Audit Software Implementation

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Objectives

• What types of automated workpaper systems are currently used?

• Describe Chesterfield County Internal Audit’s process of implementing an automated system.

• Discuss key steps we learned during the implementation.
Core Functions

• What are the core items we need to function as an audit shop?
  • Workpaper documents
  • Hours by project
  • Scheduling
  • Risk assessments to design your annual plan

• How many separate processes/documents do you have to complete the above items?
  • Access, Word, Excel, Automated System, etc.
Anticipated Outcomes of an Automated System

- Replace obsolete manual processes
- Easily review workpapers
- Improves value to customers
- Cloud hosted solution
- Increased telecommuting options
Obtaining Resources

• TIP (Technology Improvement Program)

• The IT Steering Committee (ITSC) has two goals with regards to technology investment decisions and the governance of the Technology Improvement Program:

  • Maximize the return on investment for the county by making technology investment decisions that align to the strategic goals of the customers and the County.

  • Make the technology investment decisions consistently.
TIP Process

Problem Statement:

Current audit documentation (or work-paper) system is an obsolete manual process to document project planning, performance, review, and reporting (by project and follow-up on open items) in accordance with auditing standards for all audits, and general office management (scheduling assignments by auditor, time tracking).
TIP Process

• Approved!
  • Our project was approved along with the rest of the County’s FY16 Budget in April of 2015.
  • Approved implementation and first year cost of approximately $82,000.
Project Charter

• Problem Statement
• Issue
• Scope
• Cost
• Level of effort (hours)
Scope

• Key functionality
  • Basic:
    • Enable generation, storage, coordination, approval, and retrieval of audit and compliance working papers and reports.
    • Track employee time by project and individual employee, in categories to include project time, leave activity, and administrative time.
  • Advanced:
    • Ability for auditees to respond to draft audit findings and recommendations.
    • Ability to track progress toward completion of outstanding audit recommendations through a database of final audit recommendations and management responses by project and auditable units.
  • Hosting?
Cost and Level of Effort

Potential Implementation Cost:  
- License (up to 10 users): $38,000
- IT installation services: 5,000
- Implementation Consulting: 9,000
- End-user training: 9,000
- External Hosting one-time set up: 1,875
- External Hosting (annual): 10,800
- Rounding/Miscellaneous: 1,325

Total Estimated Cost: 75,000

Ongoing cost:
- External Hosting (annual): 10,800.00
- Annual license maintenance and support: 7,600.00

Estimated Yearly Operating Cost: 18,400.00

Level of Effort:
- Internal Audit initial estimate: 1,000 hours
- Information Technology, 250 hours
- 1,250 total
Procurement

• Purpose
• Background
• Scope of work
• Evaluation criteria
Security

• Examples of security requirements from our RFP:
  • Describe your organization’s SSAE No. 16 Attestation status.
  • Where data will reside?
  • How the application authenticates users?
  • What is the system’s ability to set access based on role within the system?
  • How will the solution restricts access by user id?
  • Any software escrow assurance?
  • Verify Chesterfield County shall be notified within 24 hours of any confirmed data breach.
  • What are your password strength requirements?
  • What is your method of encryption of data at rest and in motion?
Evaluation Criteria

• Demonstrated ability to comprehensively perform all services detailed in the RFP.
• Offeror’s approach and methodology employed in implementing, training and supporting the solution.
• Overall qualifications and capacity of the Offeror to provide the product and services desired.
• Experience and qualifications of the proposed personnel assigned to provide the services, to include experience administering contracts for local governments or school political subdivisions similar to the County and CCPS.
• Ongoing support for the solution including technical and user support, user community and evolution of the product in relation to the industry.
• Cost of Services.
•YES!! We chose MKinIsight!
More Efficient Audit Processes

• Reduce redundant work paper documentation

• Improve relationship between
  Risks ➔ Controls ➔ Tests
Implement System in Phases

• Create a task list to include estimated deadlines
• Get the basics down
• Train staff in phases before you try to teach them everything
  • Phase I: time reporting, stages, and work programs
  • Phase II: audit planning and scheduling
  • Phase III: annual follow-up and final reports via portal
• Determine next important phase of system
Implementation Effort

- Estimate from charter: 1,000 hours
- Estimate from FY17 audit work plan: 1,200 hours
- Actual FY17 effort: 1,600 hours
- Ongoing effort: 200 hours per year maintenance and fine tuning
What Did We Get Out of MKinsight?

• All of the core functions of an audit shop in one place:
  • Annual Plan
  • Scheduling
  • Projects including work programs and questionnaires
  • Time Reporting
  • Risk Assessments
  • ERM

• Increased efficiency of audits and administrative duties
• Improvements to current processes and procedures