platforms
- Standardized data analysis with a more focused auditing routine

With the new solution, WFP's internal audit team has cut audit times and visibly boosted internal efficiency. For example, the WFP's biennial financial statements audit used to fully occupy six auditors for two months. With the new innovation, this process requires just two auditors for one month.

WFP has a powerful solution and unified systems that support its important work with some of the world's most at-risk populations.

## United Nations World Food Programme

Founded in 1963, the United Nations World Food Programme is the largest humanitarian agency in the world. Its corporate goal is to eliminate hunger and advocate for the world's poorest people. In 2007, WFP provided 3.3 million tons of food for 86.1 million people in 80 countries worldwide. With over 90% of its staff in the field, WFP uses a global network of planes, ships, helicopters, trucks, barges and, if needed, donkeys, camels and elephants to reach those most in need.

For further information on UN World Food Programme, please visit [www.wfp.org](http://www.wfp.org)



# UPC Ireland saves 750,000+ euros

**U**PC Ireland is the largest pay TV operator in Ireland. As a result of merging ntl Ireland and Chorus into one company under UPC Ireland, UPC needed to develop a system to reconcile billing, analyze multiple data sources, and embed business logic into applications. UPC's Revenue Assurance team already used ACL technology and wanted to expand its use to support the merger.

## Challenge: Preventing revenue leakage

Telecommunications revenue leakage represents an industry-wide exposure of approximately USD \$140 billion each year according to research reports from Giga, America's Network, IDC, Deloitte & Touche, and RHK. Leakage can occur for a variety of reasons, including incorrect network implementation or upgrade logic; data loss and corrupted files; provisioning stream issues; tariff manipulation or rate and numbering plan problems; and fraud. To combat this challenge and tackle internal control issues, UPC Ireland created a dedicated Revenue Assurance and Fraud team.

“ACL technology has been essential in developing a solid, cost-effective revenue assurance and compliance environment.”

Glen Winn,  
Revenue Assurance, Fraud and Risk Manager



When ntl Ireland and Chorus were amalgamated to form UPC Ireland, the company changed many of its infrastructure systems. This created a significant challenge for the Revenue Assurance (RA) team, because the existing end-to-end reconciliation system was no longer viable.

They needed a system that could perform multiple drill-downs, record tracing and data analysis – and the system needed to be implemented within two months at a minimal cost. The new platform reconciliation systems needed to be developed in less than 10 days with minimal expenditures, and had to eliminate all user pre-processing.

## Solution: Cost-effective revenue assurance with ACL

The RA team was already using ACL Audit Analytics for other audit activities and investigations, and chose this powerful solution to create their new reconciliation models. They were all completed in six weeks or less – from initial design to full implementation.

Using ACL technology, UPC Ireland developed the "RACER" end-to-end reconciliation system. RACER is fully automated and can load data while the system is not in use. With ACL Audit Analytics, RACER detects duplicate files and weeds out old records on a daily basis. It also separates running code and configuration to support easy changes. After the system finishes the reconciliation, it presents a summary of the records from all the sources and incorporates the business logic of record flow through the billing stream.

The ability to drill down into data records is another key function of the RACER system. It provides a full trace facility that allows the team to trace call records through all the data sources. This is an extremely powerful capability for the RA team, making it easy to see where records drop out of the billing stream. With ACL Audit Analytics, RACER gives UPC Ireland the functionality of a big-ticket revenue assurance system at a fraction of the cost.

## Results: ROI in two days

With the power of ACL Audit Analytics solutions, the RACER system identified more than 20 significant configuration issues in its first week of operation. Correcting these errors has generated an impressive revenue increase for the company. The system also achieved full ROI in less than two days.

Their "RADAR" system provides daily smartcard reconciliation functions. It achieved payback in less than one day. It also identified more than 20,000 errors, which were corrected before executing the migration. By benchmarking its revenue assurance compliance against other operators, the company has enjoyed savings topping €750,000 per year.

The RA team is extending its ACL use to create tests that identify fraudulent service applications. Other UPC Ireland teams and affiliates are also looking to implement ACL analytics, and the company is currently implementing ACL AuditExchange 2009.

## UPC Ireland

UPC is the new parent company of Chorus ntl and is a subsidiary of UPC Broadband (UPC), the European division of Liberty Global, Inc., the world's leading international cable operator. UPC brings television, broadband internet and telephone services to approximately 10 million customers throughout 10 European countries. The company is driven by its vision that 'this amazing but often complex digital world should be for everyone'. UPC's 15,000 employees throughout Europe strive to make this happen by bringing simplicity and a real human touch to everything they do.

For further information on UPC Ireland, please visit [www.upc.ie](http://www.upc.ie)

# do you know the best practices of highly successful auditors?

At ACL, we're proud to have almost 200,000 auditors around the world as our customers. Many of them are star performers who have redefined how audits are performed.

On our 7 best practices home page you'll find articles from seven leading auditors as well as case studies and white papers related to the audit profession. You'll

also be able to hear many of our featured auditors talk about their best practice for audit excellence during a webinar that was recorded this past Summer.

Use the following best practices to help in your journey to audit excellence!



## 1) Leverage technology to improve results

"The key to an efficient internal audit department is to use automated tools and embrace best practices in internal audit."

**Jason A. Gross**, Vice President of Internal Audit and Chief Audit Executive, Siemens Financial Services, Inc.



## 2) Maintain independence

"Having complete and independent access to data allows us to react quickly to urgent data requests and to work under tight reporting deadlines."

**Brian W. Harris**, CIA, CISA, MBA  
BlueCross BlueShield of South Carolina, Corporate Audit Division



## 3) Understand your data

"Knowing one's data is crucial in data analytics. You have to know your data to understand your data. If you don't understand your data, you can't analyze it."

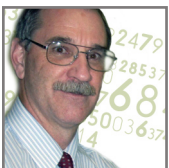
**Porter Broyles**, President, Texas ACL User Group; ACL Super User



## 4) Automate for complete audit coverage

"Using technology that enabled us to develop new methodologies that are statistically valid and provide the foundation to report compliance and improve controls has been invaluable."

**Shyrl Kennedy** MA, DPSM, Executive Director of the Corporate Compliance and Controls Monitoring Branch, Office of the Comptroller General, British Columbia Government Ministry of Finance



## 5) Use the right tools to work smarter, not harder

"Don't rely on old methods in a rapidly changing environment. Learn something new and apply it to today's challenges"

**David G. Coderre**, MBA, President, CAATs; Author, *CAATs & Other BEASTs for Auditors* (3rd Edition)



## 6) Be creative

"ACL's continuous monitoring technology equips us to detect real-time deviations in our data. We have moved from a reactive approach to a powerful, preventative audit program."

**Danilo Maik Sanches**, MBA, Internal Audit and Compliance Manager, Redecard S.A.



## 7) Never stop learning and developing new skills

"There is always an opportunity to increase our knowledge and expand our value to our organization."

**Kate M. Head**, Associate Director of Audit and Compliance, University of South Florida (USF)

You have the opportunity to **learn** from these outstanding individuals by visiting our **7 best practices** microsite: [www.acl.com/7AA](http://www.acl.com/7AA)

# Washington State Department of Licensing gets fast results



**F**rom highway safety to vehicle and driver services to the licensing and regulation of over 30 professions and businesses, the Washington State Department of Licensing is focused on public safety and consumer protection. The agency also works to ensure state revenue is collected fairly and efficiently. Based in Olympia, WA, the agency has over 1,200 employees who serve customers at 66 license offices and 198 vehicle services statewide.

## Objective: Hit the ground running with ACL

The Washington State Department of Licensing purchased ACL's audit analytics software and immediately began using the solution at a basic and intermediate level. When the Integrated Audit team was ready to automate several compliance and audit tests, they chose to engage ACL Consulting Services. The four-day onsite engagement had an ACL Consultant working closely with members of the Integrated Audit team to create custom Scripts and provide hands-on support.

## Results: Customized tests & personalized training for key staff

The Integrated Audit team got more than expected with their ACL Consulting experience. The target result was the development of one automated Script but ACL delivered three effective Scripts during their time onsite. Two Scripts were created to detect duplicate payments and driver licensing fraud and the third test cross-checks Accounts Payable files against Human Resources data. These are tests that the team would have previously had to run manually. Automating the process offers considerable value to the audit department.

“It's amazing how much we learned about our data during the consulting process. The Integrated Audit team went places that we've never gone before.”

Dawn Thompson, Integrated Auditor

The new Scripts enable automated data testing. Therefore, the team was able to meet a critical project deadline, despite working with data from multiple platforms. Auditors learned to import targeted database files instead of entire populations and can now modify the tests as needed. According to their auditors, the ACL consultant outperformed expectations and always explained the step-by-step logic underpinning his work. ACL Consulting added value to the organization by suggesting useful tests that the team hadn't previously considered. The Integrated Audit team reports "The process was simple, constructive and enjoyable, from start to finish."

## Did you Know?

ACL currently serves **more than 10,000 organizations** in more than **150 countries**.

Customers Include:

- » 85% of Fortune 500 companies
- » Over two-thirds of the Global 500
- » Hundreds of national, state, and local governments
- » The Big Four public accounting firms

## Webinar

### Preventing & Detecting Fraud with Audit Analytics: An inside look at a highly-publicized current fraud case

When officials at a public employee retirement fund discover they had mistakenly hired a convicted felon as Chief Benefits Officer, Brenda Buetow and her team were called in. The results of the investigation led to the conviction of three of the agency's employees and several co-conspirators.

Find out how this case was broken down into three separate allegations and learn new best practices in fraud detection and prevention that can be used to:

- Leverage the power of data to build an objective fraud case
- Conduct data analysis discreetly
- Implement internal controls for fraud prevention
- Establish guidelines to manage exceptions in analysis results

» View Webinar at [www.acl.com/webinarsAA](http://www.acl.com/webinarsAA)

# On-the-job advice

ACL's annual *Connections* user conference drew more than 200 attendees from 25 countries around the world this past April. Between sessions over the two and a half days in Vancouver, we had the opportunity to talk to a few ACL users to ask for advice to share with their peers. Here's what they said:

"Relationship with auditees is critically important. How you are positioned to interact with them makes the difference between success and failure. Keep in constant contact with auditees, rather than getting in touch only when getting ready to audit. Keep in mind that we, as audit, push back value to those being audited. Our work is valuable only when we reduce risk, promote effective use, or improve things."

**Charles Faull, CISA**  
Senior Auditor  
Washington Division of URS Corporation  
Industry: Business Services

URS is a single-source provider of planning, engineering design, construction, technical, management, and operations and maintenance services to public and private sector clients worldwide. [www.urscorp.com](http://www.urscorp.com)

"Talk to people. Understand what their problems are and use technology to help you solve their problems and meet the needs of your organization. ACL can help you to provide timely reports and identify redundancy. Using ACL, my work is cleaner - which means less time has to be spent by our external auditors to rework my work, and that translates to lower external audit fees."

**Timothy Hediger**  
Director, Internal Audit  
PRIDE Industries  
Industry: Non-profit

PRIDE Industries, one of the nation's largest employers of people with disabilities, provides a variety of outsourcing solutions to meet the manufacturing and service needs of companies nationwide. [www.prideindustries.com](http://www.prideindustries.com)

"ACL is integral to the work I do at Denver Water, and I'm lucky that my organization understands the usefulness of ACL after seeing it in action. My advice to my peers is to get the most out of ACL software by taking advantage of the great technical support that ACL provides."

**David Mallory**  
Auditor III – Internal Auditor  
Denver Water  
Industry: Government

Denver Water is the largest water utility between the Mississippi River and the West Coast, managing more than 500,000 acre feet of water storage and serving more than one million customers through 2,500 miles of computer-controlled pipes. [www.denverwater.org](http://www.denverwater.org)

## Enhance your team's skills with training

Audit Managers today are challenged with improving audit team productivity. With ACL Training, audit teams see payoff immediately. ACL Services offers an interactive and structured learning environment with expert trainers, where clients learn best practices and effective applications of ACL to improve audit efficiency and productivity. A variety

of training courses are available, including scheduled classes taking place around the world and on-site classes that bring the classroom to you. Courses are conducted in a variety of local languages in North America, Europe and the Middle East. All instructor-led courses in the US and Canada are eligible for CPE credits.

“ Knowledge of specific industries, leading practices, and benchmark information is a key component of an effective and efficient Internal Audit function. This knowledge should be included in the training and development of new and existing staff. ”

*Global Internal Audit Survey 2007*  
Ernst & Young

### Featured Course

#### ACL 291 & 292: Custom Workshops for ACL Procedures (CPE Credits: 16)

These two-day add-ons to any ACL entry level course support the implementation of ACL technology in your organization and are custom built around your data analysis requirements. The focus is to develop and document ACL procedures specific to your needs while ensuring the necessary skills are reinforced within in your team.

##### Course Objectives

- Apply the fundamentals of ACL in data access and quality testing
- Develop ACL-based audit procedures to achieve your organization's audit objectives
- Design and deploy ACL procedures to increase your team's effectiveness and efficiency

##### Who Should Attend

Financial, Operational, and External Auditors, Information Systems Auditors and Audit Management.

» For ACL Certified Training schedules, visit [www.acl.com/trainingAA](http://www.acl.com/trainingAA)

## ACL Customer Community

# Learn from your peers by participating in an **ACL User Group**

In response to requests for more opportunities for customers to share ideas with one another, ACL has created a dedicated website to foster the growth of User Groups. A User Group is a self-organized group of ACL customers who meet to exchange ideas and methodologies for the use of ACL.

The ACL User Group website includes information on starting or locating a User Group, sample by-laws, and answers to frequently asked questions. The site serves as a resource for customers to connect with each another and network within their local communities.

There is also a topic area within the ACL online Support Center User Forums for discussions relating to ACL User Groups.

Activity in the forum includes postings from groups regarding their upcoming meetings.

In addition to online support, ACL provides incentives and assistance to established User Groups – including training discounts, emails to customers on their behalf, incentives for the annual ACL *Connections* user conference, and onsite support such as providing ACL representatives to speak at meetings.

Currently there are 20 groups operating in North America, the United Kingdom and Germany. There continues to be enormous interest in this initiative at the grass roots level among users throughout the United States, the Middle East, Canada, the Netherlands and Australia. Several new chapters will soon be up and running in these areas.

For more information or to locate a group, visit the ACL User Group resource site at [www.acl.com/usergroupAA](http://www.acl.com/usergroupAA)

## The **future of Audit** is here

**ARE YOU READY?**

### ACL AuditExchange can help your team

- » Increase productivity by automating audit tests and sharing results
- » Enhance data management within a secure and central audit repository
- » Improve access to any type of enterprise data

**ACL** | **AuditExchange**<sup>2009</sup>  
a managed analytics platform for audit

[acl.com/ax](http://acl.com/ax)