Case Study: The City of Tulsa, Overview

The City of Tulsa's team of internal auditors wanted a tool for continuous auditing super powers.

Gov Type

Large City

Location

Tulsa, OK

Solution

continuous auditing

Cathy Carter's last job title before she retired from the City of Tulsa in 2011 after more than 20 years of sercice was Chief Risk Officer. She advocated for a replacement, but no one was hired to fill the position after she left—or even two years later when Carter was elected City Auditor. "So I decided to try a new route...finding an automated way to monitor financial risk", she said.

Cathy implemented ThirdLine to detect fraud, waste, and abuse before it leaves the City's door. Hundreds of data analytics integrate with Tyler Munis Enterprise Resource Planning (ERP) system to flag high-risk transactions across financial processes, and the results refresh in interactive dashboards. "What we are doing is revolutionary, we haven't ever done this before", Carter said. See below the city's challenges and Thirdline's solutions in brief:

Challenge

Lack of access.
They were unable to get their hands on the right information.

Lack of resources.
They were on a tight budget, and data analysts are hard to find.

Complicated data.
They didn't know which of the thousands of data tables needed.

Manual analysis.
Manual spot-checks only; capable of 1-2 thorough audit reports per year.

Solution

User-specific, read-only access.
We gave them easy access to new anomalies, risk patterns and opportunities.

Analytic superpowers? Granted.
Our internal control testing revealed inefficient processes with precision.

Thirdline data table knowledge.
We knew which data tables to search in their ERP system, because we know them all.

We supercharged their team.
ThirdLine's blend of automation and expertise works at any size, making round-the-clock monitoring possible.

Complicated data and a lack of resources made automation seem impossible.

Due to highly complex data, a lack of access and necessary resources to make it a reality, until ThirdLine, automation remained out of reach.

Lack of Access, Explained

Like with most municipalities, IT permission and cooperation is critical. It can be difficult to know what data to ask for, and to receive in a timely manner. Carter and her team needed access to the right data from the IT department, which can take too long to make data analysis worth it.

Lack of Resources, Explained

Carter deals with budget cuts, obsolete technology, and administration turnover, which affect her team's plans and priorities. Plus, data analysts are hard to find and keep, especially because jobs and salaries in the tech industry are competitive.

Complicated Data, Explained

Even though Carter and her team had an idea of what they wanted to audit, it would have been incredibly complex and time-consuming to wade through the thousands of data tables (once IT provided them) and identify which ones needed for an audit.

Manual Analysis, Explained

Even with the resources and the data, without a continuous analytics solution Carter's team would have to perform manual spot-checks, analyzing pieces of data at a time to extrapolate answers.

ThirdLine automatically detects fraud, waste, and abuse through a simple integration with Tyler Munis.

With every refresh of the City's Munis data, ThirdLine analytics updated across dashboards, showing Carter and the internal auditing team:

Where transactions were flagged for risk in a specific financial process (e.g., Payroll)

Who was involved with creating and approving the transactions (employees, vendors, etc.)

When the transactions were created and approved depending on the preferred audit scope (last week, last quarter, or as far back as the implementation of Munis.)

Using ThirdLine, the City of Tulsa identified behavior that led to a revised policy. The analytics found that employees used purchasing cards to make purchases from an employee-owned business, which is against City code.

"This is one of the more helpful analytics that's been developed as part of the dashboards created by the Auditor's office. Once this has been made available for managers to use, we can monitor this regularly [...We] will follow up with HR to see if this could be explored as a personnel policy to ensure that we have a registry of employee-owned businesses." —City of Tulsa Finance Department.

Case Study: The City of Tulsa, Customer Testimony

With ThirdLine, Cathy Carter found an automated way to monitor financial risk. Overcoming the common roadblocks to automation was just part of the City's larger accomplishment.

Undetected financial risk can escalate into harmful fraud schemes, which can last more than a year and cost organizations 5% of their annual revenue, according to the Association of Certified Fraud Examiners. For municipalities, lost revenue translates to mishandled taxpayer dollars and results in diminished public trust.

Now, Carter and her team have the assurance of 400 data analytics running continuously to detect fraud, waste, and abuse across these 10 financial processes at the City of Tulsa:

1. Accounts Payable

2. Accounts Receivable

3. General Ledger

4. Human Resources

5. Payroll

6. Purchasing Card

7. Purchasing

8. Separation of Duties

9. Travel & Expense

10. Vendors

They got the answers they needed to create the right audit plan. With ThirdLine, they immediately reduced risk and inefficiencies associated with weak processes, and were able to test data-driven controls.