

May 24, 2016

accountingtoday.com

Audit Innovation Helps Private Companies Improve Performance

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Breakthrough innovations in such areas as artificial intelligence, workflow automation and data analytics are enabling auditors to deliver powerful insights that simply weren't possible before.

The good news for private companies? Audit innovation is scalable, making it possible for private companies to experience the benefits of innovative audits that are being conducted for larger, public companies.

The tools and intelligence available to auditors today can improve audit quality by delivering a broad range of insights that reveal new ways for companies and their owners to consider as they seek to address risk and enhance business performance. For example, until recently, a typical audit has not fully capitalized on the ability to analyze large data sets. That is changing with the emergence of cutting-edge tools and advanced analytics.

Artificial intelligence is driving higher audit quality by applying computer systems to tasks that once required manual and time-consuming auditor interaction. Case in point: Argus is

Deloitte's tool that leverages natural language processing and artificial intelligence to automate document review by sifting through entire populations of electronic documents in search of "learned" key concepts, identifying key differences across like documents instantaneously, while providing analytics in real time.

Technology is also streamlining existing business and audit processes alike. For example, asset verification has been a critical, labor-intensive audit step. Today, Deloitte auditors are using a proprietary application called Icount on their tablets and smartphones to scan and consolidate inventory count results automatically for real-time consolidation and analysis in an online portal. While conducting the count, the auditor can use a voice-to-text capability to create documentation, take pictures of the observed inventory, and generate the audit working papers automatically. Another benefit of innovation for private companies involves performing competitor analysis and identification of leading practices. Deloitte auditors can leverage a proprietary disclosure research application that taps into a massive database of public financial statement filings to identify emerging disclosures and industry trends in real time.

In many ways, these innovations can provide dramatic benefits to private companies, which may lack infrastructure and resources to generate business insights on a broad scale. Historically, private companies have needed to dedicate more and more time to complete the audit process, often viewed as

a hurdle to overcome rather than a springboard to better decision-making. New audit technologies can reduce the amount of time companies spend on "heads down" data collection and compilation while freeing up auditors to make "heads up" sense of the data and deliver audit quality with real insights for companies to consider.

This enables the auditor and the client to spend more time in more productive activities. For example, Deloitte's online collaboration site facilitates a two-way dialogue between the audit team and client. With insightful dashboards and smart alerts, this application enables Deloitte to streamline audit information requests and provide greater visibility and transparency for the client about audit progress — providing a seamless, easier to understand experience for private companies.

Clients want and deserve insights from their audits and their auditors. They know their audit provider engages with companies like theirs every day — public and private — and expect the breadth and depth of that experience to help inform them as they seek to make better business decisions. With audit innovation, an insightful, high-quality audit is the type of value private companies and their investors can come to expect from their auditor. **AT**

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