How we harness Generative AI for a smarter, digital audit

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Generative AI enables us to enhance our digital audit

Deloitte firms have harnessed AI to deliver our efficient, risk-focused audits for years. Generative AI (“Gen AI”) is just the next step of people and machines working together.

We can use this breakthrough in the performance and maturity of AI capabilities to uncover deeper insights for our clients over time.

Gen AI and the auditor – An evolution

Phase 1: Facilitator (now)
Technologies and AI help organize and describe data so auditors can expand the depth and breadth of their capabilities
• Generative AI-enabled accounting research

Phase 2: Collaborator (soon)
Technologies and AI that predict and suggest outcomes so auditors can lend additional perspective to their judgments
• Business-specific pattern detection to inform risk assessments
• Automatic first-pass reviews of documentation to assist the auditor
• Push-button extraction of relevant information from documents

Phase 3: Integrator (later)
Technologies and AI pervade the audit, sensing risks and issues and automating certain processes
• Real-time anomaly detection
• Automatic evidence gathering and matching
Generative AI in Deloitte Audits

**Generative AI streamlines tasks**
By automating repetitive and time-consuming tasks like data analysis, pattern recognition, and report generation, practitioners can focus on higher-value activities like critical thinking and client interactions.

**Insightful data analysis**
Generative AI can analyze vast amounts of financial data, identify patterns, and generate visuals for effective client interactions. This helps professionals gain deeper insights into clients' financial health, identify risks, and provide business recommendations.

**Risk mitigation**
Generative AI can help detect unusual or suspicious activities, uncover potential fraud, and enhance risk assessment and control mechanisms.

**Compliance and standards**
Generative AI can assist in performing audits in compliance with professional standards, regulatory requirements, and internal policies. It helps audit teams identify and mitigate risks, enhancing the overall quality and integrity of the audit process.

**Quality control**
By automating repetitive and time-consuming tasks like data analysis, pattern recognition, and report generation, practitioners can focus on higher-value activities like critical thinking and client interactions.

**Professional development**
Generative AI provides access to audit-related resources, case studies, and learning materials. Virtual assistants can offer real-time guidance, reminders, checklists, and project management tools throughout the audit process.

Impact on audit approach when our clients start to use GenAI in processes and controls
Available AI tools in our audits

Examples of our strong pipeline of tools under development. They will be embedded in our Omnia platform.

**ChatAI**
ChatAI grants access to subject matter expert knowledge is essential for auditors. With GenAI, we will make this knowledge readily available to each auditor through relevant content, including our Technical Library and Knowledge Exchange. This approach helps to promote a culture of continuous learning and development within the auditing profession, leading to better audit outcomes and greater confidence in the financial reporting process.

**ReviewAI**
ReviewAI automatically reviews audit documentation and suggests improvements, saving time and ensuring consistency and accuracy. It allows auditors to evaluate control process narratives and receive suggestions for walkthrough questions with ease. Furthermore, it ensures consistency and “the red thread” throughout the audit documentation for an improved quality.

**DocAI**
DocAI extracts information from relevant documents like financial statements, invoices, and contracts. It can also respond to questions based on this information. By automating the process of extracting information, we save valuable time and resources, improves efficiency, reduces the risk of errors, and hence helps our clients make decisions based on accurate data.

**RiskAI**
RiskAI evaluates external information sources for potential risk events and compiles standardized risk reports for engagement planning. This GenAI-powered tool benefits by identifying potential risks and developing effective risk management strategies, ultimately protecting operations and reputation and driving better business outcomes.

**ScribeAI**
ScribeAI uses GenAI to create polished drafts from notes taken during the audit process. This saves time and ensures consistency and accuracy in audit documentation. With a user-friendly interface, ScribeAI is a game-changer for auditors, allowing them to focus on their core work while effortlessly transforming notes into well-written, professional documentation.
Leading the Gen AI conversation with our Trustworthy AI framework

Trustworthy AI is our approach, informed by that experience, to managing AI risks and guiding us as we develop solutions for our digital audit. It keeps us moving both quickly and confidently.

How is Deloitte leading the conversation?

‘Trust in the era of generative AI’
‘The Generative AI Dossier’
‘Generative AI and the Future of Work’
‘State of Generative AI in the Enterprise’

Why does Trustworthy AI matter?
When deploying Gen AI we apply a responsible and ethical approach to drive high-quality outcomes with trust. We have implemented human-in-the-loop processes to assess the outputs of the Gen AI models we have in development, so that once we deploy a capability, we have reasonable confidence the outputs are objectively high quality.

Will my data be protected?
Deloitte is committed to industry-leading data protection practices to ensure the confidentiality, integrity, and availability of client data. To protect client data, Deloitte has implemented a comprehensive set of security controls and measures that are designed to safeguard against unauthorized access, use, disclosure, modification, or destruction of data.

Will my Deloitte audit team be AI fluent?
We are investing heavily in learning and development for our audit professionals, training them on the impact of Gen AI, its risks, limitations, and expectations about how to use Gen AI effectively on their audit and assurance engagements.

Why do we need trustworthy AI?
Deloitte’s Trustworthy AI™ Framework
As more companies adopt AI, leaders grapple with ethical decisions about its design and use.

Risk management in Generative AI
As enterprises wade into this fast-moving field, we address concerns about trust and ethics.

Building digital trust
What if efforts to drive your business’ success also increase the risk of sparking customers’ distrust? AI technology can positively enable transformation and trust.

Click each image or link to learn more
Implementation challenges associated with AI

1. The fast pace of regulatory change across regions can make it difficult for multinationals to achieve compliance.

2. Generative AI models are built on data sharing. Consent for data used (confidential information, personally identifiable information) is necessary, and the residency of data in geo-locations should comply with legal requirements.

3. Explaining the basis behind outputs can be challenging for more complex AI systems or ‘black-box algorithms’.

4. Identifying and eliminating bias from AI outputs can be difficult as training datasets are often inherently biased.

5. AI-driven risks can be difficult to identify and may interact differently across different organizations.

6. Decentralized IT environments face more challenges incorporating AI due to a lack of centralized governance and structure.

7. A wide range of available solutions in a crowded marketplace, where some technologies are of higher quality and greater maturity than others, can be difficult to evaluate.

As more information becomes available on this topic, further challenges may be uncovered.