AuditBoard Audit Management

Elevating Audit for Strategic Impact

VALUE*PERSPECTIVE*

Governance, Risk Management & Compliance Insight

The Value of AuditBoard for Audit Management

Audit Planning & Administration

$78,750 Annual Savings

Large Enterprise
10,001+ Employees

$15,750 Annual Savings

Medium Commercial
1,001 to 10,000 Employees

Individual Audit Planning

$66,000 Annual Savings

Large Enterprise
10,001+ Employees

$13,200 Annual Savings

Medium Commercial
1,001 to 10,000 Employees

Audit Testing & Fieldwork

$300,000 Annual Savings

Large Enterprise
10,001+ Employees

$60,000 Annual Savings

Medium Commercial
1,001 to 10,000 Employees

Audit Remediation & Resolution

$22,500 Annual Savings

Large Enterprise
10,001+ Employees

$4,500 Annual Savings

Medium Commercial
1,001 to 10,000 Employees

Audit Reporting & Metrics

$90,000 Annual Savings

Large Enterprise
10,001+ Employees

$18,000 Annual Savings

Medium Commercial
1,001 to 10,000 Employees

Payback period

67 Payback (in days)

Large Enterprise
10,001+ Employees

99 Payback (in days)

Medium Commercial
1,001 to 10,000 Employees

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TALK TO US . . .

We look forward to hearing from you and learning what you think about GRC 20/20 research. GRC 20/20 is eager to answer inquiries from organizations looking to improve GRC related processes and utilize technology to drive GRC efficiency, effectiveness, and agility.

AuditBoard Audit Management
Elevating Audit for Strategic Impact

The Struggles Encountered by Internal Audit Professionals

A renowned British statesman, Benjamin Disraeli, once professed, "Change is inevitable. Change is constant." This assertion, relevant during the tumultuous periods of the First and Second Industrial Revolutions of the 19th century, has gained increased significance amidst the Fourth Industrial Revolution characterized by the burgeoning Digital Economy.

The current business environment is embroiled in a continuous vortex of exponential growth and transformation. Pressures such as risk, regulatory frameworks, globalization, workforce dynamics, the pace of competition, technology evolution, and burgeoning data volumes impose considerable burdens on organizations irrespective of their size.

This intricate change and complexity of organizations necessitate assurance across the organization's operations, which poses a formidable challenge to boards, executives, and internal audit professionals. Internal audit functions must adapt to the current business environment's accelerating pace and unpredictable nature, fraught with ever-shifting risks, requirements, and regulations, and provide ongoing assurance across business operations.

Ensuring Assurance Amidst Complexity

The complexity of the modern organization makes ongoing assurance a necessity but also a challenge. The modern organization is characterized by:

- **Distributed Operations.** The conventional business model, comprising physical structures and traditional employees, has succumbed to a network of complex transactions, processes, and relationships. This intricate web is common to large conglomerates but pervades organizations of all sizes, making it challenging to define organizational boundaries. The increasing integration of roles, relationships, and processes into numerous systems and entities exponentially escalates this complexity and the need for regular assurance.

- **Dynamic Environment.** Organizations are in a perpetual state of change due to the evolving nature of operations, processes, systems, and relationships. While grappling with internal changes, these entities must concurrently provide ongoing assurance in the context of external changes in risk environments affecting internal controls, spanning regulatory and operational risks.

- **Data Disruption.** The advent of 'Big Data' has inundated organizations with voluminous data, necessitating ongoing assurance across diverse systems, transactions, processes, roles, and relationships. Data characteristics — velocity, variety, veracity, and volume — act as disruptive forces, impeding organizational agility and speed, which demand assurance.

- **Increased Accountability.** There's an elevated demand for transparency and accountability regarding risk and internal controls among executives and directors, necessitating internal audits to ensure risk management, compliance, and controls in a volatile business landscape.

Internal auditors often grapple with challenges due to global operations across various jurisdictions, a continuously evolving workforce, a network of third-party relationships, ongoing mergers and acquisitions, isolated systems with limited perspectives, and distributed operations and technology without appropriate oversight.

Too often, internal audit perspectives have been confined to routine financial controls, neglecting comprehensive assurance across various business operations and processes. The conventional approach of completing workpapers and ticking boxes is no longer sufficient in providing continuous assurance necessitated by dynamic business environments.
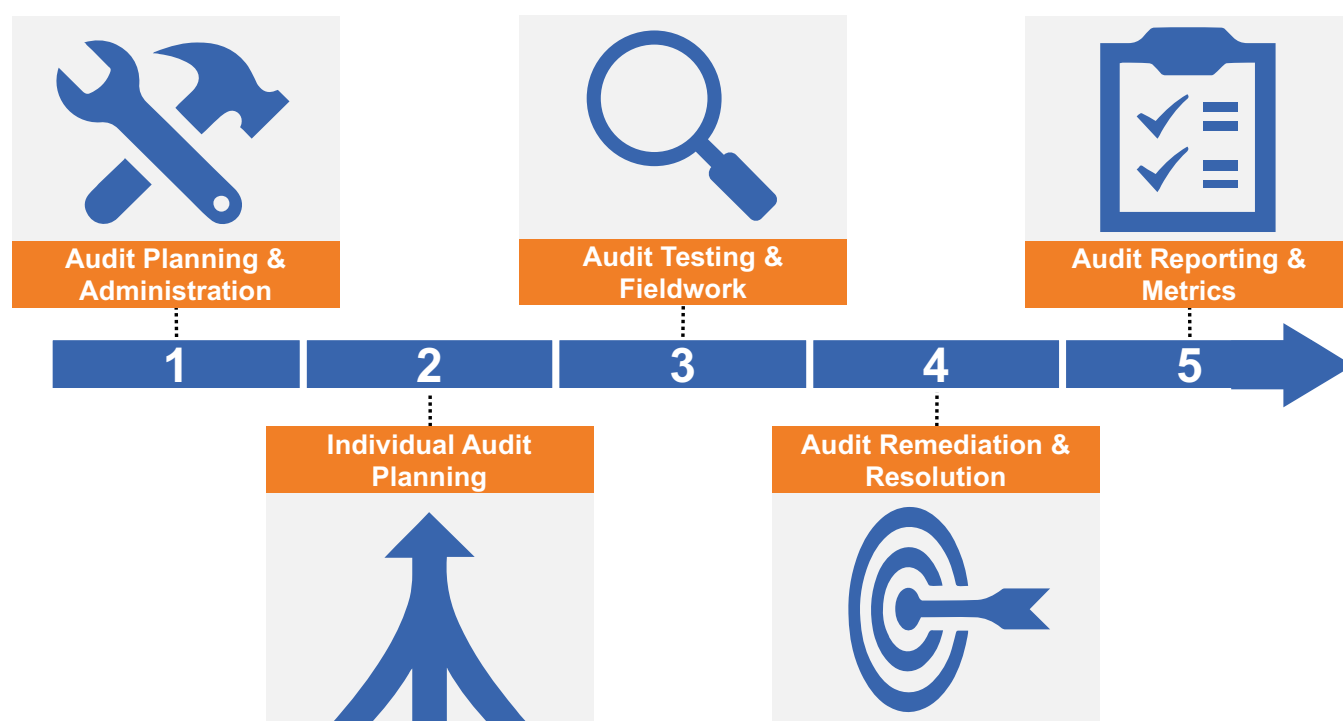
Managing the Audit Management Process

The demand for efficient audit management processes has become imperative as the business landscape becomes increasingly complex. In audit management, efficiency and accuracy are non-negotiable for operational assurance across business operations.

The audit management process spans several crucial areas that must be carefully managed with robust audit trails and records. Technological advancements have introduced technology solutions that address these demands, offering optimized tools for planning, administering, testing, remediating, and reporting during audits. This includes:

- **Audit Planning & Administration.** The initial stage of the audit process orbits around planning and administration, where the entire audit universe is defined and managed. Audit must conduct risk assessments, providing a comprehensive view and detailed analysis of risks permeating that drives a risk-based approach to audits. Through automated features, operational audit technology allocates resources and schedules various audit tasks, ensuring a streamlined workflow while minimizing human errors and oversights. Specific capabilities for audit planning and administration include:

  - ➤ *Risk Assessment.* Technology provides sophisticated tools to identify, assess, and prioritize risks across the entire audit universe, facilitating a risk-based approach to audit planning and administration.

- **Resource Allocation.** It assists in optimal resource allocation by automating the assignment of auditors based on expertise, availability, and the audit's complexity.

- **Automated Scheduling.** With automated scheduling tools, audit managers can easily plan and administer multiple audits concurrently, adjusting timelines as necessary in real time.

- **Individual Audit Planning.** Each audit is distinct, warranting a unique approach to planning. Operational audit solutions allow auditors to craft personalized audit plans that encapsulate the specific risk profiles, objectives, and scopes of individual audits. The automation of pre-audit questionnaires is another feature where the technology shines, efficiently gathering requisite data from auditees and significantly reducing the workload during the planning stage. Specific capabilities to enhance individual audit planning include:

  - **Customized Audit Plans.** Technology allows the creation of tailored audit plans that address individual audits' unique risk profiles, objectives, and scope.

  - **Pre-Audit Questionnaires.** Automated pre-audit questionnaires gather essential data from auditees, streamlining the planning process.

  - **Documentation Tools.** It offers tools for effortlessly documenting audit methodologies, procedures, and criteria, promoting consistency and clarity in planning.

- **Audit Testing & Fieldwork.** Then comes the actual audit itself in the testing and fieldwork phase. Digital working papers provided by technology serve as dynamic platforms where auditors can document their fieldwork. Furthermore, the automation of testing procedures accelerates the data collection and analysis process. At the same time, the sophisticated evidence management system ensures that all evidence is cataloged and stored meticulously, ready to be retrieved whenever necessary. Specific capabilities for facilitating audit testing and fieldwork include:

  - **Digital Working Papers.** Technology provides digital working papers that auditors can access and update in real time, promoting efficient fieldwork documentation.

  - **Test Automation.** Automated testing tools significantly reduce manual testing efforts, increasing efficiency and accuracy in the data gathering and analysis stages.

  - **Evidence Management.** It offers robust evidence management features, ensuring all audit evidence is meticulously documented, organized, and stored for easy retrieval and review.

Audit Planning & Administration		Audit Testing & Fieldwork		Audit Reporting & Metrics
1	**2**	**3**	**4**	**5**
	Individual Audit Planning		Audit Remediation & Resolution	

- **Audit Issue Remediation & Resolution.** In the course of audit management, specific issues arise that must be addressed, reported to management, and tracked through resolution. With the assistance of technology, this process is significantly streamlined. Real-time issue-tracking functionalities embedded in the technology grant auditors instant visibility into the status and progress of audit findings and remediation efforts. Technology enhances collaboration between auditors and auditees, providing a conducive environment for effective communication and resolution planning. Specific capabilities for streamlining remediation and resolution include:

  - *Issue Tracking.* Technology provides issue-tracking functionalities that offer real-time visibility into the status of audit findings and the progress of remediation efforts.

  - *Collaborative Tools.* It fosters collaboration between auditors and auditees through platforms that facilitate communication, information sharing, and joint resolution planning.

  - *Automated Follow-Ups.* Automated follow-up and reminder tools ensure timely resolution of audit issues, with minimal manual intervention from audit managers.

- **Audit Reporting & Metrics.** Throughout all stages of the audit management process, there is ongoing reporting and metrics into what is happening. Operational audit technology allows for the generation of tailored audit reports, ensuring that the presented data aligns with diverse stakeholders' specific

needs and expectations. Dynamic dashboards and visualization tools embedded in the technology transform complex audit metrics into understandable and insightful visual representations, facilitating easier comprehension and analysis by stakeholders. Specific capabilities for improving audit reporting and metrics include:

➤ *Customized Reporting.* Technology allows the generation of customized audit reports that can be easily tailored to meet the needs of different stakeholders.

➤ *Dashboard & Visualizations.* With dynamic dashboards and visualization tools, audit technology helps present audit metrics in an easily understandable format.

➤ *Automated Distribution.* It provides automated report distribution tools, ensuring stakeholders receive timely and accurate audit information.

The audit management process in today's volatile risk environment is intricate, demanding precision and efficiency at each step. Organizations looking to stay compliant and mitigate risks effectively should consider investing in audit management technology to navigate the complexities of today's audit landscape. Audit management technology is indispensable in modernizing and optimizing the audit management process. Solutions designed for audit management are necessary tools in this process, providing support and enhancement across all components, from risk management, planning, and administration to reporting and measurable insights. The reliance on and importance of audit management technology will only continue to grow, marking them as essential assets in the toolkit of modern audit professionals.

Building the Business Case for Audit Management Technology

Internal audit functions within organizations are imperative for ensuring compliance, risk management, and assurance of business operations. However, with the escalating complexity and volume of business transactions and data, traditional audit methods are becoming increasingly cumbersome and inefficient. In the context of these challenges, organizations must champion a compelling business case advocating for a robust operational audit management function enabled by technology. This is indispensable for facilitating an internal audit process that epitomizes efficiency, effectiveness, resilience, and agility. An integrated approach to managing the operational landscape of assurance in contemporary business settings is non-negotiable.

Technological advancements have introduced solutions that address these demands, offering optimized tools for planning, administering, testing, remediating, and reporting during audits. Organizations must strategically invest in an audit management solution that streamlines the audit management process and provides a comprehensive view of the business. Technology should act as a central nervous system for ongoing assurance and risk management. This approach ensures that businesses are continuously aware and can readily provide assurance in the context of changing risks and compliance requirements, securing their position and viability in the competitive marketplace.

As such, organizations must craft a clear, value-based business case for investing in audit management technology to manage the array of audits performed. The right audit management technology enables the internal audit process to be efficient, effective, resilient, and agile:

- **Efficient.** Audit management technology should make organizations more efficient in time and financial costs. This includes areas such as:

  - ➤ *Automation of Routine Tasks.* Audit management technology automates repetitive and time-consuming tasks, allowing auditors to focus on more strategic issues.

  - ➤ *Reporting and Views Into Data.* The technology provides robust reporting and views into audit data, reducing the time spent collecting and consolidating information.

  - ➤ *Streamlined Workflow.* With automated workflow capabilities, audit management technology enhances coordination among audit teams and stakeholders across the business, thereby improving the planning, execution, and completion of audits efficiently.

  - ➤ *Time Savings.* This, combined with real-time audit insights, allows the technology to reduce the time required for preparing and executing audits significantly.

- **Effective.** Audit management technology makes auditing more effective, which means more audits getting done, fewer things slipping through the cracks, and, ultimately, greater assurance of operations and controls. This is delivered with capabilities such as:

  - ➤ *Risk Assessment.* It facilitates dynamic risk assessment capabilities, aiding auditors in identifying and prioritizing high-risk areas that need immediate attention.

  - ➤ *Data Analytics.* With advanced data analytics, audit management technology can identify patterns and trends, enhancing the auditor's ability to make informed and effective decisions.

  - ➤ *Enhanced Reporting.* The technology generates comprehensive and customizable reports in real time, facilitating better communication of audit results to stakeholders.

  - ➤ *Continuous Assurance.* Provides tools to ensure audits get done, thereby increasing the effectiveness of the audit process.

- **Resilient.** Reasonable assurance means discovering audit and control issues before they become bigger. Audit solutions provide greater operational resilience by:

➤ *Business Change.* Audit management technology allows the organization to adapt to business processes, systems, and control changes to ensure audit provides agile, integrated assurance amid an evolving business environment.

➤ *Dynamic Risks.* It enables the organization to align audits with a dynamic and evolving risk environment by ensuring a risk-based approach to audit planning based on changing risks.

➤ *Compliance Adherence.* Ensures ongoing compliance with ever-changing regulatory and control requirements, making the audit function more resilient to risk challenges.

■ **Agile.** Building on resilience, audit management technology makes organizations more equipped to adapt to changing regulations, requirements, risks, and business needs. It enables:

➤ *Scalability.* Audit management technology can quickly adapt to organizations' changing size and complexity, allowing the audit function to scale up or down as needed.

➤ *Integrated Assurance.* The technology provides updates and alerts on audit status and findings, enabling auditors to respond promptly to changes, tasks, and needs.

➤ *Flexible Deployment.* With cloud-based options available, audit management technology can be deployed flexibly to meet each organization's unique needs.

➤ *Adaptability.* The technology is designed to quickly adapt to changes in environments and organizational structures, providing agility in the audit process.

Crafting a value-based business case for audit management technology is crucial for organizations to demonstrate the tangible and intangible benefits such an investment would yield. Operational audit technology streamlines the audit function by enhancing efficiency, effectiveness, resilience, and agility in the internal audit process. It significantly contributes to the organization's strategic objectives and risk management efforts. This clear articulation of value is pivotal for securing buy-in from key stakeholders and justifying the investment in this transformative technology.

AuditBoard Audit Management

AuditBoard is an enterprise GRC platform with a depth of focus on audit management through its Audit Management solution. It is a solution that GRC 20/20 has researched and evaluated that can manage audit management programs and work in complex, distributed, and dynamic business environments. AuditBoard delivers a solution to

manage audit risk assessments, planning, preparation, execution, fieldwork, remediation, and reporting. The solution can be deployed to manage audits or implemented as an enterprise platform to manage the range of audits across organizations. GRC 20/20 finds that the AuditBoard Audit Management solution enables organizations to be efficient, effective, and dynamic in their audit management strategy and processes. AuditBoard is well suited for use in organizations of all sizes and industries looking for an efficient, effective, and agile approach to audit management.

After interviewing several AuditBoard Audit Management clients, GRC 20/20 finds the following to characterize organizations that utilize the AuditBoard platform for audit management:

- **Before AuditBoard Audit Management.** Typical clients struggled with manual audit processes encumbered by a maze of documents, spreadsheets, and emails. Others moved from legacy audit management platforms with poor user experience and access issues.

- **Why organizations choose AuditBoard Audit Management.** Clients choose AuditBoard because they desire full end-to-end enablement of audit management across the organization, with the option to extend the same platform to other GRC functions like IT Compliance, Risk, and ESG for better alignment. Many use AuditBoard more extensively for additional risk and internal control management areas. They particularly desire an audit management solution that is cloud-based, easy to connect with, and has a modern and intuitive user interface that boosts employee adoption and stakeholder collaboration. Their collective goal was to make the audit management lifecycle efficient, effective, and agile.

- **How organizations are using AuditBoard Audit Management.** Clients are managing a range of audits and activities within AuditBoard. They have an integrated view of audit planning and projects, leverage audit templates to populate audit planning, conduct audit fieldwork, manage remediation of audit issues, and conduct audit reporting. The ability to integrate the full scope of operational audit activities in one platform provides them with 360° contextual assurance throughout operations.

- **Where AuditBoard Audit Management has excelled.** Organizations utilizing AuditBoard Audit Management tell GRC 20/20 that the solution has excelled in aligning and managing the range of audits across the organization. It allows them to see where each audit is in status and gives greater visibility into each audit. They find value in having an integrated risk management platform with one harmonized process for all risk areas, compliance, and control of risks.

What AuditBoard Audit Management Does

GRC 20/20 has evaluated the capabilities of AuditBoard Audit Management and finds that it delivers an intuitive and robust audit management solution to manage the range of audits in the context of today's distributed, diverse, and disrupted business

environments. AuditBoard automates manual, labor-intensive tasks rather than managing audits in a maze of documents, spreadsheets, email, and legacy audit solutions.

AuditBoard's Audit Management is an integrated audit management solution designed to simplify the complete audit management process and lifecycle, from risk assessments, planning, and administration to reporting and metrics. It gives auditors the platform needed for a streamlined, effective, and efficient internal audit management program.

The Audit Management Solution enables organizations to:

- **Address Audit Planning & Administration (Entire Audit Universe).** AuditBoard offers a comprehensive platform where audit teams can plan and administer the entire audit universe. It provides features for risk assessment, helping teams identify, analyze, scope, and prioritize audits across operations. The planning and administration module allows users to allocate resources effectively, schedule audits, and understand the audit universe's scope and objectives, ensuring a structured approach to audit planning and administration.

- **Facilitate Audit Planning for Individual Audits.** When it comes to planning individual audits, AuditBoard provides a solution tailored to scope specific audit requirements. It allows auditors to craft audit plans that encapsulate unique risk and control profiles, objectives, and scope the audit. Automated pre-audit questionnaires and templates within AuditBoard assist in gathering necessary data efficiently and documenting audit methodologies and criteria clearly, making the planning process for individual audits streamlined and precise.

- **Enhance Audit Testing & Fieldwork.** AuditBoard delivers a robust audit testing and fieldwork solution by offering digital working papers, test automation, and evidence management capabilities. Auditors have access to real-time working documents that can be updated instantaneously. Automated testing tools reduce manual testing efforts, while the evidence management system ensures careful documentation and storage of all audit evidence, providing a smooth and organized approach to audit testing and fieldwork.

- **Streamline Audit Issue Remediation & Resolution.** AuditBoard offers real-time issue tracking, collaborative tools, and automated follow-ups for the issue remediation and resolution phase. It facilitates effective communication between auditors and auditees, providing a platform for information sharing and joint resolution planning. The technology ensures that audit issues are tracked, addressed, and resolved timely, promoting accountability and efficiency in the audit process.

- **Improve Audit Reporting & Metrics.** AuditBoard provides customized audit reports to meet various stakeholders' needs in the realm of reporting and metrics. The platform's dynamic dashboards and visualization tools offer an easy-to-understand format for presenting audit metrics on individual audits and visibility across audits. Automated report distribution ensures that stakeholders

receive accurate and timely audit information, making the reporting and metrics component of audit management seamless and insightful.

AuditBoard's Audit Management is a robust audit management solution designed to address and simplify the different components of the audit management process. AuditBoard provides the functionality necessary for a risk-aware, efficient, effective, and agile audit management process, from planning and administration to reporting and metrics. It is an invaluable asset for audit teams and organizations aiming for excellence in their operational and internal audit practices.

The Value of AuditBoard Audit Management

GRC is the capability to reliably achieve objectives [GOVERNANCE], address uncertainty [RISK MANAGEMENT], and act with integrity [COMPLIANCE].[1] Successful GRC strategies deliver the ability to effectively mitigate risk, meet requirements, satisfy stakeholders and auditors, achieve human and financial efficiency, and meet the demands of a changing business environment. GRC solutions like AuditBoard should achieve more robust processes that utilize accurate and reliable information. This enables a better-performing, less costly, and more flexible business environment.

GRC 20/20 measures the value of GRC initiatives, such as audit management, around the elements of efficiency, effectiveness, and agility. Organizations looking to achieve value will find that the results are:

- **Efficient.** How a solution provides efficiency and savings in human and financial capital resources by reducing operational costs through automated processes, particularly those that take a lot of time consolidating and reconciling information to manage assurance activities. Efficiency is achieved when a measurable reduction in human and financial capital resources is measured in business operations.

- **Effective.** How a solution achieves effectiveness in audit and assurance activities. This is delivered through the operational effectiveness of audit management processes to provide assurance, mitigate risk, evaluate controls, and meet requirements while protecting the organization's integrity. Effectiveness is validated when audit processes operate to ensure audits are done, and assurance activities are not missed.

- **Agile.** How a solution delivers agility when organizations see changes in the internal business environment (e.g., employees, processes, systems/IT, operational risks, mergers, and acquisitions) as well as the external environment (e.g., external risks, industry developments, market, and economic factors, and changing laws and regulations). Agility is also achieved when organizations can promptly identify and react quickly to audit issues, failures, non-compliance, and adverse events so that action can be taken to contain these and keep them from growing.

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1   *This is the official definition of GRC found in the GRC Capability Model and other work by OCEG at www.OCEG.org.*

GRC 20/20 has evaluated and verified the implementation and value of AuditBoard for audit management with clients using the solution. It confirms that their implementations have achieved measurable value across the elements of efficiency, effectiveness, and agility. AuditBoard clients interviewed by GRC 20/20 include:

- **Manufacturer.** A multi-national manufacturing company.

- **Electronic entertainment.** A multi-national electronic entertainment company.

- **Financial services.** A multi-national fintech firm specializing in global payments.

In evaluating each of these case studies, GRC 20/20 has researched, evaluated, and verified that AuditBoard has delivered value across the audit management lifecycle:

1. Audit Planning & Administration

2. Individual Audit Planning

3. Audit Testing & Fieldwork

4. Audit Issue Remediation & Resolution

5. Audit Reporting & Metrics

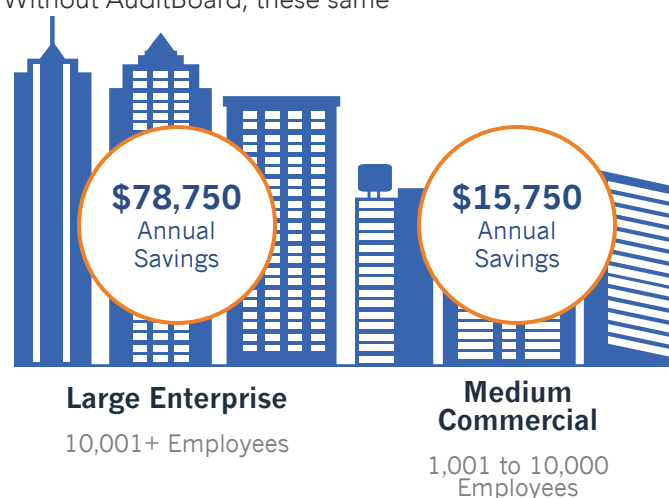**Audit Planning & Administration**

Value: Audit Planning & Administration

When organizations perform audit planning and administration in manual processes encumbered by documents, spreadsheets, and emails, they spend approximately twice as much time chasing and reconciling information in documents and silos and not in one place. In interviewing AuditBoard clients, GRC 20/20 found that they spend approximately fifty percent less time on audit planning and administration activities. This is because they have all the information they need in one application with views into audit projects, outstanding tasks, and status readily available. Without AuditBoard, these same organizations used to have to reconcile information across disparate, disconnected, and scattered documents, spreadsheets, and emails.

The typical large enterprise organization, with 15,000 employees and doing 125 audits a year, can save approximately $78,750 a year in time and labor costs due to AuditBoard's efficiency in audit planning and administration.

$78,750
Annual Savings

$15,750
Annual Savings

Large Enterprise
10,001+ Employees

Medium Commercial
1,001 to 10,000 Employees

The typical medium commercial organization, with 5,000 employees and doing 25 audits a year, can save approximately $15,750 in time and labor costs due to AuditBoard's efficiency in audit planning and administration.
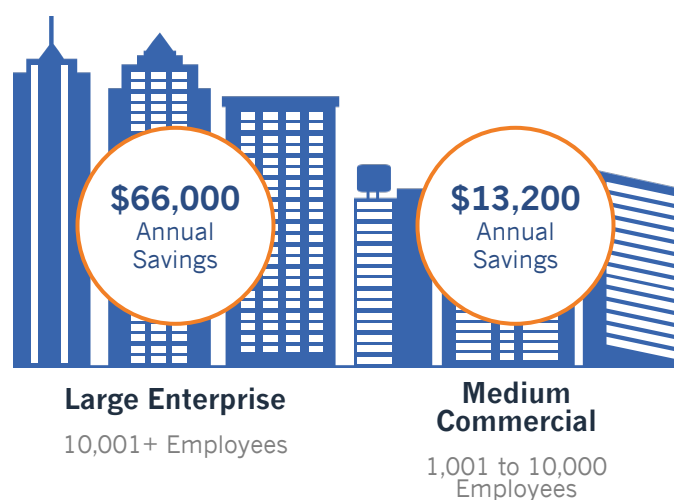
Individual Audit Planning

Value: Individual Audit Planning

In the context of individual audit planning, organizations using manual processes with documents, spreadsheets, and emails spend significantly more time preparing for audits. This often is because each audit is handled as its individual project – instead of an integrated whole that can leverage templates and checklists for audit planning. In preparing for an individual audit, GRC 20/20 finds that the internal audit staff spends twelve hours on pre-planning, scoping, and prep work. Additionally, audit managers spend about two hours reviewing and approving each audit plan. With AuditBoard, organizations cut this time significantly as the organization has an integrated way of preparing for individual audits that has all information in one place, can easily leverage information from previous audits, and uses templates and other resources. This saves the internal audit staff sixty-six percent of their time by moving the audit planning and preparation from twelve to four hours on average. Further, the audit manager saves twenty-five percent of their time per audit in reviewing and approving the audit plan, moving the average time audit managers spend on this from two to one and a half hours.

The typical large enterprise organization, with 15,000 employees and doing 125 audits a year, can save approximately $66,000 a year in time and labor costs due to the efficiency AuditBoard brings to the organization in individual audit planning and preparation.

The typical medium commercial organization, with 5,000 employees doing 25 audits a year, can save approximately $13,200 a year in time and labor costs due to the efficiency AuditBoard brings to the organization in individual audit planning and preparation.

$66,000 Annual Savings

Large Enterprise

10,001+ Employees

$13,200 Annual Savings

Medium Commercial

1,001 to 10,000 Employees

Audit Testing & Fieldwork

Value: Audit Testing & Fieldwork

Conducting audits is where auditors spend a lot of time chasing information in manual processes and disconnected documents. On average, GRC 20/20 finds that each audit takes about 160 hours (twenty days) to do audit testing and fieldwork. Some audits take significantly longer than this average, which may involve hundreds of hours. Others may be done quickly after a few hours. One-hundred-sixty hours

is the average time per audit when done using manual processes.

With AuditBoard, GRC 20/20 finds organizations spend less time gathering and recording audit testing and evidence. With digital workpapers, test automation, and evidence management, auditors have access to real-time working documents that are updated instantly and allow for collaboration with audit staff. This results in a minimum time efficiency savings of twenty-five percent in audit testing and fieldwork.

Utilizing the findings of twenty-five percent savings, the typical large enterprise organization, with 15,000 employees conducting 125 audits annually, can save approximately $300,000 a year in time and labor costs due to AuditBoard's efficiency in audit testing and fieldwork.

Utilizing the findings of twenty-five percent savings, the typical medium commercial organization, with 5,000 employees conducting 25 audits annually, can save approximately $60,000 a year in time and labor costs due to AuditBoard's efficiency in audit testing and fieldwork.

$300,000
Annual Savings

$60,000
Annual Savings

Large Enterprise
10,001+ Employees

Medium Commercial
1,001 to 10,000 Employees

Audit Remediation & Resolution

Value: Audit Issue Remediation & Resolution

Audits, by nature, uncover issues that need to be addressed and closed. This involves tracking the issues and interactions between auditors and auditees to see their resolution. Management of audit issues through manual processes of documents, spreadsheets, and emails takes more time, and things slip and get missed. With AuditBoard, the time spent on audit issue remediation and resolution is conservatively reduced by ten percent of the time spent to track issues.

The typical large enterprise organization, with 15,000 employees with 375 audit issues (average of 3 issues per audit with 125 audits conducted) can expect to save approximately $22,500 a year in time and labor costs due to the efficiency AuditBoard brings to the organization in audit issue remediation and resolution.
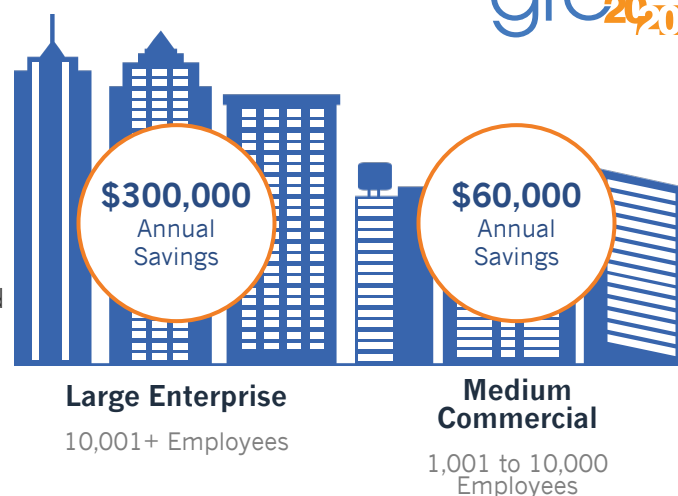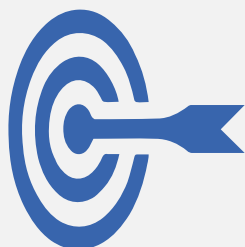
The typical medium organization, with 5,000 employees with 75 audit issues (average of 3 issues per audit with 25 audits conducted), can expect to save approximately $4,500 a year in time and labor costs due to the efficiency AuditBoard brings to the organization in audit issue remediation and resolution.

$22,500
Annual Savings

$4,500
Annual Savings

Large Enterprise
10,001+ Employees
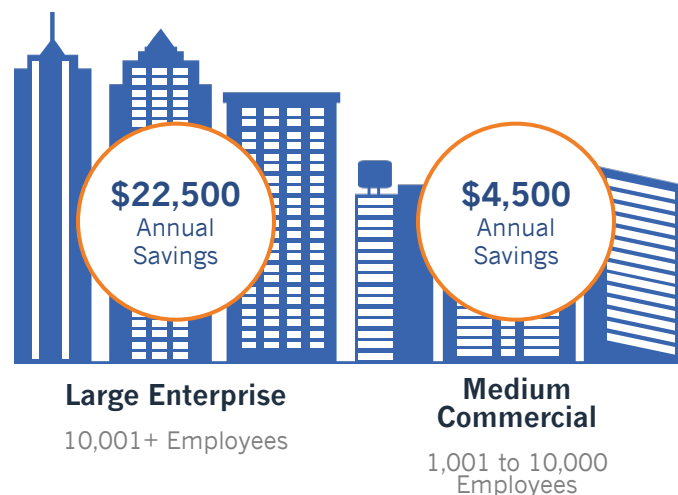
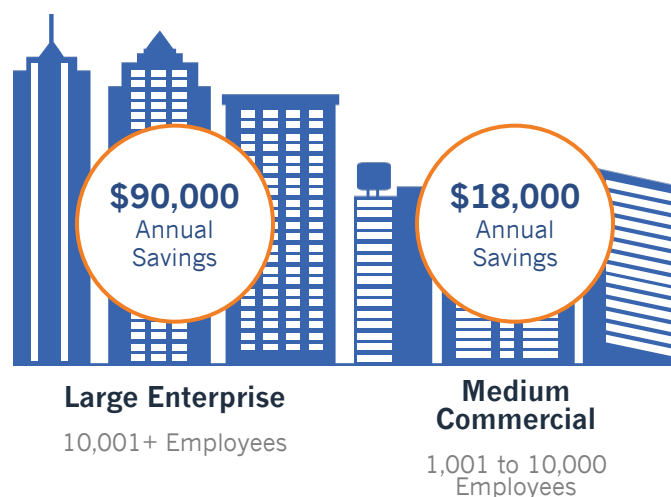**Medium Commercial**
1,001 to 10,000 Employees

Value: Audit Reporting & Metrics

Each audit gathers a lot of information that needs to be integrated into each audit report. Doing this manually takes much time reconciling information, building the report, and checking for accuracy. With AuditBoard, organizations have all the audit evidence and information in one place that can easily be generated into the audit report. GRC 20/20 finds that organizations manually building each audit report spend 16 hours (2 days) reporting on each audit. With AuditBoard, there is a seventy-five percent time savings, reducing the time to report for each audit to 4 hours.

The typical large enterprise organization, with 15,000 employees and 125 audits, can save approximately $90,000 a year in time and labor costs due to the efficiency AuditBoard brings to the organization in audit reporting and metrics.

The typical medium commercial organization, with 5,000 employees and 25 audits, can save approximately $18,000 a year in time and labor costs due to the efficiency AuditBoard brings to the organization in audit reporting and metrics.

$90,000 Annual Savings

$18,000 Annual Savings

Large Enterprise
10,001+ Employees

Medium Commercial
1,001 to 10,000 Employees

Value: Reduction in Risk Exposure

Implementing GRC-related solutions should yield a measurable return on investment in human and financial capital improvements. It also should deliver quantifiable risk reduction through greater effectiveness in fewer things slipping through the cracks, increased productivity, greater accountability and ownership of risk and control, finding risk and control issues before they become big, and more.

Implementing AuditBoard Audit Management achieves greater effectiveness through ongoing assurance that reduces the likelihood of a significant event from an internal control failure, risk exposure, or fraud. Regularly scheduled assurance activities performed by internal audit should also bring year-over-year improvements with fewer audit issues to respond to.

Hypothetically, a typical large enterprise organization with 15,000 employees can face significant fines, penalties, and costs in an incident that goes uncovered. This could result in fines in the tens or hundreds of millions of dollars. Assuming a lower fine of $2,500,000, there is an estimated risk probability of ten percent that an event would happen within a given year. Through greater assurance through the range of audits happening in the organization (125 in this hypothetical example), this risk probability of a significant event could drop to five percent, delivering a risk exposure reduction of $125,000 in avoided regulatory fines.

Ongoing assurance activities in this hypothetical example of a large enterprise should also deliver more robust operational processes that have fewer audit issues year over year. If the average audit uncovers 3 issues that must be responded to across 125 audits, there are 375 audit issues in a year. If ongoing assurance reduces the number of audit issues by twenty-five percent, there are 93.75 fewer audit issues to respond to. The average audit issue takes 10 hours from an internal control/business specialist, which results in $56,250 in savings in total internal audit issue cost reduction.

The potential reduction in overall risk exposure for the large enterprise from avoiding a costly incident and reducing the number of ongoing audit issues is $181,250.

Hypothetically, a typical medium commercial organization with 5,000 employees can face significant fines, penalties, and costs in an incident that goes uncovered. This could result in fines in the tens of millions of dollars. Assuming a lower fine of $1,000,000, there is an estimated risk probability of ten percent that an event would happen within a given year. Through greater assurance through the range of audits happening in the organization (25 in this hypothetical), this risk probability of a significant event could drop to five percent, delivering a risk exposure reduction of $50,000 in avoided regulatory fines.

Ongoing assurance activities in this hypothetical example of a medium commercial organization should also deliver more robust operational processes that have fewer audit issues year over year. If the average audit uncovers 3 issues that must be responded to across 25 audits, there are 75 audit issues in a year. If ongoing assurance reduces the number of audit issues by twenty-five percent, there are 18.75 fewer audit issues to respond to. The average audit issue takes 10 hours from an internal control/business specialist, which results in $11,250 in savings in total internal audit issue cost reduction.

The potential reduction in overall risk exposure for the medium commercial organization from avoiding a costly incident and reducing the number of ongoing audit issues is $61,250.

Total GRC Value & Return

GRC 20/20 finds that the AuditBoard Audit Management solution delivers value to organizations of all sizes. This value is quantified across the audit management lifecycle stages. This enables organizations to achieve quantitative and qualitative benefits that make them more efficient, effective, and agile.

Large Enterprise Organization Value & Return

Large enterprise organizations utilizing AuditBoard for audit management can typically see a return on investment in less than three months (88 days / 0.24 years) in the efficiency benefits that AuditBoard brings them. If you factor in the risk exposure reduction, this goes down to a return on investment in just over two months (67 days / 0.18 years). year license and implementation costs for large enterprise organizations are typically $135,000, while savings in the first year are $557,250. This brings a value savings of $422,250 in the first year. With risk reduction factored in, this is a savings of $603,500. Subsequent years see ongoing licensing and maintenance costs of $114,000 with

67
Payback
(in days)

**Large
Enterprise**

10,001+
Employees

VALUE SUMMARY - LARGE ENTERPRISE ORGANIZATIONS

Item	Year 1	Year 2	Year 3	Year 4	Year 5	Total
COSTS						
ANNUAL SUBSCRIPTION FEES	$95,000	$95,000	$95,000	$95,000	$95,000	**$475,000**
IMPLEMENTATION COSTS	$40,000					**$40,000**
ONGOING INTERNAL ADMIN & CONFIGURATION COSTS POST-IMPLEMENTATION		$19,000	$19,000	$19,000	$19,000	**$76,000**
	$135,000	**$114,000**	**$114,000**	**$114,000**	**$114,000**	**$591,000**
BENEFITS						
AUDIT PLANNING & ADMINISTRATION (ENTIRE AUDIT UNIVERSE)	$78,750	$78,750	$78,750	$78,750	$78,750	**$393,750**
AUDIT PLANNING - INDIVIDUAL AUDIT	$66,000	$66,000	$66,000	$66,000	$66,000	**$330,000**
AUDIT TESTING & FIELDWORK	$300,000	$300,000	$300,000	$300,000	$300,000	**$1,500,000**
AUDIT ISSUE REMEDIATION & RESOLUTION	$22,500	$22,500	$22,500	$22,500	$22,500	**$112,500**
AUDIT REPORTING & METRICS	$90,000	$90,000	$90,000	$90,000	$90,000	**$450,000**
	$557,250	**$557,250**	**$557,250**	**$557,250**	**$557,250**	**$2,786,250**
RISK REDUCTION						
Risk Reduction in Cost of Internal Control Exposure	$125,000	$125,000	$125,000	$125,000	$125,000	$625,000
Risk Reduction in Cost of Audit Issues	$56,250	$56,250	$56,250	$56,250	$56,250	$281,250
	$181,250	**$181,250**	**$181,250**	**$181,250**	**$181,250**	**$906,250**
Total Savings w/Out Risk Reduction	**$422,250**	**$443,250**	**$443,250**	**$443,250**	**$443,250**	**$2,195,250**
Total Savings w/ Risk Reduction	**$603,500**	**$624,500**	**$624,500**	**$624,500**	**$624,500**	**$3,101,500**

ongoing efficiency savings of $557,250. This brings subsequent year savings to $443,350. When risk reduction is factored in, this is a subsequent year savings of $624,500.

Over five years, large organizations should expect to pay about $591,000 in the annual subscription and initial implementation while seeing an efficiency savings of $2,786,250 throughout the audit management process. This means a total return on investment of $2,195,250 or 371% over five years. With risk reduction factored in, this is a value return of $3,101,500 or 525% over five years.

Medium Commercial Organization Value & Return

Medium commercial organizations utilizing AuditBoard for audit management can typically see a return on investment in less than five months (153 days / 0.42 years) in the benefits of efficiency that AuditBoard brings them. If you factor in the risk exposure reduction, this goes down to a return on investment in just over three months (99 days / 0.27 years). Initial year license and implementation costs for medium commercial organizations are typically $47,000, while savings in the first year are $111,450. This brings a value savings of $64,450 in the first year; with risk reduction factored, this is a savings of $125,700. Subsequent years see ongoing licensing and maintenance costs of $37,200 with ongoing efficiency savings of $111,450. This brings subsequent year savings to $74,250. When risk reduction is factored in, this is a subsequent year savings of $135,500.

99
Payback
(in days)

Medium Commercial

1,001 to 10,000 Employees

Over five years, large organizations should expect to pay about $195,800 in the annual subscription and initial implementation while seeing an efficiency savings of $557,250 throughout the audit management process. This means a total return on investment of $361,450 or 185% over five years. With risk reduction factored in, this is a value return of $667,700 or 341% over five years.

VALUE SUMMARY - MEDIUM COMMERCIAL ORGANIZATIONS

Item	Year 1	Year 2	Year 3	Year 4	Year 5	Total
COSTS						
ANNUAL SUBSCRIPTION FEES	$31,000	$31,000	$31,000	$31,000	$31,000	**$155,000**
IMPLEMENTATION COSTS	$16,000					**$16,000**
ONGOING INTERNAL ADMIN & CONFIGURATION COSTS POST-IMPLEMENTATION		$6,200	$6,200	$6,200	$6,200	**$24,800**
	$47,000	**$37,200**	**$37,200**	**$37,200**	**$37,200**	**$195,800**
BENEFITS						
AUDIT PLANNING & ADMINISTRATION (ENTIRE AUDIT UNIVERSE)	$15,750	$15,750	$15,750	$15,750	$15,750	**$78,750**
AUDIT PLANNING - INDIVIDUAL AUDIT	$13,200	$13,200	$13,200	$13,200	$13,200	**$66,000**
AUDIT TESTING & FIELDWORK	$60,000	$60,000	$60,000	$60,000	$60,000	**$300,000**
AUDIT ISSUE REMEDIATION & RESOLUTION	$4,500	$4,500	$4,500	$4,500	$4,500	**$22,500**
AUDIT REPORTING & METRICS	$18,000	$18,000	$18,000	$18,000	$18,000	**$90,000**
	$111,450	**$111,450**	**$111,450**	**$111,450**	**$111,450**	**$557,250**
RISK REDUCTION						
Risk Reduction in Cost of Internal Control Exposure	$50,000	$50,000	$50,000	$50,000	$50,000	$250,000
Risk Reduction in Cost of Audit Issues	$11,250	$11,250	$11,250	$11,250	$11,250	$56,250
	$61,250	**$61,250**	**$61,250**	**$61,250**	**$61,250**	**$306,250**
Total Savings w/Out Risk Reduction	**$64,450**	**$74,250**	**$74,250**	**$74,250**	**$74,250**	**$361,450**
Total Savings w/ Risk Reduction	**$125,700**	**$135,500**	**$135,500**	**$135,500**	**$135,500**	**$667,700**

Qualitative Value of AuditBoard Audit Management

Efficiency Value

GRC 20/20 has identified the following benefits and measurements of value AuditBoard Audit Management clients have achieved in the context of human and financial efficiencies in the audit management lifecycle:

- **Consistency and access to information.** Organizations using AuditBoard find that the system makes audit management efficient in staff time. All audit data is in one place, making the solution faster and easier to consolidate information across audits, workloads, and tasks. One Audit Management client stated they have audit information ready within hours instead of weeks worth of work.

- **Time savings.** AuditBoard allows auditors to stay abreast of all audit processes and activities efficiently and allows easy updates to audit managers and stakeholders on matters that may impact the broad business or specific business units.

- **Freeing resources for other audits.** Organizations find that AuditBoard enables them to reduce excessive hours managing documents and manual processes encumbered by the reconciliation of disparate data sources and reallocate this time to providing other assurance activities.

- **Integration of information.** AuditBoard saves clients time by having all audit information in one place. This eliminates staff time spent chasing emails and documents for assessments that are not completed or partially completed. The solution further drives efficiency through an intuitive interface that allows for ease of use to get assessments completed.

- **General efficiency in reporting.** AuditBoard clients find reporting highly configurable, faster, and easier to consolidate information from their previously manual processes. Overall, they particularly find a significant efficiency gain in the analytic capabilities of AuditBoard. One client stated they went down from 2

days of time to build a report to 30 minutes. Another stated they saved a day and a half of reporting on each audit.

Effectiveness Value

GRC 20/20 has identified the following benefits and measurements of value AuditBoard Audit Management clients have achieved in the effectiveness of audit management:

- **Elimination of unnecessary reconciliation.** AuditBoard enables effective audits by having a single system of record for the audit. Before Audit Management, clients suffered from manual processes and documents, and auditors struggled with audit information that was out of sync and took time to reconcile.

- **Audit tracking and control.** The AuditBoard solution enables organizations to track audit issues through remediation/resolution. The AuditBoard Audit Management solution provides a platform for the full spectrum of audit issue management.

- **Accuracy of information.** AuditBoard provides a single system of record for audits, eliminating the need to manage audits through disparate databases, documents, spreadsheets, and emails. This allows for consistent and accurate information that removes the chance of mismatched versions of documents that result in corrupted data in the manual reconciliation of documents.

- **Notifications and reminders.** AuditBoard ensures that audit management tasks do not slip through the cracks. The solution has detailed workflows, task management, notification, and escalation capabilities, making audit management more effective. This functionality helps ensure things get done on time, whether across an audit or a range of audits for overall planning and administration tasks.

- **Increased collaboration.** AuditBoard clients see greater collaboration among their auditors enabled by a single system of record for audit and real-time reports to management and the executive committees.

- **Consistency in process.** With AuditBoard, clients can define and have a consistent approach to their audit management processes, tasks, assessments, and information. This provides a structured process that is effective at gathering required information.

- **Organization of audits.** With AuditBoard, clients are more effective in organizing audits as the solution helps them keep all audit documentation cataloged and organized. The solution allows for managing all information so it is in one place. Paper trails are no longer needed as all information can be attached into the system.

- **Automation of audit processes.** AuditBoard increases the effectiveness of audits by providing templates for work papers and audit checklists.

- **Flexibility of reporting.** Clients find value in AuditBoard's ability to consolidate and report on the range of data collected in the solution, accommodate changes to standard reports, and edit those reports. This is facilitated by standard report templates that are editable.

Agility Value

GRC 20/20 has identified the following benefits and measurement of value AuditBoard Audit Management clients have achieved in agility and responsiveness in the context of audit management:

- **Single source of truth.** The AuditBoard solution promotes agility by having a single system of record of all audit information and management. This eliminates errors and wasted time in manual reconciliation and administration of audits in disparate databases, documents, and spreadsheets. Overall, clients are more agile with a single source of truth across audit management activities.

- **Resource planning, backlog, business cycles, and seasonality.** Clients can be flexible with AuditBoard as they can manage audit planning, tasks, and processes to address the demands of the business in the context of business cycles/ seasons. Organizations can manage audit staff accordingly, assign resources, and know when to prioritize staff time based on the risk context of the business. This makes management of audit resource planning agile in a dynamic business environment.

- **Ease of use.** AuditBoard clients find the solution easily configured and adaptable to a changing business environment. Audit management is flexible with AuditBoard to new lines of business, acquisitions, and mergers to expand the solution to encompass the needs of a dynamic business.

- **Visibility and metrics.** AuditBoard enables continuous assurance oversight and streamlines quarterly and annual reports into audits, trending, and analytics. This allows organizations to see where to assign resources and where things can be improved.

- **Focus on what is important.** The entire audit process is automated in AuditBoard to manage accountability and tasks. This enables the organization to manage the range of audits, classify them, and assign resources to the most significant risk exposures. This enhances the agility of the organization to gather and manage audits in the context of a dynamic business environment.

GRC 20/20's Final Perspective

Every solution has its strengths and weaknesses and may only be ideal for some organizations in some situations. While GRC 20/20 has identified many positive attributes of AuditBoard Audit Management to enable organizations to manage audits and assurance consistently, readers should not see this as a complete and unquestionable endorsement of AuditBoard.

AuditBoard is an established player in the GRC market. It has clients worldwide managing a complex array of audits, internal controls, risks, and compliance. GRC 20/20 finds that AuditBoard has what it takes to manage this in the context of the highest industry standards and requirements in a flexible platform that is agile to the needs of the modern organization. GRC 20/20 finds that AuditBoard provides the greatest value to organizations that can reap the benefits of replacing documents, spreadsheets, and emails with an application that automates and enables the entire audit management lifecycle process.

Organizations looking to adopt AuditBoard can do so broadly or narrowly. They can implement AuditBoard as an enterprise platform to manage a range of the organization's GRC needs in risk, compliance, controls, and assurance. Alternatively, they can start with a focused area, such as audit management, and expand to other use cases and departments over time. Clients rave about AuditBoard's support and responsiveness, not just the technology and its capabilities.

AuditBoard enables the organization to manage staff time more efficiently by reducing manual tasks and spending more time on assurance. AuditBoard provides a cost-efficient platform to allow audit teams to collaborate globally and share and report consistent assurance information. This enables clients to be more agile and quickly respond to changes in their business or industry. AuditBoard will ensure continuous low costs, information consistency, interactive global collaboration, and control and process transparency as organizations grow.

Internal audit executives using AuditBoard Audit Management provide 360° contextual assurance in today's dynamic business environment. It enables them to be more:

- **Aware.** They will have a finger on the pulse of the business and watch for a change in the internal and external environments that introduce risk to objectives and be able to provide assurance. What remains critical is the ability to turn data into information that is analyzed and shareable in every relevant direction.

- **Aligned.** They align performance, risk management, and controls to provide assurance and support/inform business objectives. This requires continuously aligning capabilities of the integrated audit capability to the objectives and operations of the organization as it changes and giving strategic assurance and information for management to affect appropriate change.

- **Responsive.** Organizations cannot react to something they do not sense. Agile internal audit programs will be forward-looking to provide greater awareness and understanding of changes that drive decisions and actions, improve transparency, and quickly cut through the morass of data to what an organization needs to know to make the right decisions in governing the organization.

- **Agile.** Stakeholders need the organization to be fast and nimble. Being fast isn't helpful if the organization is headed in the wrong direction. Internal audit provides assurance that enables strong decisions and actions that are quick, coordinated, and well thought out. Agility allows an entity to use internal audit to

its advantage, grasp strategic opportunities, and be confident in its ability to stay on course.

- **Resilient.** The best-laid plans of mice and men fail. Organizations need to be able to bounce back quickly from changes in context and risks with limited business impact. They need enough tolerance to allow for missteps and the confidence to adapt and respond to opportunities rapidly. It is the role of the agile internal audit department to provide assurance that aids in the organization's resiliency.

- **Efficient.** They build business muscle and trim the fat to rid expense from unnecessary duplication, redundancy, and misallocation of audit resources; to make the internal audit organization leaner and effective with enhanced assurance capability and related decisions about the application of audit resources and the audit plan.

Appendix

Disclosures

This GRC Value Perspective research was commissioned by AuditBoard. GRC 20/20 Research makes no assumptions or guarantees as to the potential value and ROI that any particular organization will receive. GRC 2020 advises that readers use their own estimates with the framework provided in this research piece to determine the value of utilizing AuditBoard. AuditBoard reviewed and provided feedback to GRC 20/20 Research, but GRC 20/20 maintained editorial control over the reserarch and findings and does not accept changes to the study that contradict GRC 20/20's findings or obscure the meaning of the study. AuditBoard provided the customer names for the interviews but did not participate in the interviews.

GRC Value Perspective Methodology

GRC 20/20 interviewed 3 AuditBoard clients to determine the value and benefits they received from implementing AuditBoard. From the findings provided in these interviews, GRC 20/20 constructed an economic model of value AuditBoard clients cans exepct to achieve from utilizing AuditBoard. This model details the cost and benefits clients typically can expect. Benefits were measured in measured efficiency, effectiveness, and agility organizations achieved with AuditBoard.

GRC 20/20 conducted the following tasks to define and measure the value of AuditBoard:

- *Reviewed* AuditBoard solution and related collateral materials to understand how the solution works and types of problems it solves.

- *Interviewed* four organizations utilizing AuditBoard to determine the benefits and values each of them received over how they previously approached their challenges.

- *Developed* a financial model from the findings of the interviews to determine the value received by the typical medium, and large organization utilizing AuditBoard. This financial model is composed of the cost and benefit data obtained from these interviews.

- *Published* this research paper on the value of AuditBoard for issue reporting and case management.

Further details on the model and specific assumptions and parameters used to caculate value can be obtained from GRC 20/20 Research by emailing info@grc2020.com.

About GRC 20/20 Research, LLC

GRC 20/20 Research, LLC (GRC 20/20) provides clarity of insight into governance, risk management, and compliance (GRC) solutions and strategies through objective market research, benchmarking, training, and analysis. We provide objective insight into GRC market dynamics; technology trends; competitive landscape; market sizing; expenditure priorities; and mergers and acquisitions. GRC 20/20 advises the entire ecosystem of GRC solution buyers, professional service firms, and solution providers. Our research clarity is delivered through analysts with real-world expertise, independence, creativity, and objectivity that understand GRC challenges and how to solve them practically and not just theoretically. Our clients include Fortune 1000 companies, major professional service firms, and the breadth of GRC solution providers.