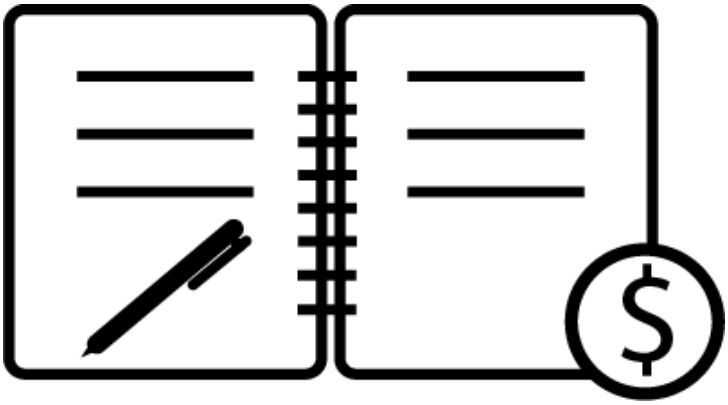


General Ledger Module

Audit Analytics Template

The General Ledger provides a complete representation of financial activity within your organization and therefore should reflect the most stringent level of accuracy. Any steps in your GL process that include human input, though, are vulnerable to error, compromising the integrity of your financial statement. Analytics on your GL data can catch manual entry risks, process inefficiencies, and other impediments to reconciliation.

Understand Risks with Audit Analytics

Enterprise Resource Planning systems capture massive amounts of data within your municipality in real time. Automating your ERP data (e.g. data analytics) will allow you to quickly identify and understand risks occurring in your organization and use it to make changes and adjustments for an optimized process and improved performance.

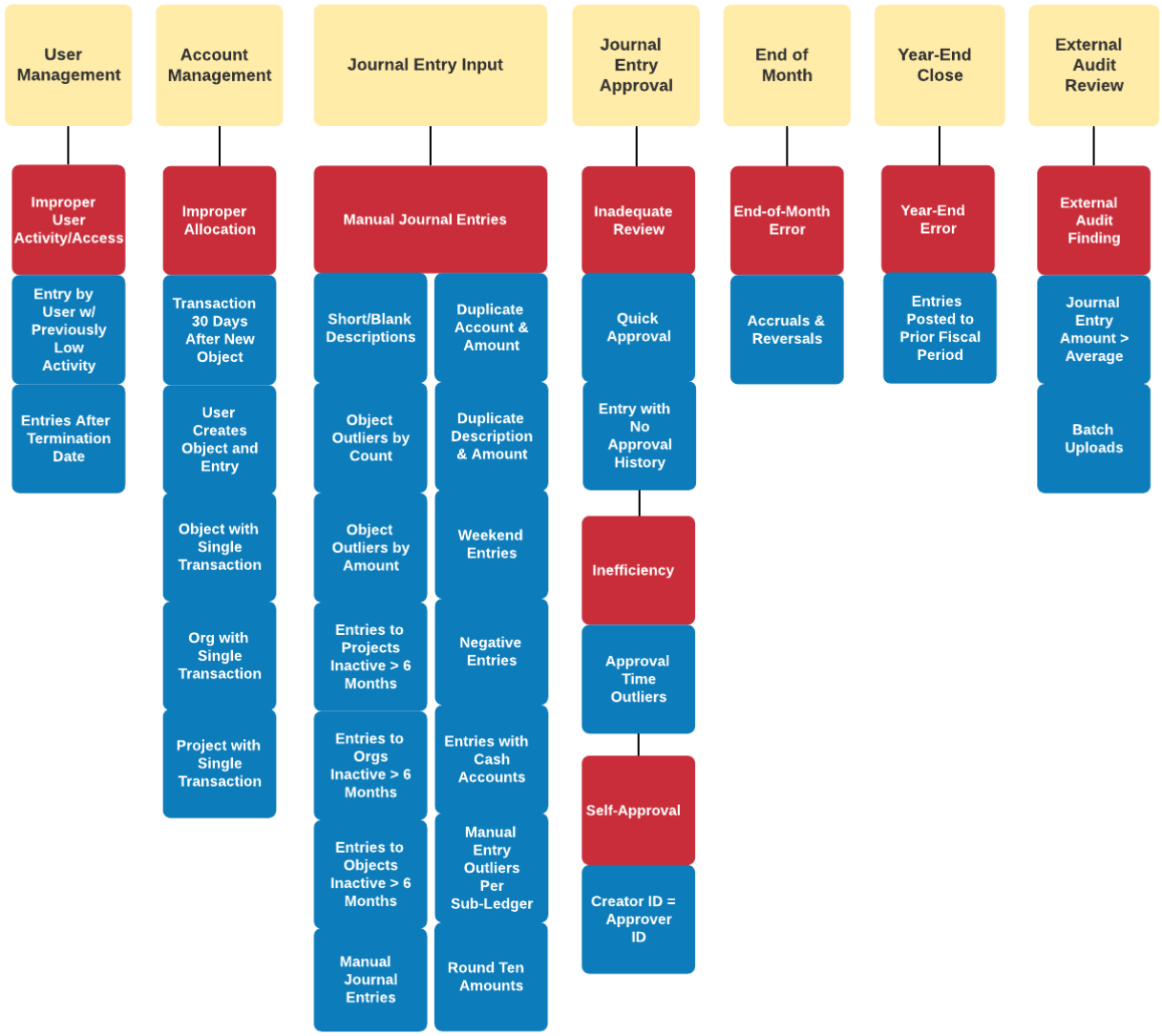
Data analytics are written to track transactions as they move through the ERP workflow. Each analytic is asking a question of transaction. If the transaction meets the criteria, the analytic will flag the transaction. A single transaction could be flagged by multiple analytics.

Get Started with This Template

We recommend these steps for incorporating analytics in your next audit:

1. Document your process with its existing controls and consider the various risks associated with steps of the process (Page 3).
2. Research existing audit analytics that detect common risks within GL and then develop those unique to your process (Page 4).
3. **Contact 9b to schedule a demo** of our built-out audit intelligence reports for GL and 10 other business risk areas (Page 5).

Sample Process, Risks, and Controls

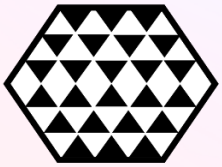


Sample Audit Analytics

Step	Analytic	Description	Use case
User Mgmt	Entry by User w/ Previously Low Activity	Flags if the count of manual journal entries entered by a clerk was 1.5x more than the previous period.	Validate activity and/or recommend training.
Journal Entry Input	Manual Journal Entry	Flags manual journal entries.	Prioritize audit of manual entries; consider automation opportunities.
Journal Entry Approval	Entry with No Approval History	Flags if an entry has no approval history.	Investigate entry; recommend process improvement

Additional Resources

- ACL Essentials
  - Audit analytics documentation from Galvanize (ACL)
- Rich Lanza
  - Books, articles, videos on analytics and automation to improve the effectiveness and efficiency
- ACFE *Report to the Nations*
  - 2020 Global Study on Occupational Fraud and Abuse



About 9b

We do analytics to make organizations awesome and help communities thrive. As a benefit corporation, 9b is legally empowered to pursue positive stakeholder and community impact alongside profit. We are based in Tulsa, Oklahoma.

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