

# Fresh perspectives enhance the audit

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On career days at primary schools around the world, budding athletes and actors, doctors and dancers, pilots and police officers wait anxiously to tell classmates about their dreams. Pint-sized auditors and accountants? Nowhere to be found. But the evolving nature of the audit and the vital role auditors play in supporting the countless financial decisions made every day makes the vocation significantly more attractive to both students and young professionals.

"Deloitte professionals are proud of being pre-eminent providers of audit services and take their obligations to the investing public and capital markets very seriously. As stakeholders are demanding more confidence and value from the audit, Deloitte is investing in innovative tools and approaches to provide new and more astute audit capabilities," says Panos Kakoullis, Deloitte Global Audit Leader. "Emerging technologies such as data analytics, visualization techniques, and even artificial intelligence are dramatically changing the way Deloitte is able to approach and conduct audits. These are driving opportunities for improved business performance, revealing more meaningful insights that benefit all stakeholders and support our continued emphasis on quality."

"Our focus on innovation has produced a more exciting work environment, one that is engaging tech-savvy millennials. They relish the challenge of using technology to solve problems and reinvent processes," adds Chris Thatcher, Deloitte Global Audit Innovation Leader. "Just as importantly, they bring fresh perspectives to a traditional field and add value that member firm clients maybe didn't expect, but really appreciate."

### The future is here

With a rapidly changing regulatory environment, increasing client demands, and new technologies, the profession is in a state of change, challenging Deloitte to deliver a differentiated audit.

The "audit of the future" is no longer conceptual. Advancements of cognitive technologies, including artificial intelligence, are presenting new opportunities to enhance audit quality, automate processes, and ultimately transform how an audit is performed. "Natural-language processing, advanced data analytics, and machine-learning technologies are examples of how we are automating and streamlining labor-intensive processes," explains Jon Raphael, Audit Chief Innovation Officer, Deloitte US. "This provides more opportunities to allocate time to higher value-added areas, enabling auditors to apply their professional judgment and uncover new insights to deliver value beyond compliance."



Deloitte Canada summer interns in Vancouver. Photo credit: Tracy Tahara (Deloitte Canada).

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Deloitte is actively enabling widespread and consistent use of audit innovations among its member firms to enhance both audit quality and consistency in engagements, create effectiveness for audit practitioners, and provide clients with the deeper understanding they want and expect. Deloitte innovation teams in many countries are leveraging breakthroughs to push the limits of traditional audits, and developing a wide range of next-generation supporting audit applications. "Best-of-breed" local audit tools that are being scaled for use across the network include:

- Powerful artificial intelligence applications that interrogate client electronic documentation using advanced machine-learning techniques and natural-language processing to quickly identify, analyze and extract key information;
- A mobile app that enables physical inventory observations from smartphones—including barcode scanning and voice-to-text technology—that transmits results in real-time, allowing corporate audit teams to monitor and review location counts as they happen;
- A diagnostics tool that uses visualization to understand and identify issues in clients' finance functions and benchmark results against their competitors and the market; and
- A suite of analytic solutions with built-in tests for a range of risks and account balances that can be applied throughout the audit. This includes support for extracting and analyzing client data and automating relevant reconciliations, completeness, and integrity checks, simplifying many of the pain points that have historically plagued the acquisition of data. These tools support viewing and testing large amounts of data in a way that allows for quick and easy identification of unusual patterns, providing a more robust understanding and analysis. The visualizations make it easier to identify risks, spot trends, anomalies, and uncover other pertinent information that can lead to valuable client insights.

"These advanced capabilities allow client data to be brought to life, telling more compelling stories, enhancing the risk-assessment process, and revealing hidden patterns, outliers, and insights," Raphael says.

#### Developing auditors for today and the future

Audits that are broader and deeper require professionals with expanded skills. This means developing auditors with the experience in specialized areas—including those not covered by a traditional audit—as well as advanced skills such as data science, analytics, and visualization. In response, the Deloitte network is enhancing its talent model to recruit and develop the auditors of the future.



Auditors may soon be able to provide clients with new ways to uncover risk hiding in plain sight in financial statements. To learn more, read Jon Raphael's article, "[How Artificial Intelligence Can Boost Audit Quality](#)," from CFO magazine.

Recognizing audit curriculums have fallen behind the curve in some countries, Deloitte member firms are also working with universities to advance audit education that focus on new technologies and capabilities appealing to a younger generation. For example, the Deloitte Israel innovation practice, together with one of Israel's largest universities, established a first-of-its-kind "Accounting and Technologies" bachelor of arts program. The program is the first step in a Deloitte Israel strategic plan which will also include active investments in disruptive audit technologies.

"Through initiatives like Deloitte Israel's and other talent programs across the network, Deloitte will nurture a new breed of future accountants," says Chris Powell, Deloitte Global Audit Talent Leader. "We believe this will reshape the accounting landscape, while strengthening Deloitte's position as an innovator in the audit world."

Deloitte's unwavering commitment to consistent high-quality audits and focus on delivering an innovative experience is the future of audit. For Deloitte, the future is now.



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Source: Based on approximately 2,820 companies in OneSource as of May 2015

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