Quality and innovation
Enhancing the audit

The audit, vital to building trust with the public and capital markets, is undergoing an evolution toward an enriched experience for everyone. Innovative technologies that collect and analyze enormous volumes of data and enhanced auditor’s reporting are providing opportunities to deliver valuable insights and commentary about an organization’s financial health and performance that could barely be imagined a decade ago. These advancements are critical to helping auditors meet the ever-growing expectations of the market and regulators.

Deloitte continues to make significant investments to transform its audit services to deliver high quality, meaningful results for its clients and raise the bar for the entire profession. “Deloitte takes great pride in being a trusted audit provider worldwide,” says Carlos Sabater, Deloitte Global Audit Leader. “Our commitment to quality and nurturing a culture of innovation remains relentless. This is fundamental not only to the Deloitte brand, but also to every stakeholder that demands confidence from the process.”

Quality above all
Audit quality is the shared number one priority for Deloitte. The DTTL Executive and member firm leaders from across the network actively collaborate on a range of measures and programs to enhance audit quality and transform audit delivery. Deloitte Global established an Audit Quality Board comprising of senior member firm audit quality representatives to drive implementation of audit quality enablers and monitor progress. Member firms are also piloting extended audit reports with a number of clients to provide valuable additional commentary on the financial position of companies—offering further insights into the scope and key factors impacting the audit—and reveal a more complete picture that will benefit all stakeholders.

Innovation in action
Deloitte’s multiyear investment in Deloitte Audit (DA), an integrated service platform that transforms audit delivery, is making a tangible impact for Deloitte member firms and their clients. Featuring a comprehensive suite of tools and capabilities, DA aids in the consistent execution of high-quality audits within and across borders, and the effective collaboration of auditors and clients worldwide. By the end of FY2015, Deloitte member firms will have implemented DA on more than 80,000 engagements worldwide.

The proliferation of information and evolving technologies are reshaping the landscape for financial reporting and analysis. Deloitte’s innovations in data analytics are providing powerful data mining and interrogation tools that can efficiently examine large data sets. These analyses help to rapidly identify trends and expose anomalies and risks within and across audits.

“We already capture a tremendous amount of data from each engagement, and now with analytics, we are starting to analyze the data further to uncover insights that can drive decision making,” explains Cal Buss, Deloitte Global Audit Quality and Transformation Leader. “The adoption of DA and the growth of analytics have opened the door to substantial advancements in both quality and innovation.”

In pursuing the many possibilities that data analytics has to offer, Deloitte member firms have begun to develop and share innovative solutions across the network. Ranging from enterprise-wide applications to engagement toolkit utilities, these new analytic tools are transforming the audit in a game-changing way.

“A growing number of audit teams are using pioneering technology that can automate a wide range of audit-testing procedures, analyze trends within and across engagements, enhance understanding of transaction flows and processes, and flag items for further investigation,” Chris Thatcher, Deloitte Global Audit Innovation Leader, explains. “Continuous monitoring can also reduce seasonal fluctuations, ultimately helping avoid year-end crunch points.”

A more personal touch
Beyond the technological advancements, DA reflects a quality transformation in both process and culture. “Through our implementation of DA, we have seen a heightened awareness of engagement risks, deeper member firm partner involvement throughout the audit, and an intensified focus on consistency of audit behaviors and processes,” says Cindy Hook, Deloitte Australia Audit Leader. “This is providing an improved experience for our clients and our people.”

Deloitte member firms continue to enrich the audit with enhanced service delivery and reporting capabilities that bring superior insights while maintaining an absolute focus on quality. These advances allow auditors to focus on areas of importance to the client, as well as risk areas. Audit teams are leveraging these capabilities to design and execute an audit specifically tailored to the needs of the client, while the extended audit report is providing valuable additional commentary into the scope and key factors impacting the audit. “To us, a distinctive audit is about visionary thinking, outstanding people, and the smartest technologies,” says Panos Kakoulis, Managing Partner, Audit, Deloitte UK. “These differentiators, supported by innovative analytic tools, help us to deliver tailored, forward-looking audits.”

Audit has been, is, and will continue to be a cornerstone of Deloitte. Resources are being devoted to strengthen Deloitte’s position as an audit leader far into the future. For example, a dedicated Deloitte U.S. audit innovation team, composed of subject-matter experts with diverse skills and specialties, is helping drive audit-service innovation and influence the future of the profession. The team is challenging current audit-delivery mechanisms and exploring how to leverage technology to further enable quality and effectiveness. “We will continue to invest in innovation to transform the audit process, with the goal of evolving the delivery of high-quality audits, and responding to the changing needs of the capital markets,” says Cathy Engelbert, Audit Leader, Deloitte & Touche LLP (Deloitte U.S.).

“More and more clients are telling us that our audit approach and capabilities were the deciding factors in choosing Deloitte. They appreciate our technology, the way we leverage data, the personal involvement of our member firm partners, and the visible commitment Deloitte is making to improve the quality and value of the audit,” Sabater says. “The best part is, we are just beginning to scratch the surface of what the audit can be.”
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