# Digitizing Allianz Partners' Internal Audit Work

Allianz Partners is the world's leading B2B2C specialist and expert in the creation and delivery of unique solutions that combine service, insurance and technology to provide worldwide protection and care. The company specializes in assistance, international health and life, automotive and travel insurance – the solutions are available to business partners and, in some cases, integrated into their own customer offers. Allianz Partners is part of the Allianz Group, one of the world's largest insurers and leading financial services companies. The annual turnover of Allianz Partners amounts to € 5.3 billion in 2020. The company has more than 19,429 employees and is present in 78 countries.

## Taking the internal audit work of Allianz Partners to a new level

The Internal Audit function of Allianz Partners consists of 30 auditors and operates worldwide. With its creation in 2016, Allianz Partners set up a strong Internal Audit function. Guillaume Bonamy took over as Chief Audit Officer and – across all former legal entities – started to boost the value contribution of Internal Audit. One of his first strategic initiatives was to set up a Data Analytics team within Internal Audit and invest in state-of-the-art data analytics software. Having tested several tools in the market in 2016, Allianz Partners chose CaseWare IDEA from various competitors, a future-proof solution due to its renowned concept, ease of use and its established partner network.

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Guillaume Bonamy, Allianz Partners Head of Internal Audit

„Our business changes rapidly, is spread around the globe and its risks are of an increasingly digital nature. Internal Audit has to respond to these challenges by reducing the time-to-market of our audit results and making use of adequate digital auditing techniques. Data has become one of the most valuable assets to our company. Consequently Internal Audit has to make data a focal point of audit activities and allocate sufficient ressources to this task. Making use of data has become one of the three most important competencies of interal auditors next to conducting interviews and reading and understanding documents. Data is key!", describes Guillaume Bonamy, Chief Audit Officer. „With IDEA all our auditors are able to review the full population of audited cases – not only random samples. Our goal is to provide exact and quantitative information, show the financial impact of the audit results and enhance the materiality of our findings and recommendations".

When introducing IDEA as the leading flexible data analytics tool, the Internal Audit function of Allianz Partners started to make use of standardized audit tests that address the risks within the major audit fields of Allianz Partners. With the IDEA app Financial, Allianz Partners was able to test the relevant accounting processes and implement established analyses used by accountants and auditors across industries worldwide.

## Developing standardized analytics procedures with Audicon

Together with Audicon, Allianz Partners took the next step: standardization and automation of data analytics for its core business activities unique to the insurance industry. To do this, Guillaume Bonamy's Data Analytics team chose to make use of the app concept of IDEA's SmartAnalyzer framework developed by Audicon, the leading expert for the provision of highly relevant, reliable and reusable audit tests.

The first app to be developed was for claims and assistance. This audit field has a high business criticality and is key to evaluating risk and performance with regard to the daily business of Allianz Partners. Consequently, the development of the IDEA app Claims & Assistance was a top priority.

The IDEA app Claims & Assistance addresses the major risks within the audit field and checks among other things:

- if a claim is justified compared to the coverage of the insurance policy
- if claims do not exceed the benefit limits
- indicators of potentially fraudulent cases
- data quality (missing or implausible data)
- leakages (unjustified payments)
  - manual errors from claims handlers
  - system errors

In the development process, the Data Analytics team of Allianz Partners worked closely together with Audicon's experts to identify and standardize the relevant source data, transform audit questions into risk-specific data analyses, specify test logic and risk indicators, and define the scope of information presented in the result sets. Audicon's consultants integrated all this into the app framework that guides the auditor through the audit workflow, secures the audit trail and provides a standardized reporting function.

„Within our digitization initiative, Audicon has proven to be the competent and valuable partner to take us to the next level," says Guillaume Bonamy. „IDEA is the core technology for any of our data analytics projects. We use IDEA in the fieldwork phase of audits to prepare data in order to gain insights into the real numbers and measure the financial impact of the audited area  Audicon's well-structured project management and development process was exactly what we needed to mold our audit expertise and business insight into a successful data analytics tool. Audicon's capacity to execute made the difference in this project."

## Advantages and benefits: what state-of-the-art data analytics has achieved

„Using IDEA and the apps saves us time and money. The value of internal audit results for top management has increased substantially. And we can now have more meaningful interviews by focusing the discussions on the exceptions generated by data analytics," says Sidi Niaré, Digital Audit Transformation Lead.

Before the implementation of IDEA, it took the auditors of Allianz Partners three days up to two weeks to prepare data and perform a number of audit tests. With the use of the IDEA app Claims & Assistance, it takes them less than one hour to complete 37 audit tests.

Major benefits identified by Allianz Partners in using the IDEA product family and the framework include:

- time saving
- 100 % coverage of data to be audited
- Making reliable information available at an early stage in the audit process strongly increases risk orientation of the audit assignment
- remote audit
- more reliability and better quality of the findings
- increased quantification and materiality of the risks identified
- enabling Internal Audit to respond faster and with more high-quality results to the concerns raised by the management

## Outlook: Next steps towards digitizing the future audit work

The successful implementation of IDEA and of the standardized analytics apps has underlined the importance of Guillaume Bonamy's mission. With IDEA and the IDEA apps, the Internal Audit function of Allianz Partners has taken the lead within the audit community of Allianz group to digitize the internal audit work and unleash the possibilities of data analytics towards even more efficiency and effectiveness. Now, Allianz Partners will digitize their audit fields one by one. The next steps have already been decided upon: Audicon and the Data Analytics team of Allianz Partners will develop two new audit apps for core business audits: „Operation Performance" and „Provider Network".

„We are just at the beginning of digitizing audit work within the Allianz group. IDEA and the IDEA apps enable us to standardize and speed up the analyses in some of our most important audits worldwide. We address all relevant risk categories in our operational units, e.g. on claims and assistance, with the help of IDEA apps specially developed and customized to suit our needs. We use the app in the audit preparation phase and during fieldwork and prepare to use it in the risk assessment and follow up phases of upcoming audits. Audicon's technology enables us to perform complex analyses with minimum effort and a high degree of usability – even for auditors with a limited background in IT audits," summarizes Guillaume Bonamy, Chief Audit Officer of Allianz Partners.