



Going Paperless

The Shift to Greater Use of Electronic Records



Session Panelists

- ▶ Dave Wiggins - Chief Technology Officer at Document Advantage
- ▶ Deby MacLeod - Principal, Audit and Assurance at Clark Nuber, PS
- ▶ JoAnn Theys - VP of Finance and Administration at Lutheran World Relief
- ▶ Sean Kelly - President at Key Travel



Dave Wiggins

Document Advantage

As the Chief Technology Officer of Document Advantage Corporation (DocuVantage), [Dave Wiggins](#) leads the product design, development, and delivery of DocuVantage OnDemand® solutions. Mr. Wiggins is an industry veteran having more than 25 years of analysis, design, development, and delivery expertise in electronic document, content and records management, business process workflow and compliance technologies.

What Does Going Paperless Mean?



- ▶ Electronic Processes
Who needs it and when
- ▶ Electronic Files
Stop printing and copying
- ▶ Electronic Signatures
No more mailing and signing
- ▶ Electronic Records
Records Management Compliance

Why Would You Want To?



- ▶ Save Time
No more digging through files or checking peoples desks.
- ▶ Save Money
Time is money.
No more file cabinets, paper, ink, and toner.
- ▶ Compliance
Records are not lost or easily discarded.
- ▶ Support Sustainability
Less paper, shipping, travel.
- ▶ Why not?

Is it Legal?



► In the Us, Yes

The US Government enacted laws in the 1990's making electronic records and signatures legal.

► In other countries, Maybe

Many Governments have enacted laws to make electronic records legal.

Some are still not on-board with electronic signatures though.

► How do you know?

Check with your local auditors and general counsel.

Check with your Government's records administration and taxing authority.

What are the Benefits?



- ▶ Increased capacity to deliver
Spend less time pushing paper around and waiting for people to complete their tasks.
- ▶ Visibility into processes
Know exactly where items are in the process.
People can research their own items.
- ▶ Saves Money
Save on Paper and Ink.
Save on TIME.

What Can be Made Paperless?

- ▶ Contracts
- ▶ Account Payable
- ▶ Travel Authorizations
- ▶ Funds Requests
- ▶ HR Files
- ▶ Procurement Requests
- ▶ Any other documents and processes required to run your organization





Deby MacLeod

Clark Nuber, PS

As Principal at Clark Nuber P.S., [Deby MacLeod](#) is a member of the Technical Issues Committee that evaluates emerging accounting and auditing standards, implements the standards within the firm, and conducts both internal and external educational training. Prior to joining Clark Nuber, Deby worked as an Accounting Manager in private industry, giving her deeper insight into opportunities that can make an impact her clients business objectives.

Audit Related Considerations

- ▶ Good News:
 - We can rely on electronic documents and data in an audit.
 - Auditing standards and other authoritative rules have been updated.
- ▶ However:
 - We still need to obtain “adequate audit evidence”
 - “Original documents” are generally considered more reliable.
 - “Original” may mean electronic .
 - Reliability of electronic documents depends on controls over conversion and maintenance of such documents.
 - We still need to understand (and in some cases test) your internal controls.
- ▶ Depends on:
 - Type of electronic data management system (EDMS)
 - Commercial, “ad hoc”, internally developed.
 - Part of a work flow or not.
 - “Day forward”, on demand, back file.

Benefits from Audit Perspective



- ▶ For you:
 - Ease of producing documents.
 - Less time consuming.
 - No refileing of documents after the audit.
 - Avoids “lost” documents.
 - Ease of sharing documents with multiple individuals.
 - Controlled document distribution.
 - Can reduce costs and control cost increases.

- ▶ For the auditor:
 - Ease of reviewing documents.
 - 24/7 access to documents and across time zones.
 - Increased mobility and ability to work remotely.
 - Might decrease travel needs.
 - A paperless audit is more efficient.

Areas of Audit Focus

- ▶ Access and authentication
- ▶ Document management
- ▶ Security and integrity of documents
- ▶ Retention and destruction

Access and Authentication

- ▶ Primary audit concern:
Proper approval and authorization of contracts, agreements, payments, reports, etc.
- ▶ Applicable controls:
Appropriate logons and passwords to restrict access.
Timed lockouts/screen savers.
Lockouts for failed logon attempts.
Inability to modify documents after approval.
Retaining the “envelope” for electronically signed documents.
- ▶ For internally developed EDMS:
Email approval is weak audit evidence
Not embedded in the document approved, can be modified.



Document Management



- ▶ Primary audit concern:
 - Availability and access to complete and accurate records.

- ▶ Audit considerations:
 - Are documents searchable and retrievable?
 - In compliance with Federal regulations?
 - Adequate financial management system.
 - Document retention period.
 - Must be available for audit when requested.
 - OMB A-110, 2 CFR 200.302 and 200.333 - .337.
 - Is there some sort of versioning control?

Security and Integrity of Documents

► Primary audit concern:

Documents are available only to authorized personnel.

Documents are protected from accidental or intentional alteration or modification.

PCI, HIPAA compliance.

Integrity/readability of documents is preserved.

► Applicable controls:

Reliable active directory management.

Limited access through use of logons and passwords.

Limited “super user” or admin rights.

Regular and timely backups performed.

Periodic restore tests or other tests to ensure document integrity.



Document Retention and Destruction



► Primary audit concern:

- Compliance with Federal regulations
- Compliance with organizational policies
- Documents are readily available
- Documents are destroyed timely

► Audit considerations:

- Do you have a disaster recovery plan?
- Does your record retention policy specifically address electronic documents and data?
- What is your process to monitor compliance with your policy?
- Do you destroy records/documents in an orderly and timely manner and in accordance with your policy?

Levels of Reliance – Professionally Developed



- ▶ Higher reliance on commercial EDMS
- ▶ Comprehensive environment that includes secure document approval processes
- ▶ Applied consistently across your organization, departments or offices
- ▶ System has been professionally developed and tested
- ▶ System controls have been audited
 - SSAE 16 – Report on Controls for Service Organization
 - Also called SOC 1, ISAE 3402
 - Look for a Type 2 report
 - USER CONTROLS
 - PCI compliance
 - HIPAA compliance

Levels of Reliance – Internally Developed



- ▶ Internal controls must be designed, implemented, tested and monitored entirely internally.
A process is not a control.
- ▶ Can provide greater opportunity for management override of controls.
- ▶ Less reliance if implemented in only parts of your organization or for “convenience”
Can I send you a scanned copy?

Summary



- ▶ EDMS can add value and efficiencies to your audit
- ▶ Document, document, document (can be electronic)
 - Implementation plan.
 - Implementation team.
 - Implementation controls.
 - Internal controls ongoing.
- ▶ Discuss your plan with your auditor before or during your first implementation
 - Avoid surprises or unintended consequences.
 - Develop a clear understanding.
 - Set realistic expectations.
 - Look for shared efficiencies.



JoAnn Theys

Lutheran World Relief

As Lutheran World Relief's (LWR's) VP of Finance and Administration and CFO, [JoAnn Theys](#) is responsible for the organization's overall financial health and direction, fiscal planning, internal control environment, and financial management systems. Prior to LWR, JoAnn worked for Jhpiego, most recently as Director, Global Finance and Administration, where she designed and implemented a global document management and electronic signature system.

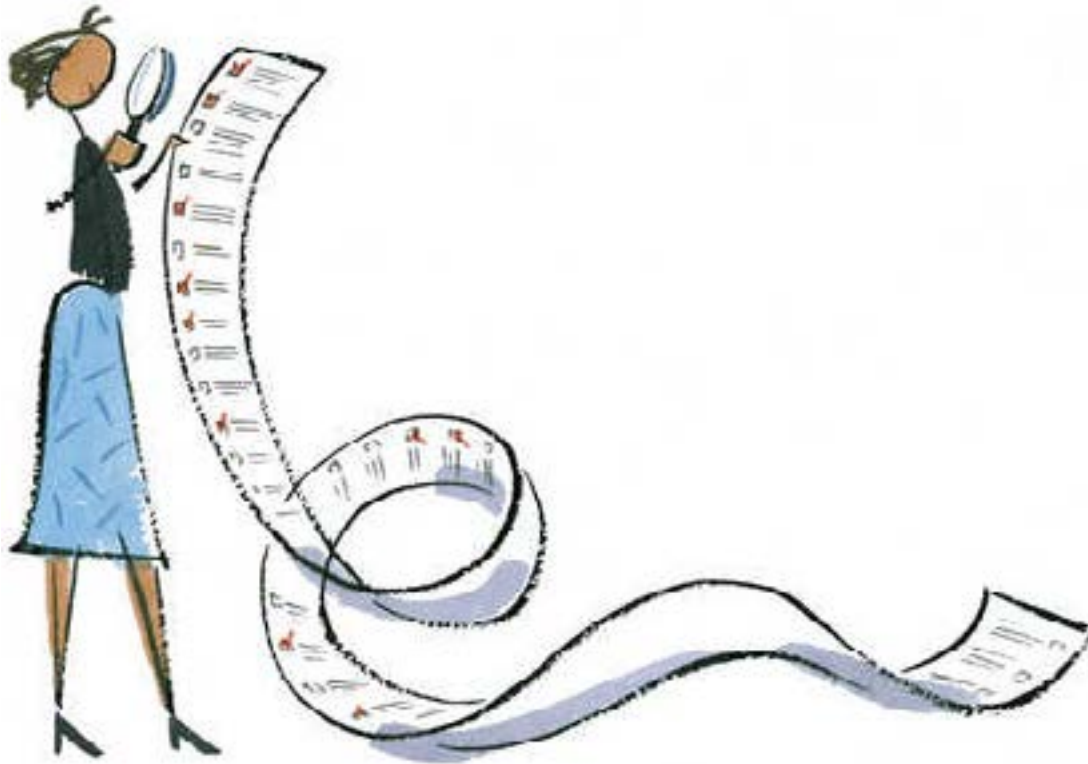
Going Paperless – An INGO Case Study

Paper, paper, everywhere!



Going Paperless – An INGO Case Study

- ▶ We all have realllllly long lists of paper-driven processes
- ▶ Pick one process to focus on to get started – one that the majority of staff use



Going Paperless – An INGO Case Study

- ▶ Establish a process design team
 - Keep it small
 - Invite those who are integral to the process
 - Invite those who complain the most about the process
 - Invite staff from the field (if the process is also done by field staff)



Going Paperless – An INGO Case Study



Outline and refine the process (“workflow”) – what “is” (paper) and what “should be” (electronic)

- ▶ Who is reviewing the document? How many times are they reviewing it? Why? What value are they adding?
- ▶ Are two people reviewing the document for the same reason? Why? What value is that adding?
- ▶ At what \$ thresholds does a document go to a higher-level manager/director/VP?
- ▶ Do you have the “right” delegation of authority? Is it too low/too high?

Going Paperless – An INGO Case Study

- Document the process
 - Note who does what at what stage for the system design.

F&A Director Review	
Who:	Role: F&A Director
What:	Review Independent Consultant Agreement Request
Instructions:	ON SCREEN IN SYSTEM – Please review the Routing Sheet and attached Agreement and Rate Agreement for completeness, reasonableness, allowableness, account codes, the rates used in the calculations, and availability of funds, and make changes where necessary. If needed, check out the Agreement document and make changes where necessary. When done reviewing and/or editing, check in the document and click either “Reject” or “Approve” – “Reject” will stop the review process and return the request all the way back to the beginning of the routing process (to the Routing Sponsor); “Approve” will move the request forward and on to the next reviewer (the Country Director / Chief of Party). If REJECTING, add a note in the “View/Add Notes” icon on why this request is being rejected, and then click the “Reject” button.
Next Step:	APPROVE – Country Director / Chief of Party
	REJECT - Routing Sponsor either Revises and Resubmits or Terminates

Going Paperless – An INGO Case Study

- Design on-line screens to have similar look/feel to existing paper-based process to increase staff buy-in and ownership, and to promote quick adoption.

AG		PRIME CONTRACTOR IDENTIFICATION		
		Name:		
		Phone:	Fax:	
		Address:	City:	State/Zip:
		EIN/SSN:	E-Mail:	
PRIME CONTRACTOR		SUBCONTRACTOR INFORMATION		
		Name:		
		Phone:	Fax:	
		Address:	City:	State/Zip:
		EIN/SSN:	E-Mail:	
		Subcontract Description:		
		Approx Subcontract Value: \$	Approx Start Date __/__/__	Approx End Date __/__/__
		Subcontractor Signed Letter of Assent <input type="checkbox"/> (if Prime Contract is subject to a Project Labor Agreement)		
		Subcontractor is DSBS-certified as: M/WBE <input type="checkbox"/> EBE <input type="checkbox"/> or LBE <input type="checkbox"/> (check all that apply & note status below)		
		YES <input type="checkbox"/>	Application Pending <input type="checkbox"/>	Intends to Apply <input type="checkbox"/> NO <input type="checkbox"/>
		Subcontractor Prevailing Wage or Living Wage Statement (if applicable) <input type="checkbox"/>		
		Prime Contractor Certification: I hereby affirm that the information supplied is true and correct.		
		Signature _____	Title _____	
		Print Name _____	Date _____	

Going Paperless – An INGO Case Study

- Involve key staff in the testing phase of the project to create “Super Users”

For example, if the first document process is travel authorization requests, who travels the most or processes the most travel requests?
If the first document process is QuickBooks replenishments, who processes the most or most problematic QuickBooks requests?



Going Paperless – An INGO Case Study



- ▶ Test, refine - test, refine - test, refine
- ▶ Get all the bugs out!
- ▶ Create on-line How-To Guides with screen-shots and step-by-step instructions.
- ▶ Hold multiple pre-training sessions with all staff (record it, if possible, for field staff's use), using a test system with non-live data for practicing.
- ▶ During go-live, have super users on-site (not traveling) and available to provide hands-on assistance for staff for at least one-week (two is better).

Going Paperless – An INGO Case Study



- ▶ Hold daily go-live training sessions the week of go-live
- ▶ Hold weekly go-live training sessions after the first week, for a month
- ▶ Hold bi-weekly “suggestions for improvement” sessions with staff for the first quarter after go-live and make the reasonable changes to the system in a timely manner (listening to their feedback and acting on it also helps to increase staff buy-in and ownership, and to promote quick adoption).

Going Paperless – An INGO Case Study

Staff appreciate benefits of the new electronic process:

- ▶ Clarity on roles, responsibilities, and authority levels, which leads to effective decision-making
- ▶ Consistent application of policies/procedures
- ▶ No more “exceptions” becoming the “rule”
- ▶ Standard templates/forms
- ▶ Information is not misrouted and/or lost
- ▶ Duplicate work is not required



Going Paperless – An INGO Case Study



They like the new system SO much ... there is a flood of staff coming to visit your office ... asking ... “Can we put X through the system, too???”

- ▶ Subgrantee Invoice Approval Form
- ▶ Independent Consultant Agreement
- ▶ Wire Approval Form for Remote Imprest Fund Replenishment
- ▶ Local Travel Authorization Request
- ▶ Purchase Requisition
- ▶ QB Due Diligence Sign-Off
- ▶ Basis for Vendor Selection
- ▶ And the list goes on...

Going Paperless – An INGO Case Study



▶ Successful Project Implementation!

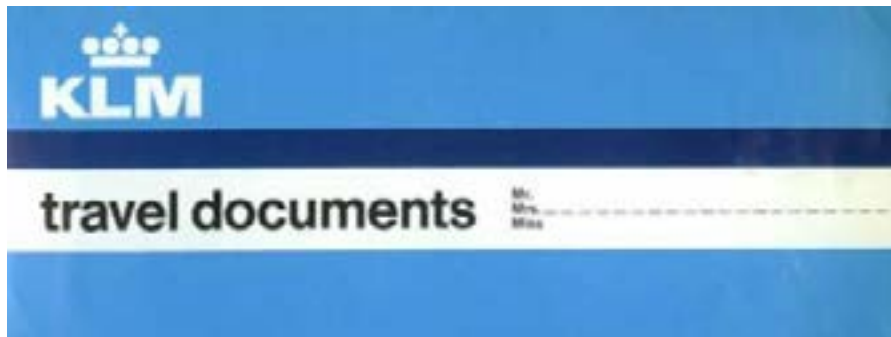


Sean Kelly

Key Travel

As President of Key Travel, [Sean Kelly](#) joined the organization in 2009 to manage the development of USA operations, building on its 30 year track record in Europe as a specialist in Humanitarian Travel. He is experienced in managing both the finance and operation of agency businesses during his roles as a Senior Vice President at IMG and at Board level on several publicly listed companies, where he served as both CFO and ultimately CEO.

Remember Trying to Manage Travel Like This?



► It wasn't that long ago!

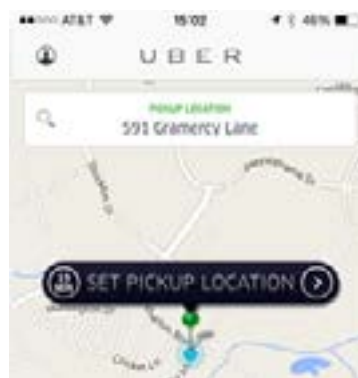
Managing Thousands of Travel Related Transactions


$$\begin{array}{|c|} \hline \$1\text{m Annual Spend} \\ \hline \end{array} \div \begin{array}{|c|} \hline \$900 \text{ Average} \\ \hline \end{array} = \begin{array}{|c|} \hline 1,100 \text{ transactions} \\ \hline \end{array} \times \begin{array}{|c|} \hline 1.5 \text{ Changes Average} \\ \hline \end{array} = \begin{array}{|c|} \hline 1,650 \text{ transactions} \\ \hline \end{array}$$

Each air ticket or hotel reservation is an individual contract with its own terms and conditions



The Digital Age of Travel



Can Your Travel Program be Completely Paperless?

Broad considerations Traveler/ Organization:

- ▶ Quote and booking process
- ▶ Travel documents – i.e. itinerary, ticket, boarding card
- ▶ Updates – schedules, changes, alerts
- ▶ Traveler profiles, travel policy & compliance
- ▶ Approval process & audit trail
- ▶ Reporting – financial, carbon and traveler tracking
- ▶ Reconciliation – credit card & traveler expenses

In 2015, an independent traveler can travel internationally itinerary with no paper except their passport...

But can an NGO manage a holistic travel program the same way?

YES

With the right considerations & planning your travel program can become paperless....BUT.

Benefits of a Paperless Travel Program



KPI on management process

- ▶ Faster communication & decisions
- ▶ Greater control & real time information
- ▶ Enables data to be interrogated & trends to be identified
- ▶ Processes can be customized & integrated
- ▶ It's greener and less wasteful!



Thank You

7 Ways Workflow Software Changes the Game for Your Organization

Get the Guide

866.367.3467

www.docuvantage.com