

Accenture PLC

Assessing Internal Audit's Competencies of the Future Today

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Accenture takes an innovation-led approach to helping clients “imagine and invent” their future. The global professional services company’s 477,000 employees’ intense focus on inventing, developing and delivering disruptive innovations in recent years has paid off. Today, more than 60% of the company’s revenues, which have increased steadily in each of the past several years, come from its digital, cloud and information security offerings.

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“Innovation is the name of the game for our client-facing business, as well as almost every other function within Accenture,” says Managing Director, Internal Audit Services, Kathy Perrott. “The entire company is committed to exploring new ways of doing things by leveraging new technologies and challenging ourselves to think and act creatively.”

Drivers of Audit Innovation

That mindset pervades the internal audit function, which represents a relatively small team within Accenture, given the company’s

large workforce and global footprint. While some additions to team size have been made in the past year, including establishing a small team in Japan in response to the significant growth the company has notched in the country, as well as increasing the number of internal auditors on the IT audit team, Perrott and her senior team seek to leverage new technology — including robotic process automation (RPA) and analytics, in particular — to continually streamline the function’s work.

Operating efficiently represents a primary objective of the internal audit function’s investment in next-generation technology and approaches. “We don’t have an unlimited budget,” Perrott says. “As Accenture continues to grow, we have to make sure we’re getting optimal coverage of the highest risk areas. I also want to operate as a good company citizen, which means contributing to the bottom line by doing everything we can to operate cost-effectively.”

The function’s commitment to innovation and transformation serves another purpose. “The people we want to attract are those who want to innovate and develop new ways of doing things,” Perrott explains. “They’re less attracted to old-school auditing approaches. By continuously innovating, we are better positioned to attract the level of talent we want and need on our teams.”

Talent management qualifies as one of Perrott’s professional passions. “Competency assessment and training are close to my heart,” she says, while emphasizing that staffing the internal audit function of the future is a multifaceted challenge — and one that she enjoys unraveling. “It’s become clear that if you want internal auditors who can transition to these new capabilities, you can’t look for people who have proven skills — because those skill sets are not yet fully formed,” Perrott continues. That’s

why Perrott has focused significant time and effort on competency assessments. The idea, she says, is to identify which characteristics (e.g., being comfortable with ambiguity, creativity, resiliency, a knack for strategic thinking) correlate with the ability to deploy yet-to-emerge technology and approaches, manage rapid change, pivot on a dime, and address related aptitudes likely to become increasingly valuable as digital transformation advances.

“It’s tricky, and I can’t say that I have all of the answers,” Perrott notes. “But it’s an area that we’re working on so that we can be clear on the competencies we know we’ll need and the types of training that will help our auditors develop new skills.”

RPA, NLP and Data Lakes

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After assessing the organization’s development and use of RPA last summer, Perrott’s function developed a proof of concept for internal audit’s use of RPA to test Sarbanes-Oxley-related service organization controls and general controls in Accenture’s information technology (IT) and internal controls functions.¹ The team developed three bots that performed the testing of those controls in an automated fashion. Internal auditors chose those areas for the RPA applications because the internal controls there had been subject to highly repetitive manual tests for years and also because those controls had remained highly stable during that time.

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properly, and we think there are many other opportunities to apply RPA. We’re now looking at other testing procedures that we perform as well as working with other parts of the business that either do the testing themselves or have a significant role in the process.”



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Internal audit is also working with the IT function to identify opportunities for IT to reconfigure or re-engineer certain processes and controls to make them more suitable for RPA-enabled testing. As her team looks for additional RPA opportunities, Perrott says it is important to have a comprehensive understanding of the process steps that bots execute (so that necessary auditing evidence can be retained) and to establish ongoing RPA oversight. “You have to monitor any changes in the underlying application infrastructure that could potentially render the bot obsolete,” she asserts. “You can’t develop them and then ignore them. You have to monitor and maintain them because the different systems and applications that the bots are accessing often change.”

Accenture’s internal auditors also developed bots to automate reporting out the department’s GRC application. This reporting provides real-time status regarding audit performance metrics, status of open and closed issues, and various trending data. They are also currently working on digitizing reporting out of a CRM tool that is used to schedule hundreds of risk discussions with

¹ “Robotic Process Automation and Internal Audit — Are You Ready?” Protiviti webinar recording available at www.protiviti.com/US-en/events/robotic-process-automation-and-internal-audit.

business leaders and management across the company, as well as other key contacts, and store the notes from those discussions. The function is also exploring how natural language processing (NLP) capabilities can be applied to identify and tag key risks or other important points captured in the discussion notes. Additionally, internal audit is working with the legal group to apply NLP to client and vendor contracts to search for variances from standard contract clauses or required clauses that are missing altogether.

Those advancements are similar to risk dashboards the internal audit function has created by digitizing risk models the function previously developed. Until recently, updating the risk models with current data required a fair amount of manual work — data had to be downloaded, sorted and integrated. “We might have performed that work once a quarter,” Perrott says. Now, the automated risk dashboards provide more frequent and near real-time updates. The dashboards also provide a more robust drill-down capability that allows the audit teams to perform more in-depth analyses. The combination of more timely data access, as well as robust drill-down, Perrott continues, has enabled the audit team to “improve the quality of our audit selection, scoping and testing — it’s been truly incredible.” Yet, she also emphasizes that this powerful new capability is the direct result of her function’s persuasive skills and convincing the business — trust that took time to build.

Internal audit previously had plenty of data assets, Perrott explains, but accessing and downloading the data was a time-consuming and cumbersome endeavor that needed to be scheduled and frequently timed-out due to scale and complexity. As internal audit sought to expand its analytic capabilities, the team looked to leverage an enterprise-level solution. Internal audit, with the CIO’s

Enterprise Insights group’s assistance, designed a self-service solution in which internal audit could leverage the data from the enterprise data lake, curate, perform analytics and deliver results to audit teams while ensuring proper security controls over the data. The solution required a new suite of tools to speed up processing and significantly improve visualization of results. Internal audit submitted a proposal to the company’s IT steering committee, which gave the project a green light — a major win considering that hundreds of business case requests are submitted each year to the same committee and only a fraction are approved for funding. The solution has taken about a year to complete, according to Perrott.

“The long and the short of it is that we’ve upgraded our analytics technology architecture in a major way,” Perrott continues. “And that’s enabled us to tap into just about everything that Accenture has overall from a data perspective.”

These experiences show why Perrott places such a great emphasis on identifying talent who have the desire and wherewithal to take internal audit to the next level and thrive in the future. Perrott points out that leveraging advanced technology requires auditors who possess a blend of technical and interpersonal skills, including the ability to collaborate. “Because we got out of the gate relatively early with both analytics and RPA, our business partners and stakeholders are interested in learning from our experience,” she adds. “When they’re highly receptive to finding out how we can help them, that helps us as well because we can show them how to more effectively monitor and manage areas that fall under their responsibility, and it allows us to place more reliance on their results.”