



Growing Your Value

# Top Tips



# How To Master Remote Auditing

# Remote Auditing - Changing More Than Location

Audit services typically involve a significant amount of time spent at the client site, working closely with the finance function.

**But that model is no longer essential to delivering audit services due to significant advances in the technology used in both finance and auditing.**

In its simplest form, the concept of remote auditing relates to the performance of audit services with minimal or no time on site with the client.

Such an approach fundamentally shifts established principals. For example, geographical location is no longer a key consideration when attracting clients and less time is required for staff commuting reduces the cost of service delivery.

This guide has been developed to help teams understand and implement the techniques necessary for successful remote auditing practices, continuing to perform effective, high quality audit services which deliver value to clients.

These tips and techniques come from our experience over many years performing audits remotely. They will help you work in new, more flexible ways to provide more challenging and interesting work to your teams.

## Our Top Ten Remote Auditing Tips

Our tips are grouped over two core being, client collaboration and data analytics.



### Client Collaboration

1. **Information Request**
2. **File Exchange**
3. **Project Management**
4. **Portfolio Working**



### Data Analytics

5. **Obtaining Transactional Data**
6. **Focusing on Risk**
7. **Smarter Sampling**
8. **Fraud and Management Override**
9. **Revenue Testing**
10. **Client Deliverables**

## Navigating this Guide

There are active hyperlinks and video links embedded throughout this guide highlighted in **bold underlined orange font**, or with a play icon. If you are reading this in print form, please note that you can see any or all of these techniques brought to life by visiting: <https://signup.inflosoftware.com/> or [www.vimeo.com/user84134839](https://www.vimeo.com/user84134839)

## 1

# Information Requests

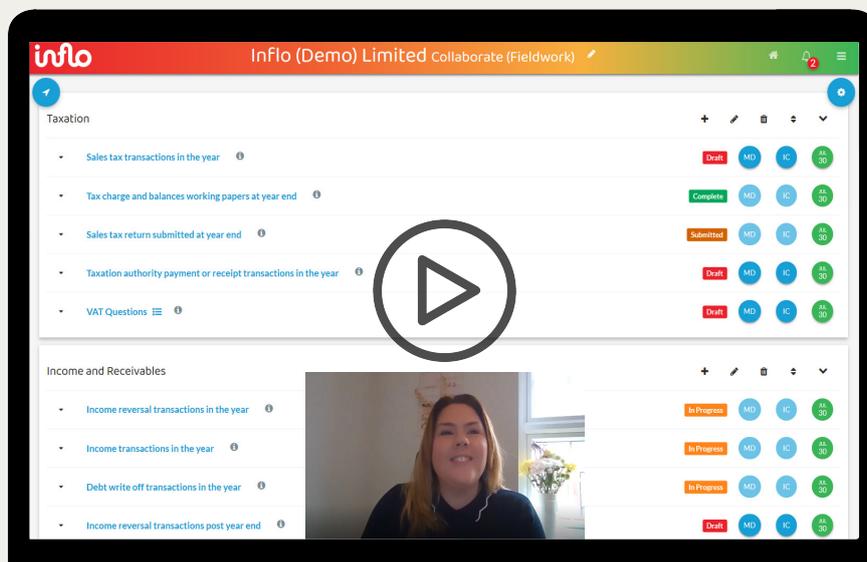
Remote auditing changes the information you need from your client.

Prior year lists should be adjusted to request information which would usually have been inspected or discussed with the client when on-site.

**Obtaining transactional data** significantly reduces other information requests. You should remove requests for transaction listings or analysis which is available from the data to benefit your client. Around 20-30% of traditional requests can potentially be obtained from complete data sets.

Investing time into your request list demonstrates that you value your client's time and focuses your audit approach.

Creating standardization across client information requests also increases opportunities to centralize certain audit activities. Such standardization also creates opportunities to leverage advanced techniques such as robotic process automation (RPA).



*Rachel Sanders, Duncan & Toplis, explains how prepared-by-client lists can be used within Inflo to enhance client experience.*

## Pro Tip

Reviewing interim data from your client allows you to reduce information requests over immaterial or lower-risk areas while ensuring your clients understand the data upload process.

## Learn How

Inflo can import requests from Excel, roll-forward an engagement or copy another. You can also use InfloAI to create a new list via artificial intelligence.

## 2

## File Exchange

When performing audits remotely one of the first priorities should be establishing a consistent approach to collating client information.

Whatever the prior approach, clients are accustomed to receiving a list of information requests from their auditor. Transitioning **information requests** to a structured, secure platform housing these familiar information lists minimises the change for clients.

The opportunity goes beyond the secure transfer of information to and from client contacts though. Layering workflow into the exchange removes any ambiguity over the process and embeds strong **project management** across the engagement.

Communication is also improved through a transparent, single place for information exchange and for everyone involved to discuss the engagement.



*Rachel Davis, Just Audit, shares how her team audit from home using Inflo and her pride over client feedback that her collaboration approach was better than a Big 4 firm's.*

## Pro Tip

Digital collaboration often serves as a key first step towards incorporating more progressive techniques into audit services. Implement such technologies broadly, quickly.

## Learn How

Inflo's structured client collaboration provides the real-time status of all information requests on any device.

## 3

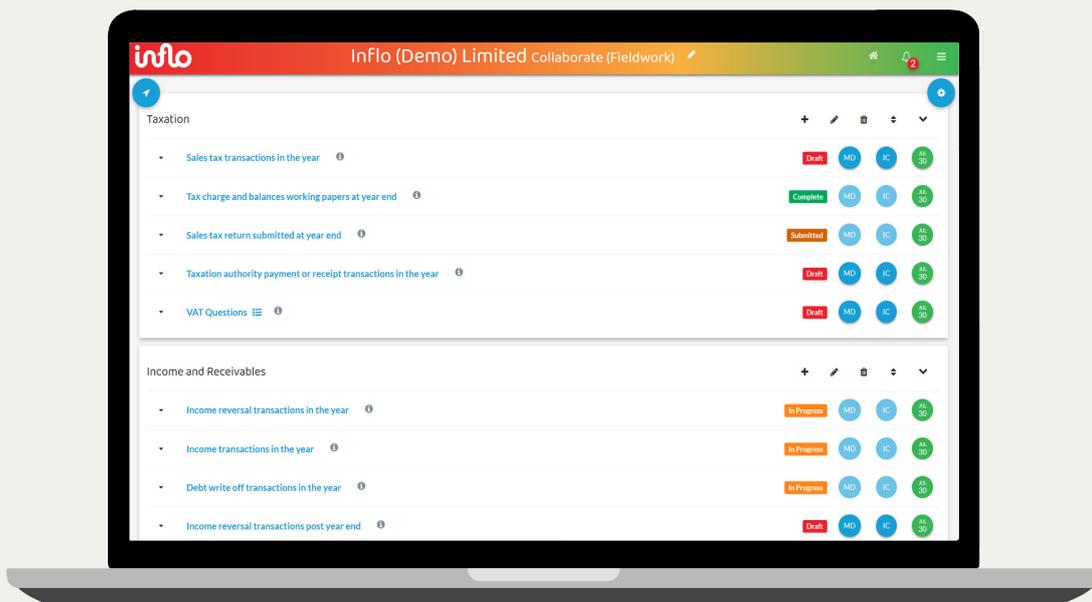
## Project Management

Delivering remote audit services profitably relies upon strong project management.

Accountability across both your team and the client team is an important component. All tasks and activities should be assigned to a single individual accountable for its completion.

Each task and activity should also be assigned a deadline for completion, agreed up front and monitored throughout to ensure resources can be appropriately assigned.

This applies equally across information exchange and completion of the audit file.



### Pro Tip

Retrospectively review delivery against deadline to support overrun conversations and/or improve future engagements.

Collaboration and file exchange technologies which include project management functionality eliminate significant time spent checking status and following up on outstanding information.

As an added benefit, such technologies objectively record delivery against deadlines.

### Learn How

Info provides accountability, deadline monitoring and automated reminders to project manage engagements for you.

## 4

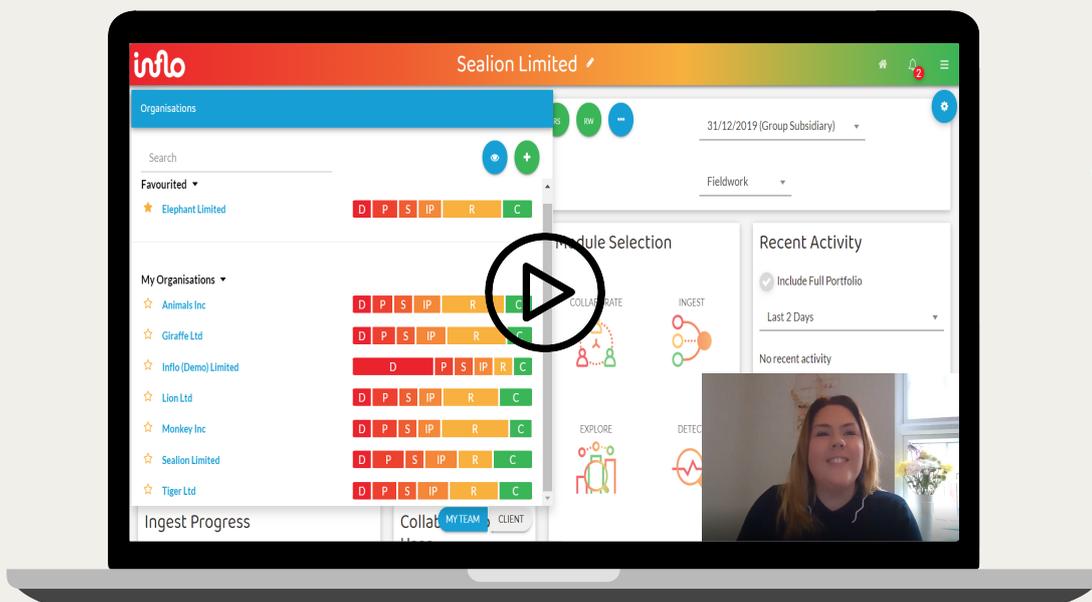
# Portfolio Working

Remote auditing provides a greater opportunity for your team to work across a portfolio of engagements rather than being allocated to a specific client.

With a single platform performing all **file exchange**, your team can instantly see all their assignments and the client information ready for their review.

This has the added advantage of making your business less susceptible to client delays, allowing teams to quickly refocus their efforts towards other engagements.

Changes in the availability of your team, whether through illness or reprioritization of service delivery, also have less impact as work can quickly be reassigned to other members of your team.



*Rachel Sanders, Duncan & Toplis, explains how she uses Inflo to monitor the status of her client portfolio and the information ready for review.*

## Pro Tip

Frequent portfolio reviews, on a weekly or daily basis, between Managers and staff benefits prioritisation of work across an available portfolio.

## Learn How

Inflo allows you to review the live status of information requests assigned to you as well as each member of your team, with quick and easy reassignment.

## 5

## Obtaining Transactional Data

Working remotely can present challenges when you need to ask the client team quick, simple questions.

However, obtaining transactional data from the client's accounting system provides your team with a deeper level of information. It allows them to answer their own questions and reduce your reliance on client interaction.

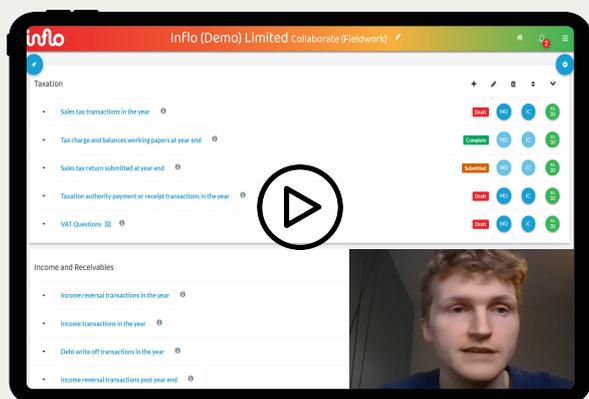
This has the effect of granting you read-only access to the client's accounting system. But even better than that, the user interface for your teams is identical across all of your clients, regardless of the accounting system they use.

Intuitive visualizations help your team drill down and explore the origins of variances on any device making the work more engaging.

Obtaining transactional data from the client's accounting system also serves to eliminate version control issues when you have multiple engagement team and client team members working on an audit engagement at different times from different locations.

### Pro Tip

Advocating clients use automated data transfer methods, such as extraction Connectors or back-up uploads, reduces the risk of running incorrect or incomplete system reports.



Tom Emmett, Grant Thornton UK LLP, explains how his client found the InFlo data upload incredibly easy after years of frustration running system reports.



Andrew Moyser, MHA MacIntyre Hudson, shares his unsuccessful efforts to beat InFlo's record of 100% extraction success.

### Learn How

InFlo extracts 100% of transactions from 100% of client accounting systems through an easy-to-use client upload wizard.

## 6

## Focusing on Risk

Activities such as preliminary analytics and risk assessment reviews should be the foundations audit work is built from.

With reduced access to client teams contacts when remote working, it is of increased importance you have additional tools available to understand the entity you are auditing.

The identification of unusual trends and relationships lets your teams visualize, drill down and explore the transactions within an account or balance. This allows you to truly focus your work and reduce audit effort on low risk areas.

It is also important to be able to remain sceptical and have a means of challenging or verifying the explanations provided to your teams.

When auditing less complex entities this work, coupled with an appropriate level of testing the notable items identified, can often provide sufficient evidence on an account or balance.

### Pro Tip

Reviewing transactional data to plan information requests and scope the audit provides significant efficiency opportunities for your team and your client.



*Rachel Davis, Just Audit, discusses how access to data helps her teams focus their time and effort.*

### Learn How

Inflo automatically prepares financial analysis, consistent visualizations and allows drill-down to source postings.

## 7

# Starter Sampling

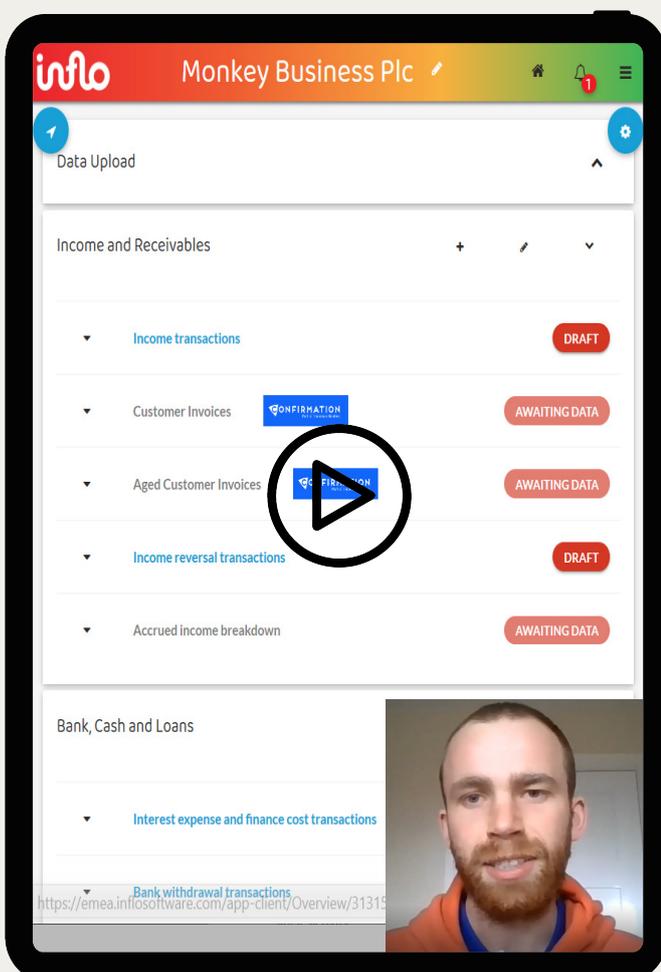
Audits involve performing various substantive tests, often via sampling accounts or balances.

In what can often feel like a dated approach, significant time can be wasted performing very basic tasks.

Checking breakdowns sum correctly and reconcile to trial balance accounts, calculating samples, selecting items and documenting work all take time and are susceptible to manual error.

Review time is also often increased, and the quality of work impaired, through inconsistent approaches and varied documentation by team members.

Working remotely means audit teams can find themselves more reliant on clients providing digital support for samples. Selecting samples as early as possible provides greater flexibility to client staff, allowing them to distribute the effort across their team.



Sam Toothill, Grant Thornton UK LLP, explains how he uses Inflo to quickly select samples for testing across a broad range of audit areas.

## Pro Tip

Obtaining data and selecting samples as soon as the client's year end close out is complete maximises the time for clients to provide supporting information.

## Learn How

Inflo automates the reconciliation, selection and documentation of a broad range of audit sampling techniques ensuring your methodology is executed correctly and efficiently every time.

## 8

# Fraud and Management Override

Auditing to address the risk of fraud and management override of control benefits from face-to-face interactions and the ability for auditors to follow their intuition.

When remote auditing, data analytics and artificial intelligence techniques provide a vital supplement to auditing this risk.

A key part of the audit involves analysing transactions to identify risks of fraudulent entries to the system.

Performing such procedures on journals to prepare financial statements, or on partial system extracts of “manual journals”, is rarely an acceptable approach.

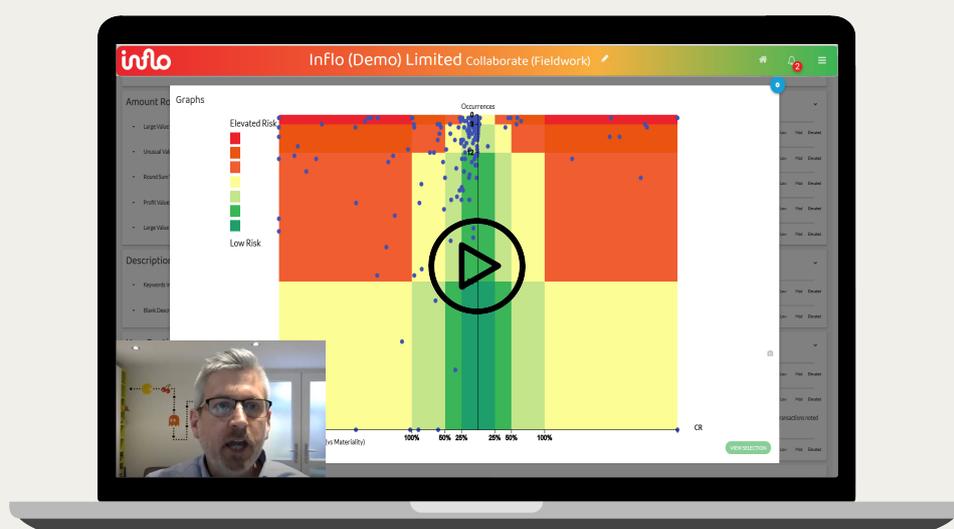
Fraudsters are sophisticated and fraud can be perpetrated at any time. An effective audit approach must therefore review every single transaction, automated or manual, which underpins the financial statements.

## Our recommended steps for designing an effective and robust testing strategy

1. Extract transactional data
2. Transform data
3. Verify the validity and completeness of data
4. Define the population for testing
5. Identify high-risk transactions for testing
6. Investigate and test high-risk transactions
7. Document your work

## Pro Tip

An effective approach here often impacts other aspects of the audit approach, allowing a range of audit tests to be consolidated into a single activity.



Richard Williams, Beaver and Struthers, shares how using Inflo provides him with the confidence to sign off audit opinions.

## Learn How

Inflo provides you with a robust testing approach, exposing a complete population of transactions to consistent and sophisticated testing.

## 9

# Revenue Testing

Even in normal circumstances, traditional substantive methods often prove to be challenging when testing revenue.

Sampling often necessitates large testing volumes. Substantive analytics is often impaired by an inability to define independent expectations and corroborate variances.

When auditing remotely this challenge is magnified.

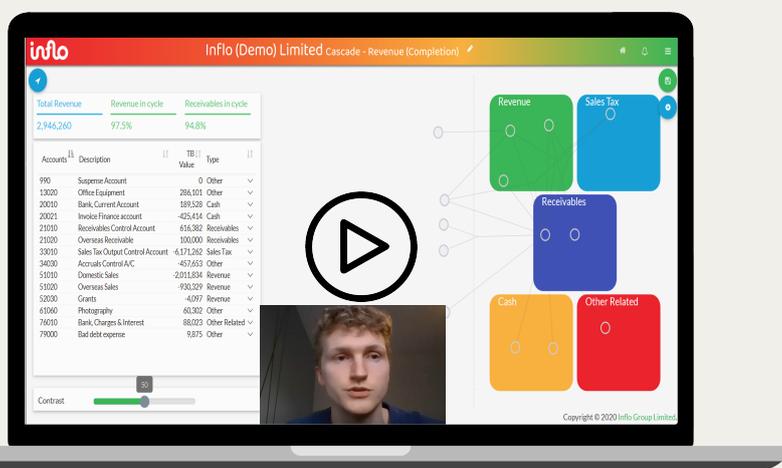
An innovative audit approach incorporates data analytics which analyse 100% of revenue transactions.

Such techniques can be used to perform advanced risk assessment analytics and reduce substantive procedures. Or to go further and obtain substantive audit evidence, replacing traditional tests.

Audit teams must be mindful of addressing all assertions relevant to both the risk of fraud and the risk of misstatement. For example, where completeness of revenue is deemed the focus of fraud work, this should not result in the testing of occurrence being ignored.

## Pro Tip

While performing investigation of the transactions flagged by 100% testing techniques be sure to capture the understanding gained which can provide valuable insights for client reports.



Tom Emmett, Grant Thornton UK LLP, shares how he uses Inflo to identify high risk transactions and reduce audit work on low risk areas.



Andrew Moyser, MHA MacIntyre Hudson explains how his clients get excited to learn about the transactions not following standard processes.

## Learn How

Inflo traces the flow of 100% of transactions through the revenue and receivables cycle to provide advanced risk assessment and new substantive testing techniques.

# 10

## Client Deliverables

When delivering audit services remotely, the outputs of the audit process are of vital importance to articulate the work performed and demonstrate the value of the audit to the client.

Traditional outputs, such as PDF reports, can be enhanced through incorporating visualisations. This offers you an opportunity to tell the story of how the audit has been performed.

Advancements in technology also allow for new outputs and interactions to be possible. You can share Dynamic Dashboards with clients, where the results of data analytical analysis are presented in a client view for them to analyze.

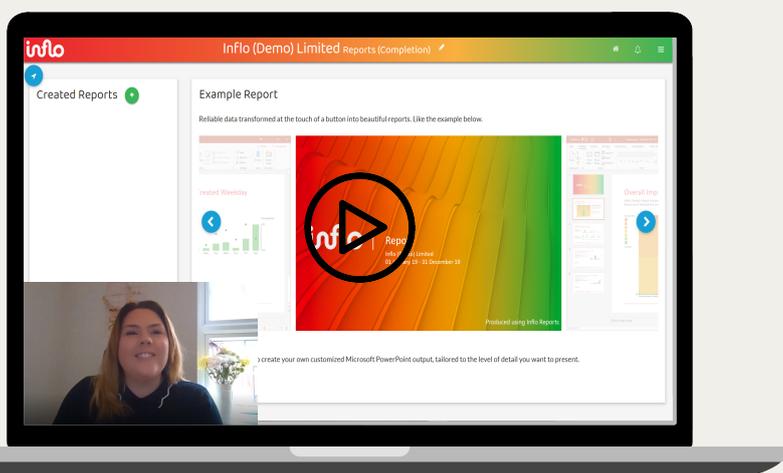
Often the insights possible from data analytics go beyond the scope of a traditional audit.

This presents an opportunity to incorporate high-level findings within audit outputs and delve deeper should clients express further interest.

Where appropriate, this can lead to additional non-audit services to more deeply analyse an area, for example to provide advice around a client's operations.

## Pro Tip

Obtaining data from clients on a quarterly or monthly basis is an easy way to provide new services throughout the year and deliver compliance services more effectively.



Rachel Sanders, Duncan & Toplis, explains winning an additional benchmarking project as a result of adding InFlo findings in her audit outputs.



Paul Winwood, BHP, shares how his firm include visualisations from InFlo in their reports to clients.

## Learn How

Info's Dynamic Dashboards can be published to clients with commentary added by you, representing new value-adding outputs from the audit process.



Growing Your Value

# Start Today

Implementing these tips couldn't be easier.

Sign up for **free today** and review our demonstration client to see for yourself.

Or take advantage of one of our new-firm packages:

- Sign up to our **Starter** package to implement the 4 client collaboration techniques in this guide on an unlimited number of client engagement.
- Or sign up to our **Pro** package to implement all 10 of the techniques in this guide on an unlimited number of client engagements.

Our **Enterprise** package is for larger or more complex implementations. Contact [sayhi@inflosoftware.com](mailto:sayhi@inflosoftware.com) to discuss, or if you have any other questions.



[inflosoftware.com](http://inflosoftware.com)



## Webinar

You can also watch our webinar discussing this guide and showcasing these tips. Watch on demand [here](#).

