Capstone Project Summary

The role and responsibility of an asset manager in its client's audit process. The harmonization and automation of the audit confirmation process.

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Introduction

In my capstone project, I focused on exploring the legal liability of auditors to various stakeholders, as well as their audit responsibilities and objectives which is "to design and perform audit procedures that enable the auditor to obtain sufficient appropriate audit evidence for drawing reasonable conclusions, forming the basis of the auditor's opinion."

I provided a detailed examination of the information auditors typically request from asset managers, the methods employed by the asset manager I work for in providing this information, and how auditors utilize this information in their auditing procedures.

In our firm, we define audit confirmation as a type of request sent on behalf of the client, typically by an auditor (e.g., KPMG, Deloitte, PwC, E&Y), seeking various documentation from the past year. These documents are used to reconcile financial statements during the client portfolio's year-end review process.

The function I work in is a global, client-facing team that offers exceptional, client-agnostic service, complementing the proactive, tailored service provided by our Sales teams to clients. Our mission is to consistently deliver superior client service, enhance the experience through continuous process improvement and

harmonization, and ensure efficient internal and external engagement models. This global team serves three major regions.

The Global Audit Confirmation Project

In one of the regions, a Global Audit confirmation project was initiated last year, to automate the distribution of requested information to auditors. The project successfully implemented a document retrieval tool, optimized workflows, and strengthened partner engagement.

This improvement eliminated the most time-consuming step for the regional team the need for team members to navigate various databases and engage with different teams to gather the requested reports and documents.

The initial phase of the global project has been successful, providing significant benefits to both our firm and our clients. By automating the audit confirmation process, the firm saved hundreds of hours, allowing different teams to increase capacity without the need to hire additional personnel. Additionally, automation has significantly accelerated the delivery of requested documents, resulting in faster turnaround times and improved client service and satisfaction.

Innovation Framework

One of the key components for the successful project delivery was the adoption of an innovative framework. Our team collaborated successfully with the Project and Engineering teams to automate and improve this operational activity. The framework comprises five key components/steps:

1. Analyzing current activities and identifying improvement opportunities.
2. Sharing these findings with the project and engineering teams, who provide project management, process analysis, and technical/engineering support.
3. Discussing potential solutions.
4. Developing the agreed-upon solution.
5. Implementing the solution by adopting the new process, engagement models, and providing documentation.

Building on the success of the first phase, we aim to extend these improvements to other regions, further unifying the audit confirmation process globally and creating additional capacity and value for the firm.

We have initiated a new regional project to analyze available data, map out processes, and create specifications for the automation tool to support regional-specific requirements. We will

follow the same steps of the innovation framework used in the other region.

In my paper, I have created a **project plan** for both Phase 3 and Phase 4 of the Global Audit Confirmation.
The plan includes:

1. A list of activities and their due dates for completion.

2. Key milestones.

3. Identification of potential risks and recommendations for mitigating them.

4. The expected business value.

Conclusion

By the end of the year, the Global Audit Confirmation Project, through phased implementation, will successfully centralize audit confirmation across different regions and clients, reducing turnaround time and improving client experience.

The project demonstrates how careful scoping of scalable processes, collaboration with partner teams, efficient project planning, stakeholder and risk management, and an innovative mindset can transform business operations and deliver tangible results. It sets a standard for future projects aiming to automate and improve operational efficiency within our function.