



Real estate investment company identifies \$150,000 in duplicate payments with ACL AuditExchange

“ACL AuditExchange has delivered substantial quick-hit results that will support further project approvals and a continuous monitoring program. We can perform sophisticated data analyses that were simply not possible before.”

Vice-president of Internal Audit

A Denver-based real estate investment company owns and operates apartment communities across nearly every U.S. state. With 202,337 units and 750,000 residents in the corporate portfolio, the internal audit team is flooded with large data volumes from different platforms and locations. With support from ACL consultants, the company implemented ACL AuditExchange to look for duplicate payments within a one-year framework. The project immediately uncovered US \$150,000 in duplicates and highlighted underlying control issues – giving the audit team deeper data insight, audit control, and a stronger relationship with corporate management as they move toward a continuous auditing environment.

Challenges

The internal audit team is based across the U.S. including Denver, Greenville, Dallas, Indianapolis, Boston, Chicago and Phoenix. In order to monitor business transactions from the company's more than 1,100 properties nationwide, auditors oversee huge data volumes from multiple platforms and numerous geographic locations. The team was looking for a reliable way to automate its audit processes, implement continuous auditing, and become more efficient with fewer resources.

In the past, the company hired a third-party cost recovery firm to identify duplicate payments in the accounts payable files and pinpoint internal control gaps. This uncovered a relatively small number of duplicates and the firm charged a 40% commission on the findings. It was a situation the company wasn't willing to repeat.

CHALLENGES

- » Large data volumes on disparate platforms
- » Geographically dispersed audit team
- » Limited staff and time resources

SOLUTION

- » ACL AuditExchange
- » ACL Advantage
 - ACL Consulting
 - ACL Training

KEY BENEFITS

- » Significant cost recoveries
- » Efficient, streamlined data access
- » Greater data visibility and reporting capabilities

INDUSTRY

- » Real estate

REGION

- » North America

Solution

Eager to perform deeper data investigations in-house, they implemented ACL AuditExchange 2009™ to search for duplicate payments within a single year of AP data. This initial project quickly found over US \$150,000 and the company has already recovered a significant proportion of that total.

ACL consultants worked with the audit team to support the initial duplicate payment search and to ensure the company enjoyed immediate results. The process was hassle-free, working within the customers time frame to meet and exceed audit goals. The ACL consultants are now training internal audit staff to extend the AP duplicate payment project and to cultivate additional ACL-based investigations.

The audit team also began applying *ACL* to automate quarterly audit projects such as expense reports, manual journal entries and account reconciliations. ACL technology makes it simple to obtain true random samples or stratified data populations, rather than the judgment-based samples used in previous audits.

Auditors are now using this technology to develop and implement continuous auditing on key data populations. The audit team will eventually create ongoing analysis projects that equip other departments – such as AP, payroll and accounting – to monitor and pursue data exceptions, errors and anomalies on a daily basis.

Results

With ACL AuditExchange, auditors can quickly and efficiently process large data volumes, including files that would be far too big for spreadsheet work.

ACL gives the team exceptional flexibility to sort, investigate and pinpoint critical data according to their audit needs. The AP duplicate payment project, for example, found key issues that would be nearly impossible to catch with manual sampling methods. Duplicate vendor names, addresses, and errors based on fuzzy matching would not have been found.

The secure data repository in ACL AuditExchange will be another valuable solution for the audit team. With audit staff spread across the country, approved scripts can be stored in the repository and accessed remotely to perform investigations. Audit projects can be completed according to applicable workload and expertise, rather than geography. Results are easily shared with management and the team can build on successful audit projects and techniques – regardless of disparate data types or platforms.

With ACL AuditExchange this organization has gained:

- Significant cost recoveries
- Efficient, streamlined data access
- Greater data visibility and reporting capabilities

The company continues to find hundreds of thousands of dollars in duplicate payments, but perhaps more importantly, auditors have identified underlying control gaps. The team is quickly repairing these control issues and has strengthened its relationship with upper management, including the CFO, CAO and CEO. The internal audit department has enhanced its credibility by delivering significant value to the entire organization.

■ acl.com
references@acl.com

ACL, the ACL logo, the ACL logo with the text "Data you can trust. Results you can see.", and Audit Command Language are trademarks or registered trademarks of ACL Services Ltd. All other trademarks are the property of their respective owners.

