How to Perform Onsite Audits Remotely:
A buyer’s guide to procuring technology to enable virtual auditing in the field
Introduction

Industrial organizations rely on third-party auditing to ensure accurate financial and asset records and promote transparent financial reporting.

Onsite fieldwork is one of the key tasks in audits. Traditionally, accounting and consulting firms send junior- to mid-level staff to client offices, factories or warehouses where they spend several hours or even weeks to complete auditing tasks. This results in travel costs, poor work-life balance and productivity losses for both firms and their clientele.

As enterprise wearable solutions become increasingly robust, more accounting firms — including members of the Big Four — are seeing benefits of remote auditing.

In this guide, you’ll learn:

1. How virtual auditing works
2. The benefits of virtual auditing
3. How to identify your specific needs
4. What to look for in a virtual auditing solutions partner
5. How to deploy a successful virtual auditing implementation
Many firms and clients can already carry out an audit virtually in part. Existing cloud technologies enable the safe and secure exchange of documents, such as:

- Year-end reconciliation and bank statements
- Year-end investment summaries
- Accounts payable and accrued expenses
- Net assets classification reconciliation
- Contracts and lease agreements
- Payroll tax reports
- Physical items list

However, an auditor still needs to perform inventory observations. While it hasn’t always been so, this can also be done virtually — with the right technology. Firms can send the hardware and software auditing kit to the client, allowing the client to:

- Work with the remote auditor in real time throughout the entire inventory observation process
- Capture video and images under the direction of the auditor
- Scan SKUs, barcodes, QR codes and other digital markers for faster inventory sampling
- Access and mark off sample counts created by the auditor

When the “fieldwork” of the audit is completed, the client returns the kit to the firm.
Enabling your staff to audit remotely has many advantages:

**Reduce or eliminate travel**
Dispatching staff can be costly. While the travel, meal and lodging costs on a business trip are obvious, organizations also need to consider the time wasted on traveling. Importantly, reducing travel is key to lowering CO2 emissions.

**Improve quality of life**
Reduced travel also improves employees’ work-life balance. For example, quarter-end and year-end audits often land on major holidays, which require employees to leave their families and travel to client sites. By improving the quality of life, firms can reduce burnout — the most common retention challenge in the industry.

**Improve productivity**
Employees may not be as productive while in transit, and it’s oftentimes hard to adjust one’s internal clock between timezones. A remote auditor working at home or at their office can ramp up immediately. Without a visiting auditor onsite, the clients’ employees can also work uninterrupted.

**Easily scalable**
If an auditor is at one location, they aren’t able to count inventory at another location. Because there’s no travel downtime and accessibility is quick and easy, auditors can manage a bigger portfolio of accounts.

**Improve accuracy and quality**
Virtual auditing creates more accurate accounting by combining the most appropriate remote expert with the auditor on site. If an abnormality appears during the inventory check (damaged or missing product for example), it can be immediately documented and photos can be stored in the audit file using the XpertEye platform. Moreover, the traditional process is for a client to get an annual audit. With virtual auditing, firms are able to have smaller audits throughout the year.

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Before looking at various technologies, you need to gather as much information as possible on how you may use the solution. This includes identifying:

- **Client site conditions**
  Some worksites require technology with unique safety features. This may mean having **hands-free operations**, **PPE compatibility**, meeting durability standards, or being certified to work around hazardous materials.

- **Connectivity challenges**
  Not all clients will have modern facilities that can maintain a stable internet connection. Your technology solution or vendor needs to be able to **support limited bandwidth connections**.

- **Stakeholders at all levels**
  A stakeholder isn’t just the auditor or the “client.” It includes everyone involved in the auditing process. For a firm, it may mean the junior accountants, seniors and even partners. For the client, it can include the **finance director, and controller**. Since this is a technology solution, your IT team is also a stakeholder.

- **Information security**
  Since remote auditing relies on-premise video streaming, clients will be rightfully concerned about information and digital security. The solution must have security features in place to protect transmitted data (such as end-to-end encryption, SSL etc.) and ensure that no data is stored.

Mapping out the existing fieldwork process is one of the best ways to identify the above and to fully understand how to audit virtually. After mapping the process, you can identify how collaborative technology can improve your firm’s workflow.

### Sample Improved Fieldwork Workflow

1. Audit scope is defined
2. Auditors are assigned
3. Virtual auditing device is sent to client
4. Video conferencing calls are scheduled between auditors and client’s employees
5. Fieldwork activities are performed remotely
   a. Client uploads financial documents to a shared cloud server
      i. Auditors get access rights from client to review documents
   b. Auditors schedule and conduct video call interviews with client’s financial staff
   c. With live requests and guidance from the remote auditor, a client employee can assist with sampling and counts
6. Auditors draft report
   a. If auditors discover additional fieldwork is required, restart at Step 5
7. Draft is completed. Clients return virtual auditing device to firm
Of course, not all vendors are created equal. Having the right partner is crucial for a successful implementation.

Look for a vendor that:

- **Has experience** implementing similar solutions
- **Has knowledge of your industry**, especially when it comes to complying with regulations in your region (i.e. SEC)
- **Clearly understands your goals** and can offer strategies to achieve them
- **Listens openly to your feedback** and works with you to review or refine the solution
- **Provides continued support** during the life of the solution

Be sure that you advocate for your own needs. A good vendor will match the technology solution to your goals. Ask your vendor for a turnkey solution, combining XpertEye Essential with RealWear HMT-1 and benefit from:

- **User-friendly operation** to make it easier to get clients up and running with the technology
- **Voice controls or hands-free operation** so clients can open boxes and containers more easily
- **Wearable technology** to streamline a client’s toolkit
- **High-resolution cameras** that can stream, record or cast video from the client’s perspective
- **Powerful connectivity** to allow clients to connect to cloud data via wifi or cell towers
- **Two-way audio** to enable auditors to guide clients in noisy environments
- **Durable construction** to survive shipping and potentially rugged environments
- **Out-of-the-box integrations** with collaboration applications

**The RealWear HMT-1** is an industrial strength assisted reality wearable solution that’s completely hands-free and is popular with audits and sampling counts. Its unique design has an adjustable micro-display that allows wearers to view content as though they’re looking at a 7-inch screen. It has a front-facing camera that allows remote inventory auditors to count what’s in front of the client who is wearing the device. Its powerful two-way audio enables remote auditors to ask questions and engage with the client in real time.

**AMA’s XpertEye Essential** is a hands-free, voice-controlled remote assistance software for smart glasses. The solution connects the glasses wearer to a remote auditor, improving collaboration by sharing what the onsite user sees, and reducing traveling costs. Core features include One-to-One and conference video calls, shared workplace (collaborative board, taking pictures, annotations), remote control of the user’s camera (zoom, flashlight), 11 supported languages, flexible deployment options (Saas, on-premises etc.) and secure communication flows.
What to Look for in a Vendor or Technology Partner? (continued)

Solution Needs Checklist
Use this worksheet to identify key criteria. Share it with your vendor to discuss technologies that will work with your virtual auditing process.

<table>
<thead>
<tr>
<th>CLIENT ENVIRONMENT</th>
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<tbody>
<tr>
<td>□ Worker fall risk</td>
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<td>□ Equipment drop risk</td>
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<tr>
<td>□ Low-signal network area</td>
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<td>□ Personal protection equipment required</td>
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<td>□ Loud</td>
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<td>□ Heavy machinery</td>
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<td>□ Exposed to weather</td>
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<td>□ Explosive atmosphere</td>
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<tr>
<td>□ Network connectivity (3G /4G / 5G / WiFi)</td>
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<tr>
<th>HARDWARE + SOFTWARE (KIT) REQUIREMENTS</th>
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<tr>
<td>□ Stream/cast video</td>
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<tr>
<td>□ Barcode/QR code scan</td>
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<tr>
<td>□ SKU lookup</td>
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<td>□ Documentation access</td>
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<td>□ Multimedia access</td>
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<td>□ Voice control</td>
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<td>□ Record video</td>
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<td>□ Capture images</td>
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<td>□ Pointer</td>
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<tr>
<td>□ Annotations</td>
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<td>□ Remote control of the camera (zoom, flash etc.)</td>
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<td>□ One-to-one call + Conference call</td>
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<th>FIRM REQUIREMENTS</th>
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<tr>
<td>□ End-to-end encryption</td>
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<tr>
<td>□ HIPAA/HDS compliance for secure solution hosting</td>
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<td>□ On-site training</td>
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<tr>
<td>□ Deployment method (SaaS, on-premises, on a private cloud, or on a closed network)</td>
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<td>□ Continued project management</td>
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<td>□ Support</td>
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Best Practices to a Successful Deployment

Work with your vendor to create the best implementation strategy for your department or organization. Successful deployments often have:

- **In-depth training sessions** for auditors who will be using the new technology
- **Internal allies** within your organization to champion and support the new technology and process
- **Measured rollout** (often with a single site or team) to build confidence and identify improvements before mass rollout

The integration of RealWear and XpertEye were crucial tools for KPMG during the pandemic. By implementing the RealWear HMT-1/XpertEye joint solution to power inventory observations from remote locations, KPMG enhanced accuracy while mitigating travel and logistical issues, as well as health and safety concerns.

The AMA team put in extra time and care to understand KPMG’s needs and to adapt to the use cases, working hand-in-hand during the pilot phase and thereby building a great foundation for deployment.

We made a proactive investment in virtual technology last year that has enabled us to respond effectively to challenges posed by the COVID-19 health crisis. We are confident this technology will be part of our toolkit to enhance audit quality and deliver a better audit experience in a post-pandemic environment.”

Matt Bishop,
Audit Chief Technology Officer,
KPMG
Start Your Digital Transformation with RealWear and AMA

RealWear and AMA have a solid partnership, working together for many years.

RealWear delivers assisted reality wearable solutions to engage, empower and elevate modern industrial workforce, connecting them to expertise and information needed to complete work tasks safely and efficiently.

Field-proven with world-class customers like Toyota, Mars, Honeywell, Vestas and Shell, RealWear’s combination of hardware and software, user experience, cloud and AI innovation as well as ecosystem of optimized applications increases equipment uptime, improves workplace safety and delivers unprecedented ROI. www.realwear.com

About RealWear

While most video conferencing tools quickly prove their limits outside the office, AMA’s smart workplace allows experts and frontline workers to collaborate remotely on any device via a secure software platform, perfectly adapted to each profession.

With seven years of proven experience in remote assistance solutions, AMA is helping medical institutions and industrial organizations of all sizes accelerate their smart workplace transformation.

Our market-leading XpertEye Assisted Reality platform has been deployed in more than 100 countries, addressing a wide range of applications like remote diagnostics, inspection, scheduling, and workflow management. These unequalled remote interactive collaboration solutions empower our customers to improve productivity, speed up resolution time, and maximize uptime.

Our presence worldwide – with offices in France, Canada, Germany, Romania, UK, USA, Hong Kong, and China - allows us to work in every time zone and reach our customers wherever they are. www.amaxpertye.com

About AMA