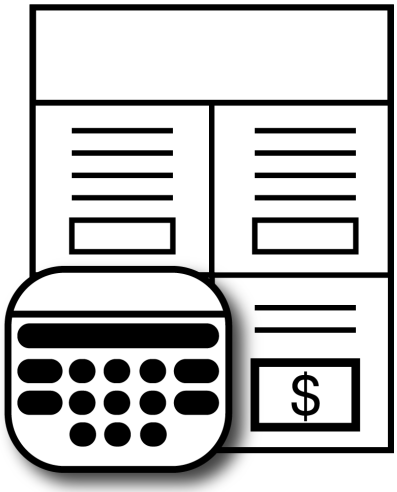


Accounts Receivable Module

Audit Analytics Template

Accounts Receivable (AR) is money your customers owe you for goods or services they purchased from you in the past. The objective of the AR process is to collect from customers in a timely manner (typically a few weeks) in order to maintain balanced accounts. There are a number of risks to achieving this objective. While having a lot of customers is a good thing, some may not pay you on time—or at all. The upside? You have the data to know when this risk is real for your organization.

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.

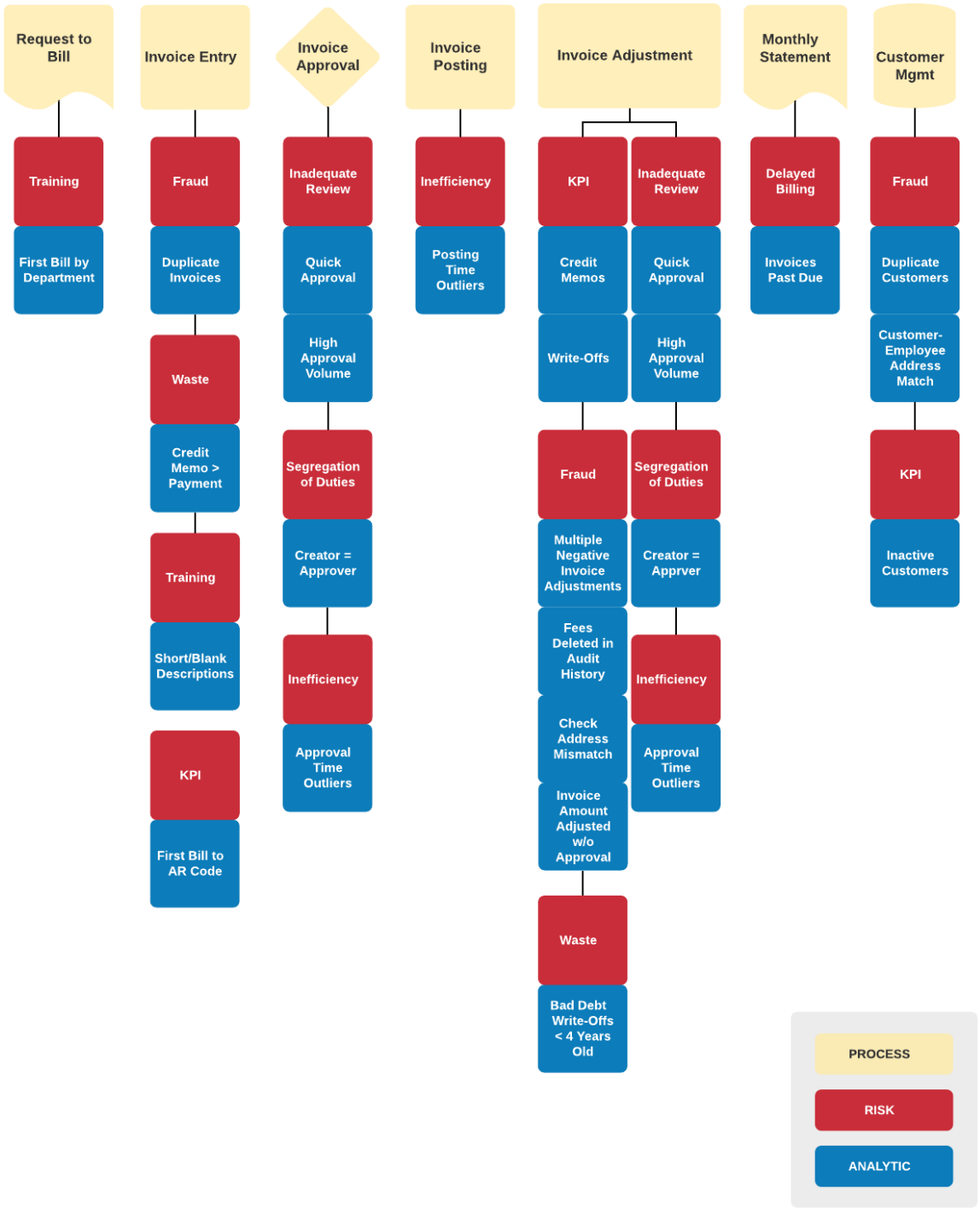
Data analytics are written to track transactions as they move through the ERP workflow. Each analytic is asking a question of transaction. If the transaction meets the criteria, the analytic will flag the transaction. A single transaction could be flagged by multiple analytics.

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 AR 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 AR and 10 other business risk areas (Page 5).

Sample Process, Risks, and Controls

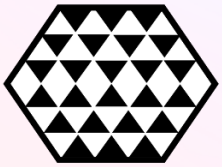


Sample Audit Analytics

Step	Analytic	Description	Use case
Invoice Entry	Duplicate Invoices	Flags if two or more invoices in the system are entered within 29 days of each other and match on customer number and amount.	Investigate and/or recommend training.
Invoice Approval	Quick Approval	Flags if an approver approves an invoice within 45 seconds of their previous approval.	Examine invoice and determine if it warranted substantial review.
Invoice Adjustment	Invoice Amount Adjusted w/o Approval	Flags if a bill's total amount decreased without approval.	Validate adjustment and/or recommend controls.

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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