# Internal Audit Take Home Challenge

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# Steps

Actor Identification

Systems Mapping

The Logic Flow

Retention Requirements

Building the Flowchart

The Final Product

Recap

# Analyzing Walkthrough Notes

Before going into Lucidchart to play with colors, shapes, & symbols galore, I began the project with a thorough review of the walkthrough notes. This included identifying actors, mapping systems, finding the logic flow, & establishing retention requirements.

# Actor Identification

Accountant

Accounting Director

4

# Accountant

The Accountant is responsible for pulling monthly sales report from accounting team & third parties, data alignment, preliminary comparison, investigation of variances, & journal entry adjustments

# Accounting Director

The Accounting Director is responsible verifying the accuracy of the reports used, approving the explanations for variances, & authorizing the journal entries

# System Mapping

Accounting System

Third-Party Processors

Google Drive

## Accounting System

The internal source of truth for recorded sales

## Third-Party Processors

The external sources like the Apple Store that provide independent sales reports

## Google Drive

The system used for final document retention & document storage

# The Logic Flow

The analysis of the walkthrough notes reveals the different processes, decision points, & documents in the workflow

## Data Intake

The Accountant gathers data from the internal system & third-party processors

## Normalization

The Accountant ensures that the data is comparable by aligning time periods, currencies, & other key fields

## Investigation

If totals don't match, the Accountant investigates & documents the specific drivers such as timing differences, fees, foreign exchange, & prior-period adjustments

## Remediation

The Accountant prepares necessary journal entries to reconcile differences between the accounting system & third party sales reports

## Approval Gate

The Accounting Director reviews the entire packet to approve proposed entries. If rejected, it returns to investigation; if approved, it moves to posting

## Closure

Adjusting entries are posted & all evidence is saved (including all reports, reconciliation files, variance explanations, & evidence of review/approval)

1. Accounting system reports
2. Third-party reports
3. Reconciliation files
4. Variance explanations
5. Evidence of review/approval

# Retention Requirements

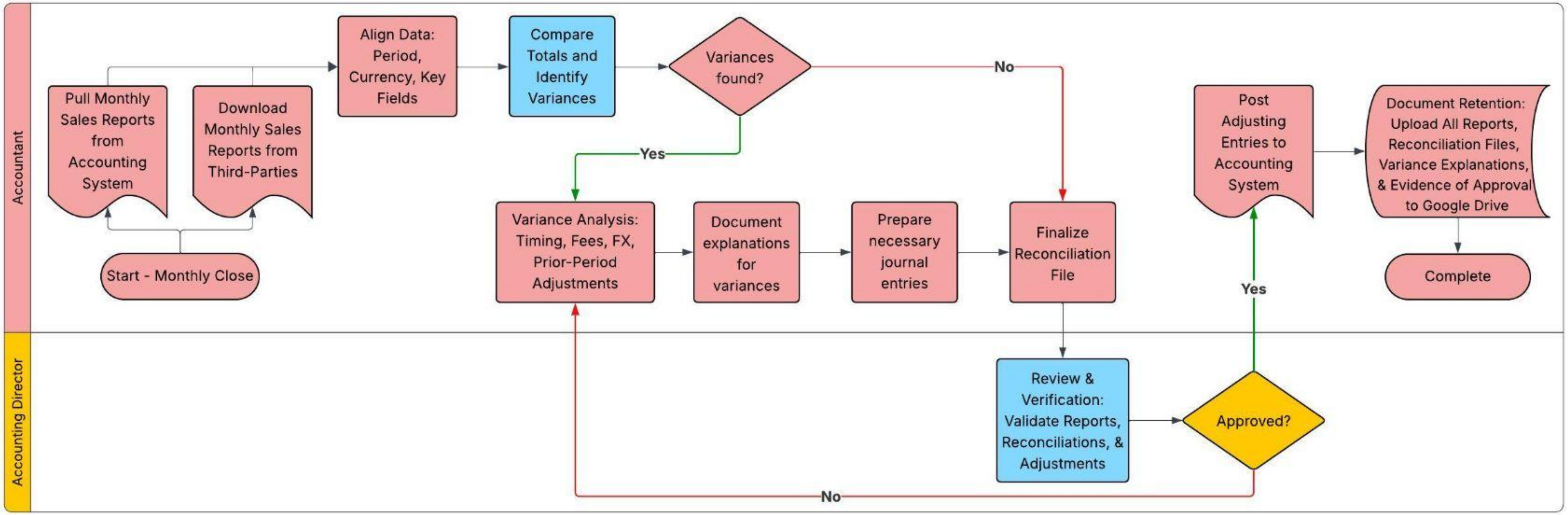
The final step in the walkthrough is the most critical for completing an audit. To satisfy the "document retention" requirement of the task, 5 different documents must be retained within Google Drive. These documents will be used within the test steps when the audit enters the Testing phase.

# Building the Flowchart

- Selected a swimlane format to best segregate duties of Accountant & Accounting Director
- Utilized notes to create D1 with initial terminators, processes, decisions, & documents
- Used Gemini to seek feedback to make language more concise & reduce blank space
    - Maybeeee I like language too much–I'm a verbose writer & AI is better at killing my darlings than I am
- Tinkered with the layout & various elements to make it more accessible & easy to read
    - Utilized AI tools within Lucidchart to reformat different icons, colors, & arrows
- Edited images using Nano Banana to include our trusty accountants Oscar & Bea in an image included in the flowchart

# The Final Product

## Monthly Sales Reconciliation Process




# Recap

- **Requirements Met:** flowchart includes key systems, team members, & document retention steps
- **Methodology:** began with an analysis of walkthrough notes to identify key processes, people, & systems; ended with constructing a flowchart in Lucidchart
- **Controls to Test:** variance identification + manager review/approval process to be tested in Testing phase
- **AI Disclosure:** Gemini leveraged to optimize process terminology, Nano Banana for image editing, & Lucidchart AI to improve aesthetics

# Thank you for your consideration!

It was a blast getting to play detective & practice the clear, transparent communication necessary within Internal Audit.