Beyond the Financial Statement Review: Gaining Added Confidence in Key Business Processes



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A financial statement audit tells you a lot about the fairness and consistency of your reporting. What it doesn't always tell you is how well the day-to-day processes behind those numbers; cash receipts, cash disbursements, revenue recognition, expense management, and financial reporting are actually working.

That's where internal audit comes in. Many organizations that already invest in a strong financial statement review are discovering additional value in looking more closely at the operational processes that produce those results. Evaluating these areas can surface opportunities to strengthen controls, reduce risk, improve efficiency, and build greater confidence in daily operations; insight a financial statement audit alone isn't designed to provide.

Why Look Beyond the Financial Statements?

Financial statement audits are backward-looking by design: they validate what already happened. Internal audit and risk advisory work is different. It's forward-looking and process-focused, aimed at answering questions like:

– Are our internal controls actually preventing errors and fraud, or just checking a box?

– Where are we exposed to compliance risk under frameworks like SOX, HIPAA, or GDPR?

– Are our cash handling, disbursement, and revenue processes as efficient and well-controlled as they could be?

– Do we have the right risk management structure in place to identify problems before they become costly?

Answering these questions requires more than an annual audit, it requires a dedicated, risk-based evaluation of the processes themselves.

What a Targeted Internal Control Evaluation Can Deliver

A well-designed internal audit and risk advisory engagement typically includes:

– Internal audit planning and execution — covering operational, financial, and compliance audits

– Regulatory compliance testing including SOX, HIPAA, GDPR, and other key regulatory requirements, with evaluation of internal controls over financial reporting

– Risk assessments and enterprise risk management support identifying, prioritizing, and monitoring organizational risk

– Internal control design, evaluation, and testing to strengthen governance and reduce risk

– Data analytics and technology-enabled audit procedures — for deeper insight and greater efficiency

– IT audit and cybersecurity risk assessments

– Fraud risk assessments, investigations, and forensic accounting services

– Fraud prevention and detection strategies — including hotline and whistleblower programs

– Governance and compliance support — including program assessments and regulatory readiness reviews (ISO, HIPAA, FDIC, PCI)

– Third-party compliance and subrecipient monitoring for federally funded programs

– Support for establishing or enhancing an internal audit function — from department setup and maturity assessments to audit committee charter development, risk-based audit plan development, ongoing advisory support, and Internal Audit Quality Assessment Reviews

A Flexible, Risk-Based Approach

Every organization's needs are different, which is why the most effective internal audit engagements are built to flex around them. That can mean a stand-alone project, a fully outsourced internal audit function, or a co-sourced arrangement working alongside an existing internal audit team.

The strongest programs share a few common traits:

– Risk-based methodology aligned with leading frameworks such as COSO and the Global Internal Audit Standards

– Practical, actionable recommendations rather than generic findings

– Technology-enabled insight, including audit platforms like Diligent One that provide real-time visibility into audit activity and results through customizable dashboards

– A dedicated, credentialed team including certified internal auditors, certified fraud examiners, and experienced IT and cybersecurity resources

This combination gives management and the board clear, actionable insight into the risks and metrics that matter most, enabling more informed decision-making across the organization.

Industries Where This Makes the Biggest Difference

Internal audit and risk advisory support adds value across nearly every sector, but it's especially impactful in industries with complex regulatory, operational, or funding requirements, including:

– Construction

– Healthcare

– Higher education

– Government

– Manufacturing

– Energy & natural resources

– Public companies

– Nonprofits

The Bottom Line

A financial statement audit answers whether your numbers are fair and consistent. An internal audit and risk advisory evaluation answers a different, equally important question: are the processes generating those numbers as strong, efficient, and well-controlled as they should be?

For organizations looking to move from compliance to confidence, a targeted internal control evaluation is often the next logical step, turning a good financial statement review into a genuinely resilient set of business processes.

Interested in learning more about how an internal audit or risk advisory evaluation could benefit your organization? Reach out to start the conversation.

Connect with Our Internal Audit Team