ACL Timesheets

Technology Innovator in Audit Management

INNOVATOR
2017

SOLUTION*PERSPECTIVE*

Governance, Risk Management & Compliance Insight

Table of Contents

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.

ACL Timesheets

Technology Innovator in Audit Management

The Role and Scope of Internal Audit Expands

The role of internal audit is taking on greater significance to guide the enterprise beyond traditional attitudes about financial controls to providing assurance that the organization is managing risk appropriately and meeting obligations across a range of high-risk business processes, operations, and regulatory requirements. The internal auditor must be able to rely on well-constructed audit management, internal control, and governance processes to provide assurance that controls are designed appropriately and operating as designed.

Providing assurance to stakeholders in the modern organization has become a real challenge to internal audit and has increased audit's role and visibility while stretching its resources. Audit still has a strong core focus on internal controls over financial reporting, and the role of information technology audits has seen steady growth for the past twenty years. Now, audit is being challenged to contribute to enterprise risk management, conduct a broad array of operational audits, provide increasing regulatory compliance audits, and is seeing expanding demand for third party audits (e.g., vendor, supplier, and agent) across a dynamic and distributed business. Internal audit itself needs to have a strategy that encompasses both the dynamic need for audits as well as the planned and cyclical audits. To effectively manage audit requires new paradigms in managing audit, audit processes, analytics, and the role of technology to make audit successful.

The issues facing audit are more challenging than ever before. The audit department is being asked to do more audits across more areas of business operations with limited resources. It has become an ongoing challenge to document and maintain auditor skill sets, develop and deliver audit work papers, and provide assurance across business operations and relationships. The business has grown in diversity, complexity, and processes that challenge audit to build an audit program that is sustainable, efficient, effective, and agile to the needs of a distributed and complex business environment. The need for resources and tools to drive efficient and effective audits through audit analytics of vast sets of data further adds to the challenges facing audit.

Equipping Internal Audit to be Ready for the Challenge Before It

The demand upon audit to do more with limited resources is a daunting challenge. Internal auditors have the skill set, interest, and focus to be able to look at things in a measurable way across the business and its operations. Audit has a broad understanding of many facets of the organization. However, audit has limited budgets and resources available to assess controls across business processes and relationships and therefore

needs to be able to efficiently manage assignments and resources to provide the greatest value to the organization. This is particularly challenging in a dynamic business environment. If the audit function is not consistent and measurable, audit will have trouble assessing processes and provide assurance to the Board.

To address this complex web of challenges, audit needs an approach that drives an integrated and coordinated effort of audit management and analytics across the organization and its audit plan. Enabling effective, efficient, and agile audit management requires a GRC solution that has the "capability to manage audit planning, staff, documentation, execution/field work, findings, reporting, and analytics." The lack of visibility into how audit time is spent is both a cause and result of the following:

- Establishing a purely rotational approach to audit, rather than taking a risk-based approach

- Failing to create a unified audit plan caused by scheduling burdens

- Auditing what you know, rather than honing in on areas based on risk assessments

- Defining audit scope based on resource availability, rather than what needs to be done

- Inaccurate calculation of utilization due to an inability to distinguish productive utilization (i.e. time spent on project tasks) from non-project related time such as general admin

Time-keeping facilitates the tracking and reporting of audit team performance while also improving an auditor's efficiency and effectiveness. However, no auditor is thrilled to keep track of his or her time. Audit teams usually perform this activity as an afterthought, at the end of the week for example, with estimates and judgment which leads to inaccurate reporting.

The bottom line: This is not your father's audit program. Audit today is different than it was a decade back. Today's audit department has growing demands to do more audits across operations and relationships while still being constrained by limited resources to fulfill these demands. To effectively conduct audits, efficiently manage limited audit resources, and meet the agility required of a dynamic business environment requires intuitive and easy to use technologies to manage audits and track auditor time and utilizaiton.

Technology Innovator in Audit Management

ACL Timesheets is a part of the ACL GRC solution that GRC 20/20 has researched, evaluated, and reviewed that is agile for use in complex, distributed, and dynamic business environments to define, align, and monitor an organization's strategic objectives. ACL delivers a new breed of GRC technology that leverages an intuitive Cloud platform to streamline audit management and GRC processes to make them more efficient, effective, and agile. The solution delivers significant business value and brings intuititveness and ease of use to timetracking of audits and other GRC related tasks. In this context, GRC 20/20 has recognized ACL Timesheets with a 2017 GRC Innovation Award for the technology innovation in audit management.

ACL Services Ltd., headquartered in Vancouver, British Columbia Canada, delivers technology solutions that transform governance, risk management, compliance, and audit processes. Founded in 1987, ACL employs over 300 professionals with offices in North America, Europe, and Asia and has more than 14,000 customers from 150+ countries—including 89% of the Fortune 500. ACL delviers a GRC technology solution that strengthens results, simplifies adoption, improves usability, and most importantly drives decisions. ACL's integrated family of products—including a cloud-based governance, risk management, and compliance (ACL GRC) solution and flagship data analytics products (ACL Analytics) – empowers GRC professionals with data-driven decision-making that impact all levels of an organization from the C-suite to front-line audit teams. Enhanced reporting and dashboards provide transparency for organizations to focus on what matters most – identifying, managing, and mitigating those risks that impact company profits and team performance.

What ACL Timesheets Does

GRC 20/20 has evaluated the features and capabilities of ACL Timesheets and finds that it delivers an elegant and automated time tracking system for audit management that makes the process more efficient, effective, and agile. ACL provides a new breed of GRC software that is effective through the use of an intuitive and engaging user interface in a cloud-based platform that centralizes all time tracking in one place that enables the organization to collaborate, manage, analyze, and report on time spent on audits and other GRC related tasks.

Before this innovation, users could only log time within the project in appropriate areas (planning, fieldwork, or testing of a specific control or procedure). Non-project related tasks could be captured under a general Admin category but could not be easily categorized. With Timesheets, users have gained an AUTOMATED and more comprehensive, flexible, enhanced, and detailed time reporting capability by being able to capture both project and additional non-project related time categories such as training/development, general admin, vacation, and other. Users can now also assess team performance with one-click time reports that include utilization charts and graphs that can be viewed by resource and by project. These reports can be downloaded in Excel or PDF for real-time ad-hoc reporting. In summary, this innovation allows risk

management professionals to spend more time on value-add activities rather than be bogged down by time-keeping tasks.

ACL Timesheets automatically tracks auditor activity in the system and then generates a suggested timesheet from the activity log so auditors know exactly what tasks they performed in a given period, instead of having to rely on memory. It does this by using an audit trail to generate a timesheet. Auditors can now enter time associated with any project in the organization from a single, central location at any time without having to remember the tasks they worked on. An auto-populated log of activities captures the footprint of an auditor's work in the system and then prompts them to log their time against those activities.

Additionally, time spent on non-project related activities such as general admin, professional development, and vacation/leave are also captured, enabling management to effectively measure the performance of individual resources, such as:

- *Monitor* individual or group FTE resource utilization

- *Gain* insight into auditor efficiency

- *Measure* the overall profitability and return on investment on GRC programs

- *Generate* reports that summarize time spent inside and outside of projects

Time entries in a project are automatically logged and made available as selections when an auditor (or other GRC professional role) enters time with Timesheets. This is enhanced with the ability to:

- Apply a date range filter so you can find time entries easily

- View how much of the organization's resources are being used via a utilization chart (an individual resource's utilization percentage is calculated by the number of hours spent on a project divided by the total hours recorded for a specified time period)

- Visualize team performance by a utilization chart that shows:

  - Data based on the date and employee filters applied

  - Aggregate count of project and non-project hours

  - Total number of project and non-project hours

  - Total time spent across all employees for the specified time period

The innovation and technology differentiator for ACL is their simple, intuitive design with controlled access dependent on the user's role or authorization. This is enhanced

with ACL Timesheets ability to auto-build tasks (via an activity log), to assist users in remembering what activities were worked on in a given time frame.

Benefits Organizations Receive with ACL Timesheets

GRC is an integrated capability to reliably achieve objectives [GOVERNANCE], while addressing uncertainty [RISK MANAGEMENT], and acting with integrity [COMPLIANCE].[1] Successful GRC strategies deliver the ability to effectively mitigate risk, meet requirements, satisfy auditors, achieve human and financial efficiency, and meet the demands of a changing business environment. GRC solutions should achieve stronger 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 around the elements of efficiency, effectiveness, and agility. Organizations looking to achieve GRC value will find that the results are:

■ **GRC Efficiency.** GRC provides efficiency and savings in human and financial capital resources by reduction in operational costs through automating processes, particularly those that take a lot of time consolidating and reconciling information in order to manage and mitigate risk and meet compliance requirements. GRC achieves efficiency when there is a measurable reduction in human and financial capital resources needed to address GRC in the context of business operations.

■ **GRC Effectiveness.** GRC achieves effectiveness in risk, control, compliance, IT, audit, and other GRC processes. This is delivered through greater assurance of the design and operational effectiveness of GRC processes to mitigate risk, protect integrity of the organization, and meet regulatory requirements. GRC effectiveness is validated when business processes are operating within the controls and policies set by the organization and provide greater reliability of information to auditors and regulators.

■ **GRC Agility.** GRC delivers business agility when organizations can rapidly respond to changes in the internal business environment (e.g. employees, business relationships, 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). GRC achieves agility when organizations can identify and react quickly to issues, failures, non-compliance, and adverse events in a timely manner so that action can be taken to contain these and keep them from growing.

ACL Timesheets is designed to make audit time tracking and reporting processes efficient, effective, and agile in a dynamic business environment. This is done in an intuitive, easy to use user interface that delivers critical tasks and reports to the auditors who need it, when they need it, and in a format they can understand. Where some

---

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

audit time tracking is manual in their approach, the intelligence and tools built into ACL Timesheets streamlines this process making it more efficient. ACL Timesheets enables efficiency through a platform that:

- **Allows** for flexibility in how an auditor logs time: If performing a task within a project, an auditor can enter time as they go. But Timesheets allow you to enter time at the end of the work week or anytime at the auditor's convenience without having to remember the tasks worked on, allowing the auditor to focus on value-add activities rather than waste efforts on timekeeping.

- **Provides** the ability to capture project-related and non-project related time (i.e., utliization, billable, productive time vs. non-project related) thus enabling management to more accurately measure the ROI on their GRC investment and more adequately plan for resources.

- **Enables** accurate project accounting by precisely allocating the time spent on project phases and tasks through activity logging. When users enter their time at the end of the work week, they are shown a log of which tasks they performed.

Timesheets are important for assessing audit team performance against budgeted time and ensuring proper allocation of resources. For example, a senior manager who is responsible for creating and maintaining a master audit schedule and time budget needs to check how much time audit team members spent in a given week or given project to measure individual utilization and productivity, and to ensure that all required activities were accomplished. Specific benefits of ACL Timesheets includes the ability to:

- **Measure performance** of individual resources by utilization

- **Gain insight** into scheduled resources allocated for a particular project including number of hours worked

- **Measure overall profitability** and return on investment (ROI) of a particular project

- **Generate reports** that summarize time spent on and outside of the project

- **Be reminded** of what activities an auditor worked on in a given time period to assist in more accurate time input

- **Generate one-click reports** that provide a snapshot of time spent by employee or by project

Considerations in Context of ACL Timesheets

Every solution has its strengths and weaknesses, and may not be the ideal fit for all organizations in all situations. While GRC 20/20 has identified many positive attributes of ACL Timesheets to enable organizations to achieve consistent time tracking of audit

processes, readers should not see this as a complete and unquestionable endorsement of ACL.

Overall, organizations should find a high degree of satisfaction with their use and implementation of ACL Timesheets and find that it delivers time tracking intelligence capabilities that are effective in measuring, reporting, and managing audit teams while driving efficiency by reducing time and labor costs. The solution is intuitive and easy to use with implementation that is straightforward and rapid.

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.

Research Methodology

GRC 20/20 research reports are written by experienced analysts with experience selecting and implementing GRC solutions. GRC 20/20 evaluates all GRC solution providers using consistent and objective criteria, regardless of whether or not they are a GRC 20/20 client. The findings and analysis in GRC 20/20 research reports reflect analyst experience, opinions, research into market trends, participants, expenditure patterns, and best practices. Research facts and representations are verified with client references to validate accuracy. GRC solution providers are given the opportunity to correct factual errors, but cannot influence GRC 20/20 opinion.