

Auditing Standards – The Technology Way

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Google Map



Technology as an
Enabler

Peak into 2020

Audit and Standards



DISCLAIMER:

You all are excellent auditors and perform excellent and diligent audits. The presentation is intended to expose you to the benefits and impact that technology has on the process of audit and the impact on technology itself on account of how the users and system administrators interact with the system. There are several ways in which you can achieve the same objective and hence this is not the only way. In case of any error or difference of opinion kindly do inform me of the same. You should seek guidance and advise from your technology team members before implementing any of these solutions.

Quick Survey – 5 Questions



- ❑ Your clients DO NOT use technology for accounting
 - ❑ Your client uses an ERP for financial accounting
 - ❑ Your client uses an ERP / Payroll System / Attendance System / Tax System / CRM system
 - ❑ Your team has a good grasp of Technology
 - ❑ You currently use analytics to audit data
- ❑ True – Raise of Hand
 - ❑ False – No Action Required

Audit and Standards

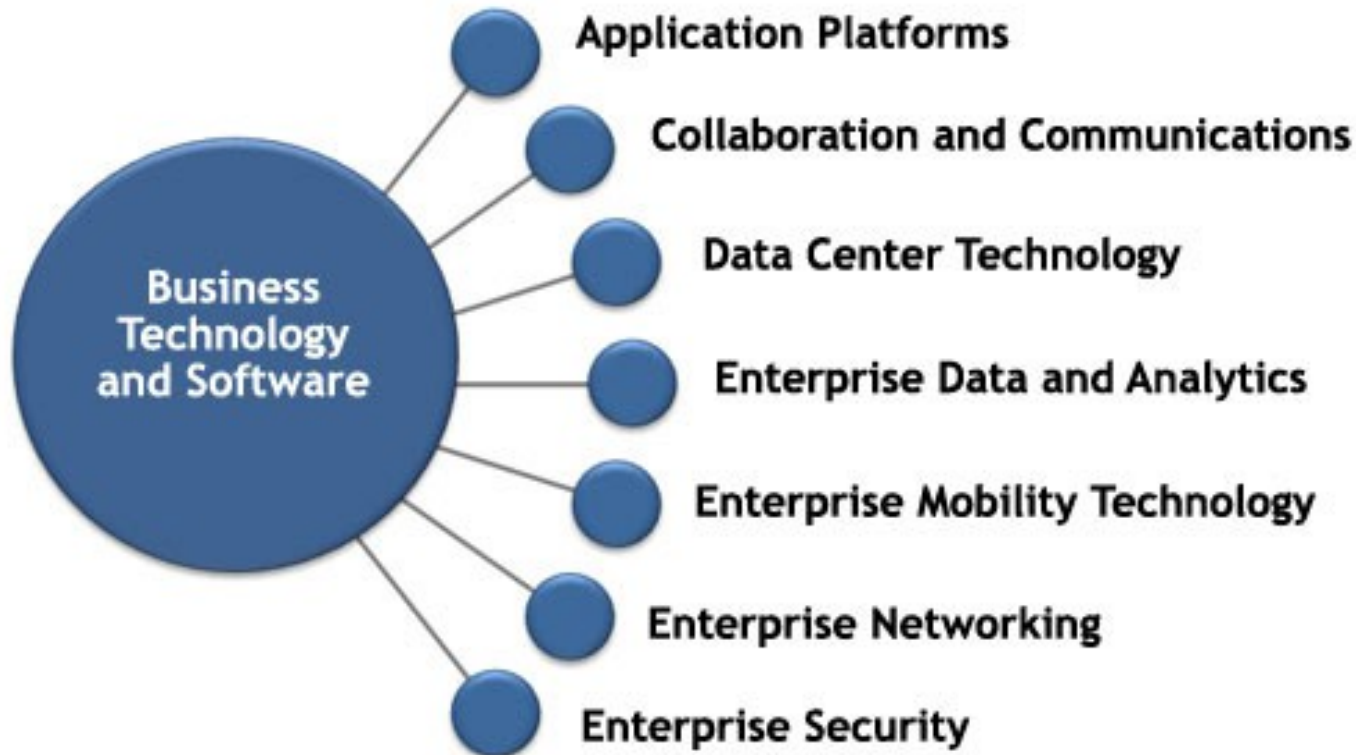


- ❑ Financial Audits
- ❑ Assurance Engagements
Other than Audit
- ❑ Related Services
- ❑ SA 315 – Identifying & assessing risks of material misstatements through understanding the entity and its environment
- ❑ SA 330 – Auditors Response to Assessed Risks
- ❑ SA 520 – Analytical Procedures
- ❑ SA 230 – Audit Documentation
- ❑ Guidance Note on reporting of internal controls over financial reporting

Efficient for Client and Auditors

Increase level of confidence

Technology as an Enabler



Technology as an Enabler



Multi channel access

-  Mobile Phone
-  Browser
-  Laptop
-  RFID
-  E-mail
-  Fax
-  Scanner



Risk Management

- Risk Identification
- Risk Evaluation
- Risk Countermeasure
- Risk Monitoring

Strategic Management

- Strategic Objective Management
- Strategic Performance Management
- Total Budget Management
- Decision-Making Analysis

Industrial Chain Collaboration

- Supply Collaboration Platform
- Research & Development Management
- Supply Management
- Production Management
- Inventory Management
- Marketing Management
- Distributing Management
- Service Management
- Customer Collaboration Platform

Unified Resource Planning

- Financial Management
- Finance and Accounting
- Cost Management
- Tax Management
- Capital
- HR Management
- Organization and Personnel
- Capacity
- Salary and Welfare
- Performance Management
- Collaboration OA
- Personal Office
- Teamwork
- Administration
- Knowledge Management
- Public Service Management
- Quality Control
- Assets Management
- Project

Collaboration Engine

- Information Collaboration
- Knowledge Engine
- Master Data
- Process Collaboration
- Process Engine
- Process Management
- Personnel Collaboration
- Multi-Channel
- Portal Management

Benchmarking Management

- Industrial Index Management
- Benchmarking Process Management
- Industrial Benchmarking
- China Management Think Tank

Business Operation System

- Organization Management
- Business Modeling
- Data Exchange
- Statement Service
- Safety Management
- Adapter

IT Infrastructures

- Multi-Application Server
- Multi-OS
- Multi-Database
- Multi-Deployment Mode

Multi Role Portal

-  Management Level Portal
-  Customer Portal
-  Supplier Portal
-  Partner Portal
-  Staff Portal

Audit Approach



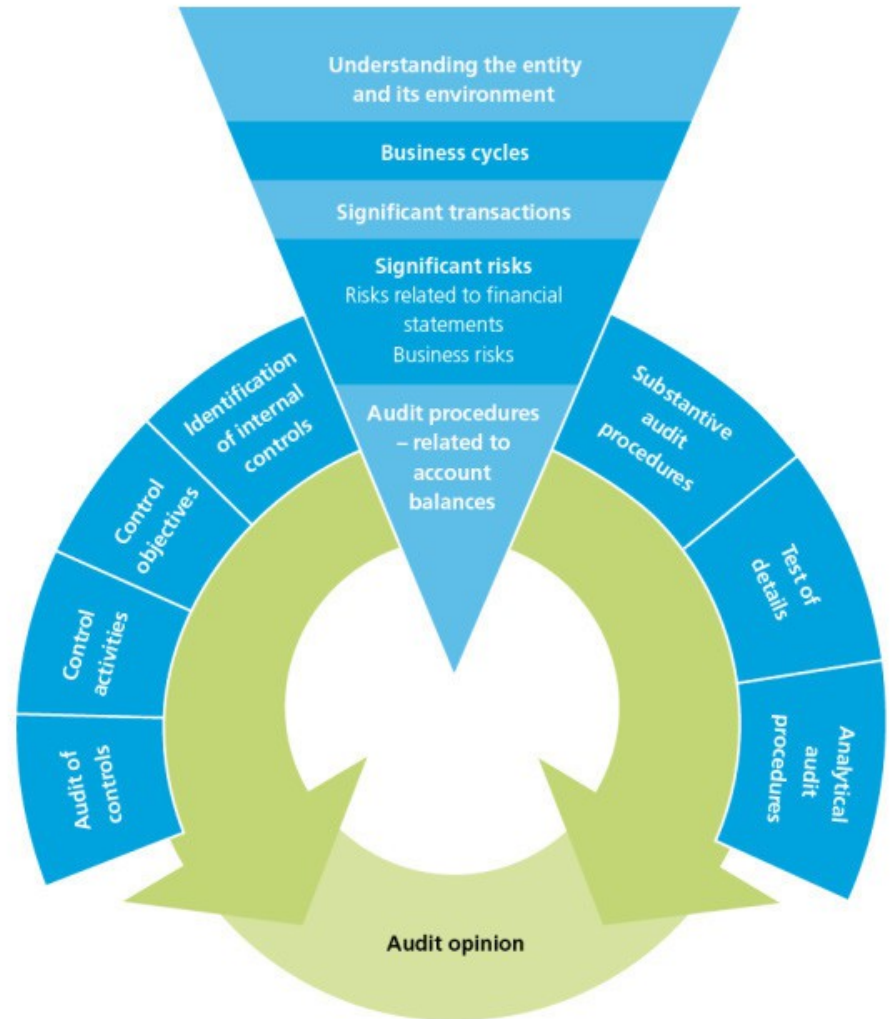
Audit Around the computer

- Significant reliance on Substantive approach
- Extensive vouching
- Effort intensive
- Major reliance on manual controls
- Non identification of control weaknesses

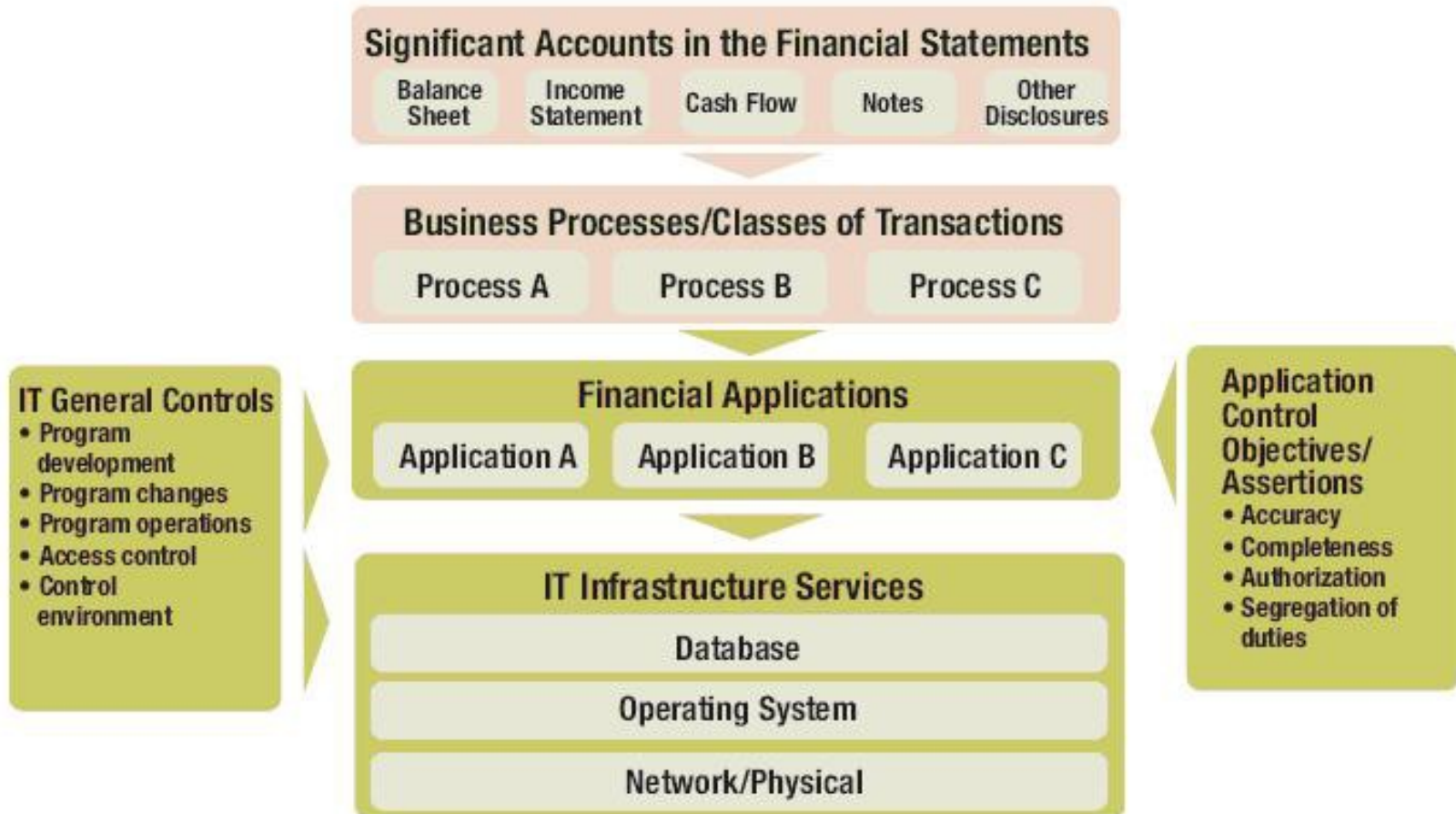


Audit Through the computer

- Supports Risk based approach
- Efficient as greater reliance on automated controls
- Useful when no transaction trail is available

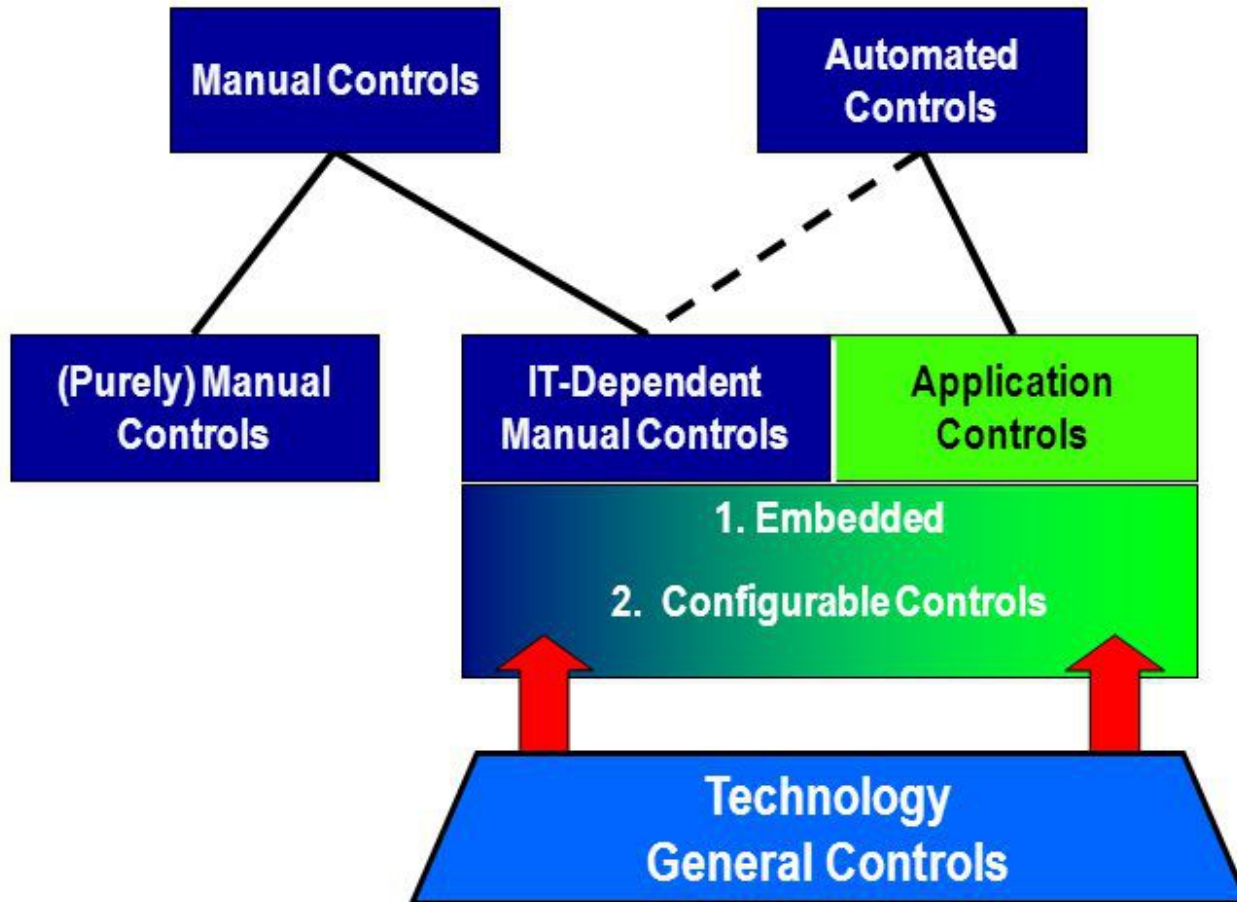


Technology Controls

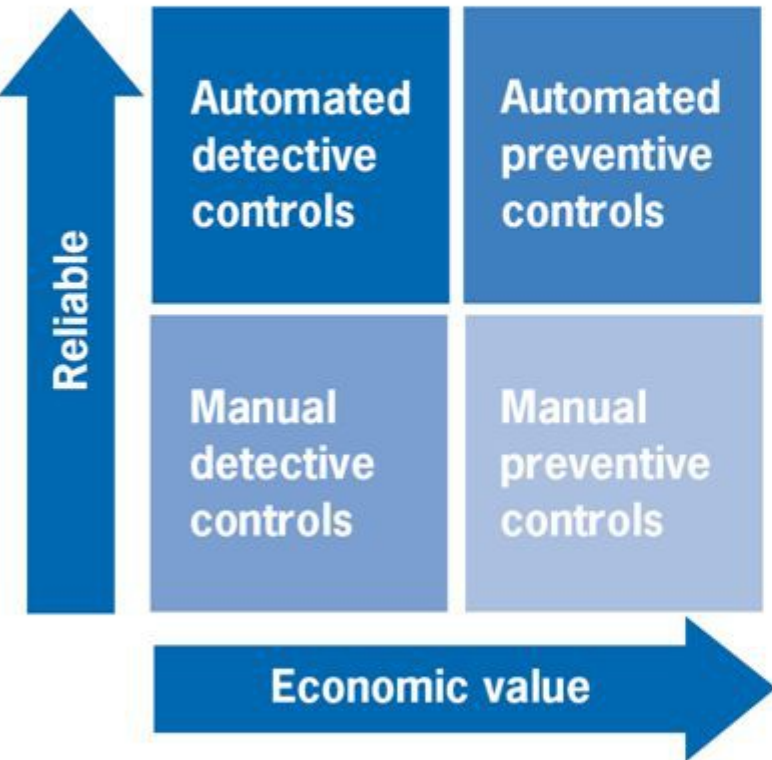


Application / Business

Controls



Power of Analytics



Challenges

- Data Security
- Data Quality
- Team Capability

Survey Findings – Analytics



- ❑ 72% - A will play a key role in **detection and prevention of fraud**
- ❑ 81% - A are important to **improving quantification of issues**
- ❑ 85% A are important to **strengthen coverage**
- ❑ 74% A are important to **gaining an understanding of risks**
- ❑ 71% would like to use A **but do not know how**

Auditors Tools



Planning and Scoping

- AutoAudit
- TeamMate
- Pentana
- Galileo
- Spreadsheet Compliance
- ExChecker
- Cluster Seven
- TRIA

Execution

- TRIA
- Oversight
- ACL CCM
- FirstStrike
- IDEA
- ACL
- Virsa
- BizRights
- ACTIVE Governance
- PCI Sentinel
- Spreadsheet Compliance
- ExChecker
- Cluster Seven
- Global Best Practices
- AutoAudit
- TeamMate
- Pentana
- Galileo

Reporting

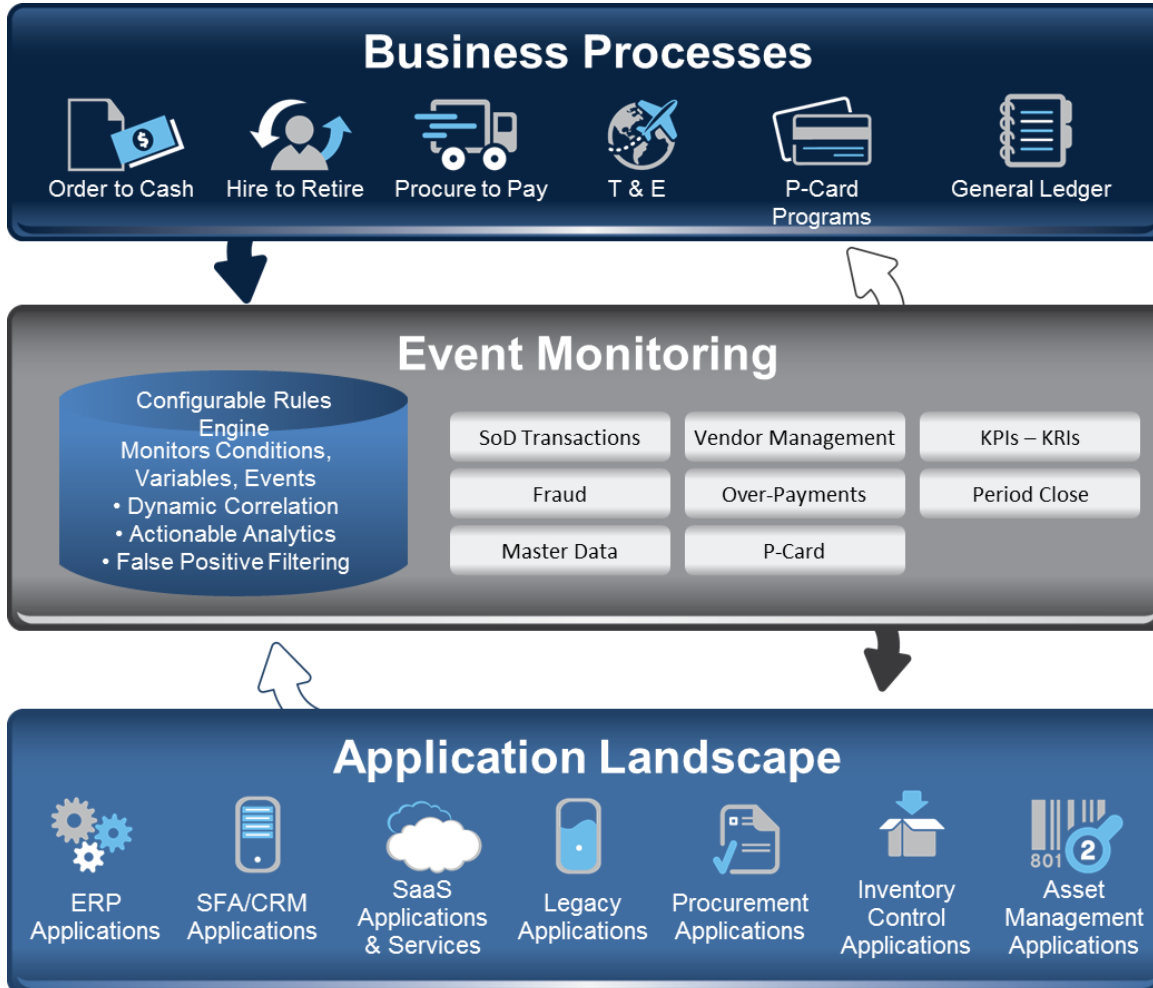
- Excel
- Crystal Reports
- Empower
- Visual Mining
- Spreadsheet Compliance
- ExChecker
- Cluster Seven
- Global Best Practices
- AutoAudit
- TeamMate
- Pentana
- Galileo
- TRIA

SPSS / SAS / R
Tableau / Spotfire / Qlik View / D3
Hadoop
Python
SQL

Technology 2020



Audit 2020 – Online-Real-Time



1. Significant Dependence on Technology due to complete Process Automation – Artificial Intelligence
2. Complete Integration - Transactions will be captured at the source
3. Robotic Process Automation – 95% will be rule based with no employee intervention
4. Exceptions will be handled by humans
5. Transaction Volume and Data is will continue to explode

Audit 2020 – Its coming



Destination ... you have

arrived



- ❑ Invaluable Audit team will combine
 - ❑ Power of Technology and
 - ❑ Knowledge of Accounting and Auditing
- ❑ Understand and Adopt Technology as a tool
- ❑ Collaborate - Accountants Technologist

“ Accountants will need to develop new skillset and new mindset to deal with the velocity of change that business will experience due to changes in economy, regulation and business models ”

End of Presentation



Thank You