

Audit36 Case Study

One of the
**Largest Small Finance
Banks Digitizes** their
Internal Audit Operations with a
Scalable Multi-Tenant
Audit Management
Solution



About the Client

Our client is a leading small finance bank in India. With over 300 branches & 800+ banking outlets, they are growing fast in small & micro finance space.

Internal audit plays a crucial role in managing risks for the bank. It is one of the supporting forces behind the bank's growth story.



The **Existing** Internal Audit Operations

Besides the internal audit department, the bank has 5 other major processes that have their own internal audit set up. The type of audits includes branch audits, central credit audit, department audits and process audits.

Each of these audit verticals have their own reporting and workflow structure.

Besides the scheduled and planned audits, the top management personnel perform ad hoc audits from time to time depending on their schedule and department policies.

Audit as a methodology for managing risks & maintaining compliance is used by all 3 levels of defense.



The Requirement

The most important requirement for the bank was to implement a scalable digital internal audit management system.

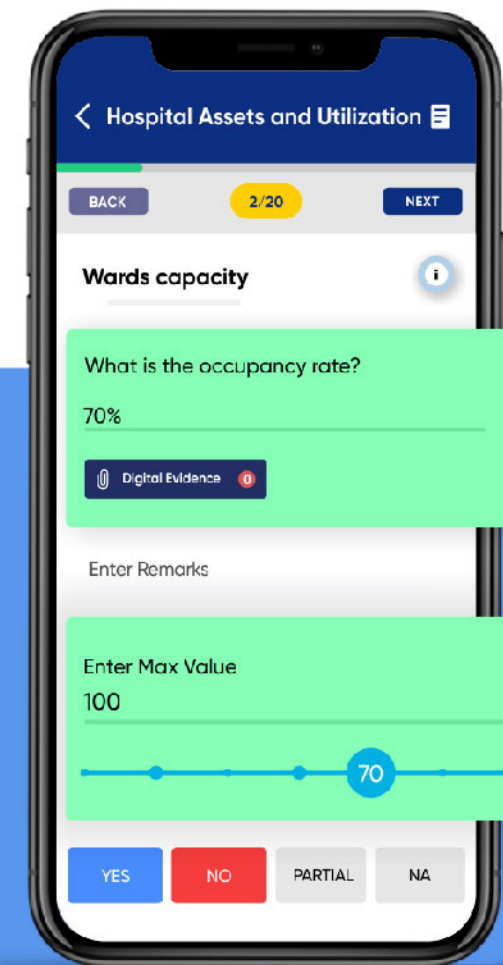
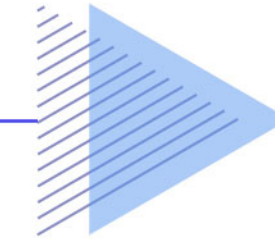
The bank was looking for a single audit management solution that could digitize and automate audits at all levels. They expected the solution would provide separate internal audit program instances and setup for the internal audit department and the different processes.

They were also looking for mechanisms where the audits done by management could flow into the audit management system and get added to the list of issues to be addressed by the branches.

They wanted multiple level of reporting and a solution to filter audit data based on new dimensions that they created from time to time. They also wanted a facility for adding user defined fields for capturing audit data.

There were different criteria for audit closure and finalization that they wanted to implement as part of the workflow.

The bank provides transparency to auditees during the audits. So, they wanted the solution to provide a parallel view for auditees while audits were being conducted.

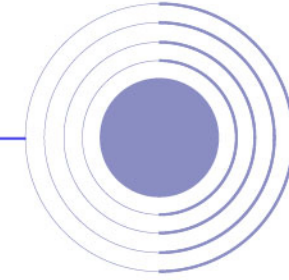


The audit review workflow for the bank had multiple levels. And they wanted flexibility in executing different types of review workflows depending on the audit type.

The bank also wanted a secure release mechanism where the application would be first released in a staging environment and once stabilized moved to production.



Why Audit360 was Chosen



Audit360 met all the base automation and digitization configuration requirements of the bank.

Following features were available out of the box.

1. Configurable workflows

2. Multitenant set up for different audit programs – internal audit department + process audit program + branch audit by operations + management audits

3. Digital interfaces for all types of audit configuration.

4. Adding user defined custom fields for an audit type

5. Configurable review and issue resolution workflows

6. An easy to configure hierarchy for complex audit types

7. Parallel Auditee view

8. On-premises enterprise deployment

The screenshot displays the 'Issues' section of the Audit360 application. It features a top navigation bar with the Audit360 logo. Below the header, there are several filter and selection controls: 'CLUSTERS' (with a dropdown showing 'C00001 - South Bangalore'), 'AUDITEES' (with a dropdown), 'SELECT GROUP' (with a search input), 'SELECT PARENT AUDIT TYPE' (with a dropdown), 'SELECT INTENT' (with a dropdown), and 'SELECT ISSUE STATUS' (with a dropdown). A 'Go' button is located below these filters. Below the filters, there is a table with columns: 'Q ID', 'SUB AUDIT TYPE', 'PARENT AUDIT TYPE', 'GROUP NAME', 'CHECKPOINT INTENT', 'INPUT VALUE', 'COMPLIANCE', 'SCORE', 'SCHEDULE DATE', and 'ISSUE STATUS'. The table contains three rows of data:

Q ID	SUB AUDIT TYPE	PARENT AUDIT TYPE	GROUP NAME	CHECKPOINT INTENT	INPUT VALUE	COMPLIANCE	SCORE	SCHEDULE DATE	ISSUE STATUS
2465	CASH AUDIT	BRANCH AUDIT	REGISTERS	Water	10	No	50		Accepted
2462	CASH AUDIT	BRANCH AUDIT	REGISTERS	Cash Problem	2000	No	25		Resolved
5455	CASH AUDIT	BRANCH AUDIT	REGISTERS	Check Registers	10	Yes	20		Accepted

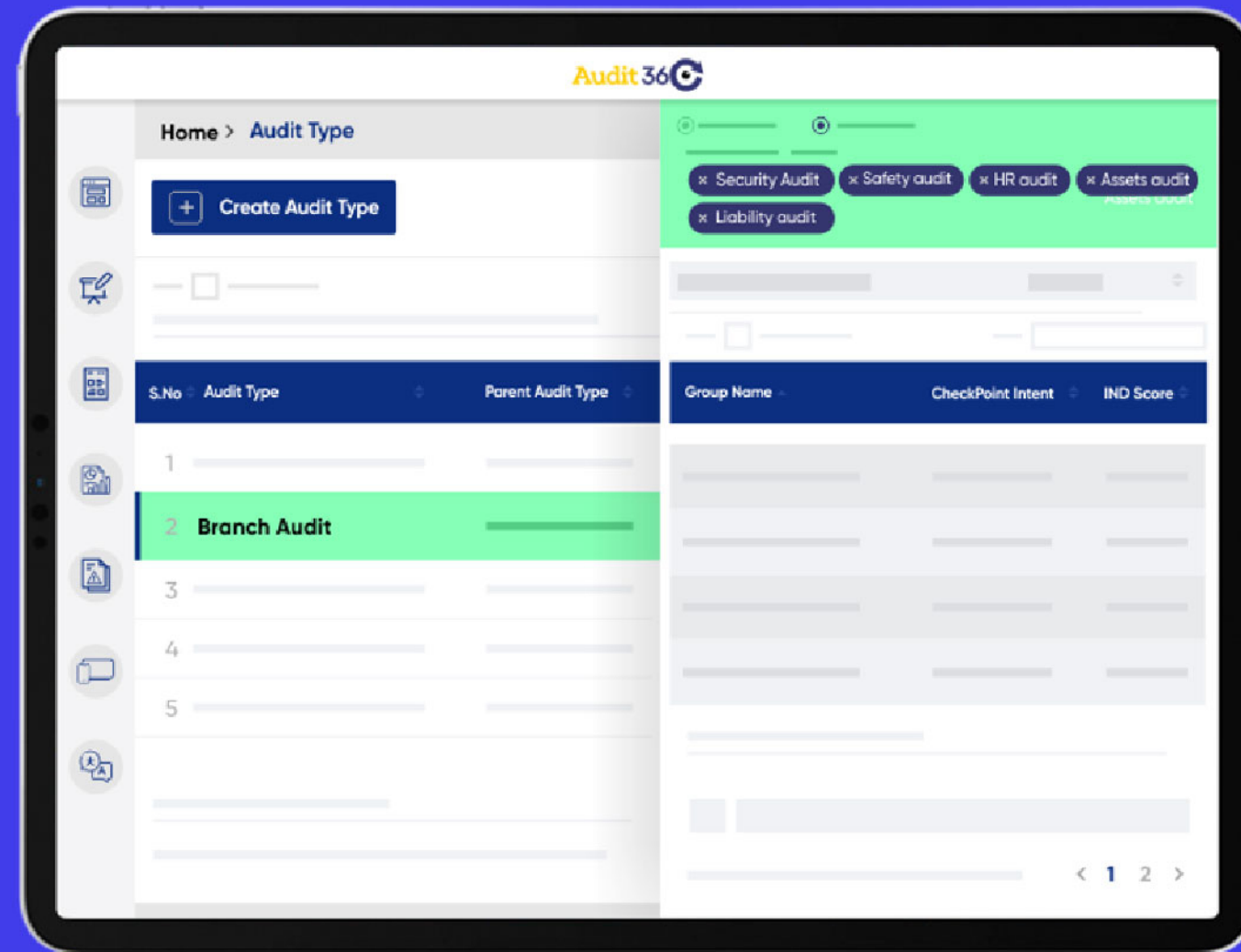
We added following extensions.

1. Tags based solution for adding new dimensions to the audits. This solution would be used for significance-based reporting and managing audit closure and finalization.

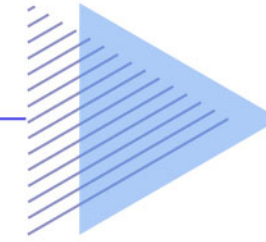
2. Custom review workflows

3. Using Oracle DB in the backend application tech stack

Audit360 had two major releases lined up in the product roadmap - Auditee App and Compliance360. The features in these releases perfectly mapped to the bank's requirements. We raised the priority of these releases to time it with the implementation.



The Solution Implementation



The requirements were documented by the project implementation team and mapped to Audit360's standard and custom features. Then a plan to implement the application in phases was charted out, where 90% of the features were planned to be delivered in the first release.

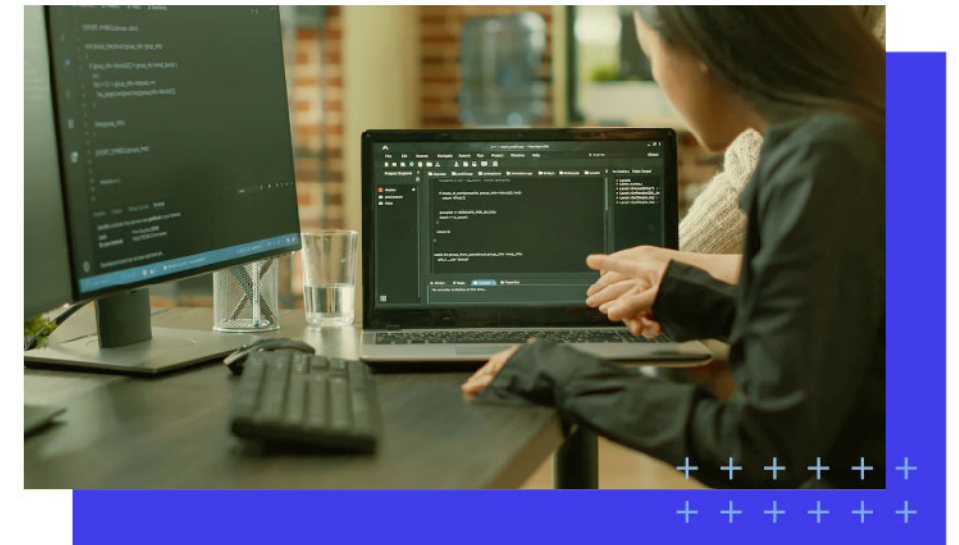
Multi-tenant release calendar was also prepared for coverage of process audits.

The bank had oracle database licenses. We built Oracle database connectors for the release (Note: Audit360 is not tightly coupled to a type of database and can be extended to include any proprietary or

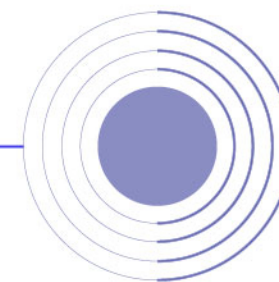
open-source database layer in the backend)

Once the first phase extensions were ready, the solution was moved to UAT instance for user testing.

From there the application was moved to the staging environment. After data migration and master set up in the staging environment internal migration to the production environment was done.



Key Benefits



Audit360 solved the scalability problem for the client. With manual audits it was becoming difficult for them to scale their internal audit operations in tandem with the business growth.

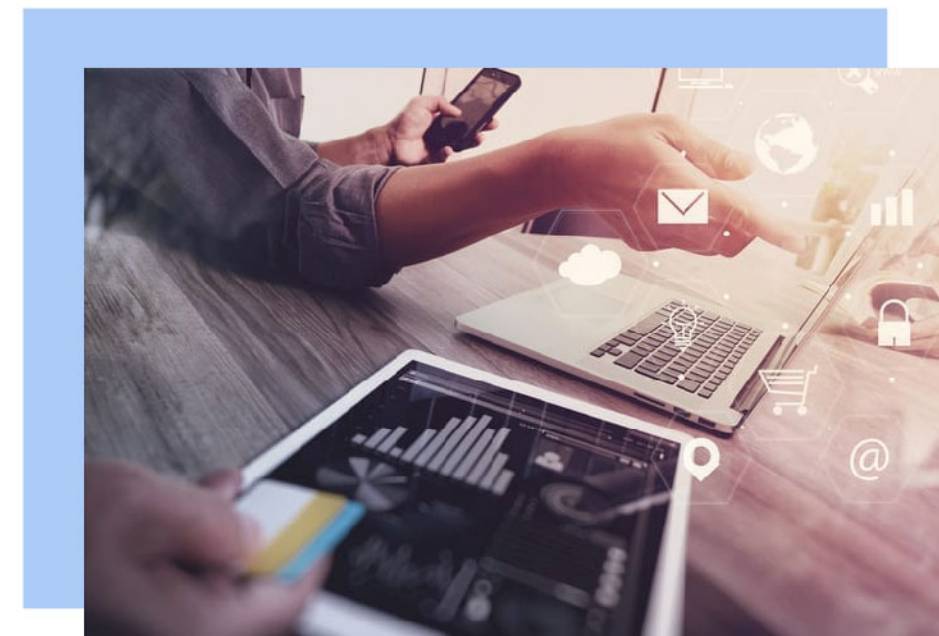
The scope & scale of audit operations was huge. The bank wanted a sturdy, high performance digital age solution that can help digitize audits operations across departments and processes.

With multi-tenant implementation this was easily done. The bank can now scale audit operations for new processes in future without any hassle.

Audit360 provided a 360-degree coverage of the check-list based audit execution requirement of the bank covering all types of audits.

We provided them upfront customizations on workflows and reporting.

Audit360 is a modern digital internal audit management system suited for Banks, MFIs and NBFCs. With a digital age technology stack in place, we have given our client a scalable, flexible audit management solution with real-time responsiveness.



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