



A new auditor for a new era

Host: **Burt Rea**, managing director, Deloitte Consulting LLP

Guest: **Erin Shannon**, CPA, Strategic Initiatives leader, Deloitte Audit & Assurance

Burt Rea (Burt): As the future of work comes into focus, we see old jobs changing and new jobs emerging as technology keeps evolving. New research shows that the jobs in highest demand are so-called hybrid jobs that combine technical skills with soft skills in areas like communication, service, and collaboration. The concept of “superjobs,” a trend we saw in our Global Human Capital Trends research, takes this one step further, combining previously distinct jobs together into one.

The role of an auditor is one of these jobs undergoing transformation. Today, the hallmark of an effective auditor isn't the

aptitude for reviewing documentation; it's an ability to navigate relationships, think critically, apply professional skepticism, and leverage cutting-edge technologies. Joining us today to talk about this shift is Erin Shannon. Erin is a CPA and the Strategic Initiatives leader for Deloitte's Audit & Assurance business. Erin and her team are at the forefront of driving change within Deloitte's Audit & Assurance business and the audit profession as a whole. She's here today to tell us what changes she's seeing in the industry and how that's impacting how audit work gets done.

Erin, welcome to the podcast. Thank you for joining us today.

Erin Shannon (Erin): Thanks, Burt. It's great to be here.

Burt: To start, would you share with us a little bit about your role as strategic initiatives leader for Deloitte's Audit & Assurance business?

Erin: Sure. As a former auditor turned change management expert, my role as the strategic initiatives leader for Deloitte's Audit & Assurance business is really focused on driving the execution of our strategy. Simply put, I make sure that our strategic priorities are being achieved.

Let me give an example to bring that to life. When we roll out a new audit tool or technology, my team and I are responsible for ensuring it's successfully adopted by our auditors and that they have the knowledge and the skills to do so.

Burt: Well, Erin, that sounds great and quite a challenge. Tell us a little bit about how you got here. What was your journey from staff auditor to now leading change for the practice?

Erin: Yeah. Well, Burt, it definitely was an interesting journey. So, I started my career as a field auditor, and I did that for a number of years. And thinking about how to expand my own capabilities and learnings, I took a role in a management development program that Deloitte offers to their management group. And I served for a number of years working nationally for the Audit and Assurance practice, really focused on continuous improvement opportunities for our auditors. And that's really where I found a passion for starting to make a bigger impact beyond just serving clients. I wanted to serve our practice in a more large-scale way.

And so coming out of that management development program, I was offered an opportunity to help deploy one of our large-scale technologies for the audit practice. And in doing that, I really learned a lot about how to deploy on large-scale projects and was asked as part of that project to be the business liaison with our change management professionals from Deloitte Consulting, who were also working on that project.

And really, that allowed me to marry two skills. I knew the audit business, and I was also starting to learn how to deploy with change management frameworks and guiding principles, learning from our change management consultants. So I really did what I like to call an informal apprenticeship with our Deloitte Consulting professionals.

Really just acting as a sponge and soaking up all there was to know about change management, and then that's really where I found my passion, and it married the two skills I had learned. I was solid with my auditor knowledge and understanding of our business and then now marrying that with the change management skills I had learned. I started, really, our organization within the Audit and Assurance practice around change management, building that team from the ground up. We had never had a formalized change management group within the audit business that focused internally on ourselves as we were trying to transform and evolve our business. And so my role was standing up that team and leading change management in driving the transformation for the audit business.

Burt: I do a lot of work in change management myself in our Human Capital practice, and I found that organizations and people within them tend to react to change in one of two pretty predictable ways. Number one, they'll say, "So I understand what you're trying to do here, and I'm against it." Or they'll say, "I don't understand what you're trying to do here, but I'm against it." Either way, you get that same emotional reaction of resistance. How have you found good ways to deal with that? What advice do you have for us?

Erin: Well, change is certainly not easy. It's always important to help people understand the why. Why is change needed, and then secondly, what's in it for them? What are the benefits for each of the individuals personally? That helps to really paint the vision and guide them into the new paradigm that they're moving towards. I wouldn't say that that's an easy thing to do, but with a really thoughtful strategic plan and communications and learning that support that, you really can take an organization and drive towards a North Star vision of where you want to be.

Burt: Wonderful. Maybe tell us a little bit more about what it means to be an auditor in today's business landscape.

Erin: Today's business landscape is interesting. It's rapidly evolving. Today, an auditor means more than just looking at a company's historical financial statements or their transactions. It's about knowing the heart of our client's business and their industry.

Burt: So that means you must really need to be on top of trends. What are you seeing that's driving change in how auditors do their jobs?

Erin: Well, there are a number of changes that are impacting how auditors do their jobs. First, I'd say technology. It's advancing faster than ever, and it's impacting how we execute the audit. Our capital markets are continuously shifting with the emergence of new and changing industries, having an impact on not only the clients of today, but who our clients will be tomorrow. And then last, I'd say demands of investors and other key stakeholders are also evolving, and that includes our regulators, and that's causing us to continuously innovate and deliver enhanced value and drive effectiveness and efficiency into all that we do.

Having been at Deloitte for nearly 20 years now, it's really funny to look back and remember what it was like in the early years when I was an auditor. I remember conducting inventory counts using a pen and paper, and today our auditors are using their smartphones to scan product codes, take photos of merchandise, and even voice-dictate notes when they conduct their inventory accounts, and it just goes to show you times really have changed.

Burt: In our recent 2019 Human Capital Trends report, we talked about an emerging trend that we called superjobs, which is using technology, like AI and cognitive intelligence, to merge and even squash together what used to be separate roles. Adjacent but distinct. It sounds like that's happening in the audit space with data analytics, artificial intelligence, machine learning. What are you seeing in that realm?

Erin: That's right. Today's auditor really is a superjob. They do it all. Technology has really revolutionized the audit profession. Today's auditors are not only experts in accounting and auditing, but they're skilled with data and analytics and are tech-savvy. As an example, they're extracting information directly from their client's ERP systems and using proprietary tools like Deloitte's Cortex, which allows them to analyze large volumes of data and hone in on risks, identify anomalies and outliers, and create visualizations that convey the story that the data is telling, ultimately providing not only support for the audit, but insights that are valuable to our clients.

Also, artificial intelligence is helping drive effectiveness and efficiencies in the audit. Tools like Argus are enabling auditors to review thousands of contracts at a time and compare terms and conditions, as well as extract key information. Whereas in the past, auditors would have to select samples of contracts, read each contract that was selected. That was extremely time-consuming and not as effective. The interesting thing about Argus is that because it has machine-learning capabilities, it gets smarter every time we use it, because it learns from the information the auditor is looking for. So the future potential and possibilities are endless with what that might do.

And then going forward, we're going to continue to automate routine processes and seek to eliminate manual work that doesn't require professional judgment.

We'll also continue to integrate increased artificial intelligence into the audit so that our professionals are able to augment their critical thinking through cues provided by AI. It's a game changer for us.

Burt: Let's talk a little bit about the talent side of this. What do you think are some of the most important skills that today's auditors need to be successful?

Erin: Well, of course, every auditor, to be successful, needs a solid foundation in auditing and accounting knowledge. But there's a number of enhanced skills beyond that that they'll also need. For example, business processes and controls will be important as they really seek to understand their client's business and operations. Data and analytics is extremely important, and there's a number of areas there. The ability to acquire and prepare data, understand critical statistical concepts, and be able to develop visualizations and interpret that visualization and then be able to effectively communicate that back in terms of insights and making that in a way that's understandable to others. Also strategic and critical thinking is going to be really important as they challenge and question and are able to maintain and apply their professional judgment and skepticism.

Burt: So, given this changing landscape of audit, and without sounding too much like a Deloitte recruiting commercial, what do organizations need to revamp in a way that they attract, develop, and retain top audit and assurance talent?

Erin: Yeah, well, Burt, the talent equation is something that's challenging for every industry, not just audit. And companies are all competing for top talent. At Deloitte, people are of course our greatest asset, and people are at the core of our strategy for that very reason. We pride ourselves in providing our people with meaningful experiences early in their career and allowing them opportunities to explore their interests

and discover their greatest strengths. That's something that's key to our talent model rather than focusing on a rigid capabilities framework. We really encourage our people to find their strengths and work with them to find roles and projects that play to those strengths. For example, within our audit business, we're creating varied career paths that allow our professionals alternatives, such as specializing in data analytics or project management or even working in one of our delivery centers or studios. We know that the right role is different for each person, and we're all individuals with unique goals and motivations.

Another area that we focus on from a talent perspective is continuous development. Whether it's a formal training program, virtual course, or on-the-job training, it's really important to continue to evolve their skills in both technical and nontechnical so that they're well-rounded. And then lastly, I'd say technology is playing a big role in not only the everyday of our personal lives, but at work. And at Deloitte, we've invested in state-of-the-art technologies that provide our professionals ways to be more effective and perform their work with flexibility. Now they're able to do work anytime, anywhere, with anyone.

Burt: What advice would you give to audit professionals or any professionals as they adjust to the changing technology and skill landscape?

Erin: That's a great question. I think I'd end with saying my advice would be never stop learning. Be open to change and keep evolving. In today's fast-paced environment, it's important that you retool yourself. It's likely that what you do today will not be what you do in the future. Or at the very least, it won't be how you do it in the future, and think about the skills of tomorrow and learn them so that when the time comes, you remain relevant and you have the skills and expertise that's in demand.

Burt: That's so critical. I think having that sense of curiosity about how we do our work, how we could do our work better, and how we can continue to learn, stay ahead of the market, stay ahead of our competition, it's so critical for audit professionals and for any professional. Erin, thank you for joining us.

Erin: You're welcome. I really enjoyed the conversation.

Burt: The transformation in the audit profession is a great example of how the future of work is impacting the work we do here and now. We'd like to thank Erin Shannon, Strategic Initiatives leader for

Deloitte Audit & Assurance, for giving us that insider perspective. Join us next time as we explore more topics and trends that focus on putting humans at the center of work.



Learn more

-  Visit the [Capital H podcast library](#)
-  Explore our [Capital H](#) blog for additional insights
-  Join the conversation on Twitter [@DeloitteHC](#)

About Deloitte

As used in this document, "Deloitte" means Deloitte Consulting LLP, a subsidiary of Deloitte LLP. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte USA LLP, Deloitte LLP, and their respective subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.