

Use of Robotics in Internal Auditing

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Agenda

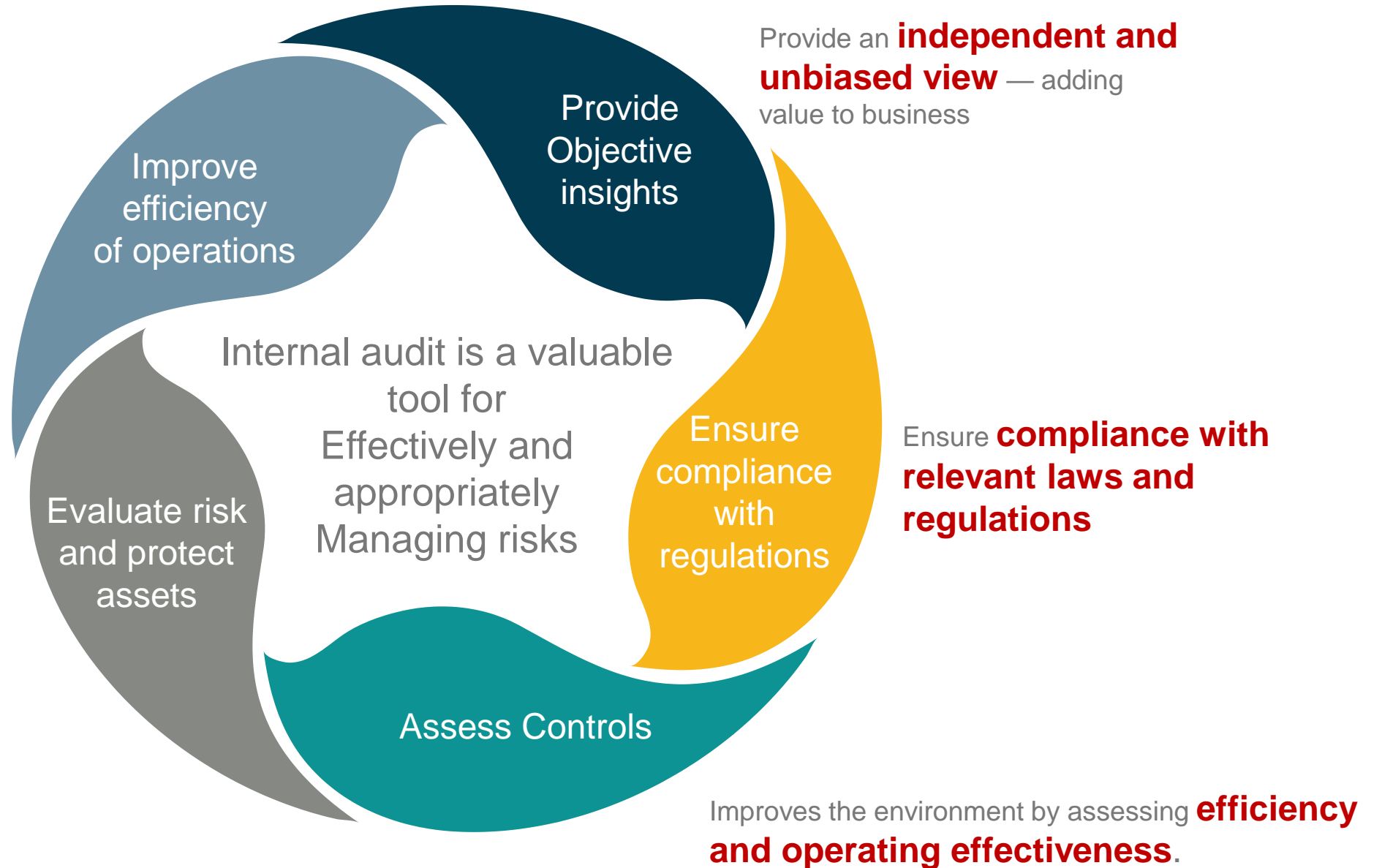
- 01 The role of internal audit
- 02 Internal Audit- what is changing?
- 03 Introducing Robotic Process Automation
- 04 Robotics in Audit and Compliance
- 05 Robotic Audit – Illustrative POCs
- 06 Robotic Audit – Value Addition and Efforts Saved
- 07 A typical day in life of a Chief Audit Executive (CAE) of 2025



The role of internal audit

Giving assurance by effectively reviewing organization's **policies and procedures** continuously monitoring and reviewing — identify recommendations to improve process

An **internal audit** program assists management and stakeholders by identifying and **prioritizing risks** through a systematic risk assessment



...are you the driving change or driven by change?

VIDEO 1

What is changing?

Expectations from new age Internal Audit



Operations

- **Technology** as way of business than support to operations
- Higher proportion of **white collar and smart workforce**
- **Remote working** - Moving away from physical boundaries of operations
- Increasing and **changing compliance** requirements



Objectives

- **Customer centric** than organization centric
- Manage **deficits**
- **Manage corruption** – More stringent norms
- **Fast growth**
- Increasing **social responsibility** - Environmental, Health & Safety
- Higher **volatility in stakeholders confidence**



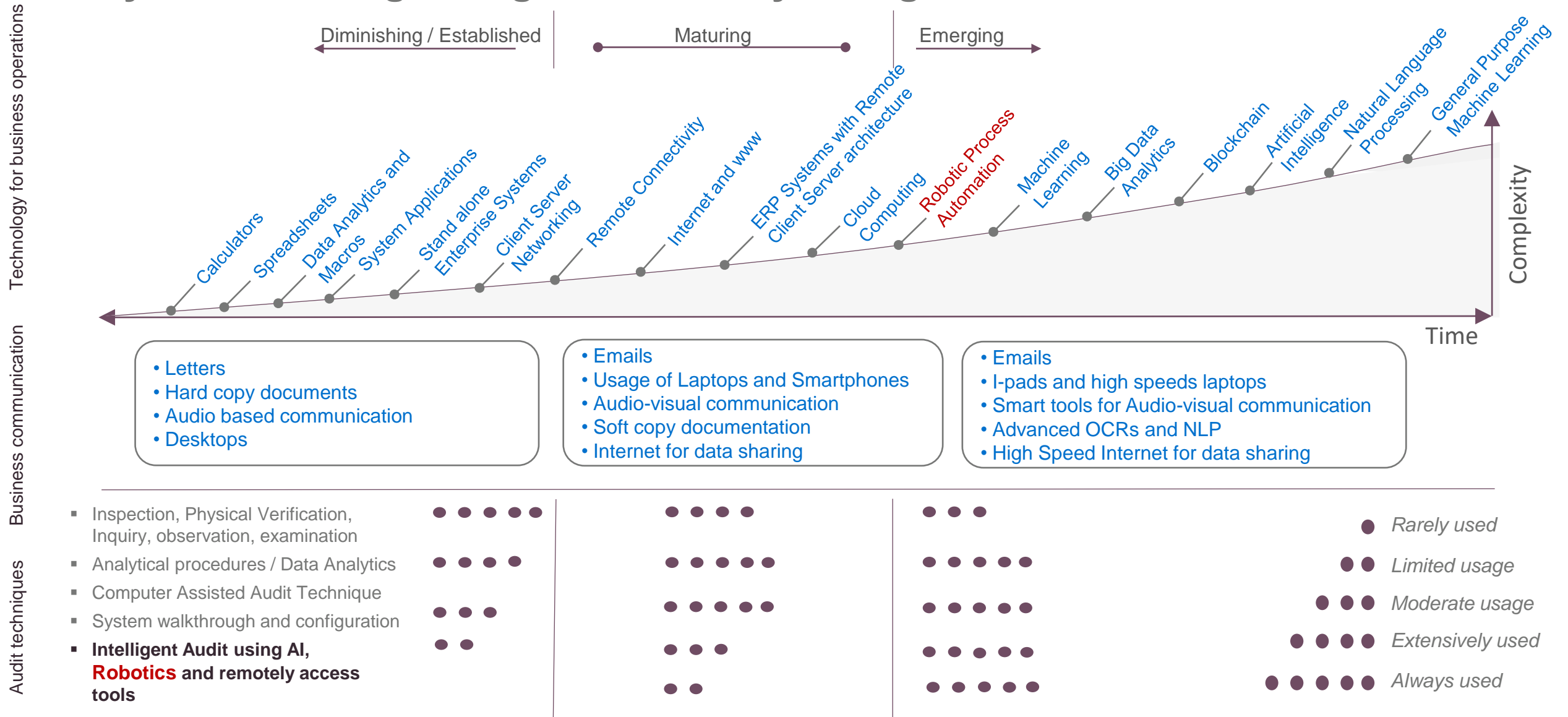
Risks

- Fraudsters have **access to more data**
- Employee in **social media**
- Higher **Interconnected dependencies** coupled with **lower controls** (E.g. BYOD)
- **Compromising Segregation of Duties** under COVID
- **Financial Instability**

Role of Internal Audit is fast changing with significantly enhanced expectation

Evolution of automation and corresponding Internal audit techniques

...are you the driving change or driven by change?



Digital disruption requires transforming the way conventional audit are done ...changing what, where, how, and by whom the audit will be done



What to Audit?

- Connect with **what might be** and not just with what it is?
- Machines are very good at simulating but not at being – **Focus on things that cannot be automated**
- **Logic built in Apps and systems** handling the information



Where to Audit?

- Increased focus on **system, environment, media and people** handling the information rather than only information
- Virtual and remote locations with **minimum on site presence**
- **Shared services centers** (including delivery centers)



How to perform audit procedures?

- **SDLC** – Auditing while designing and implementing
- **Intelligent audit** using AI/ cognitive capabilities
- **Robotics process automation** for mundane repetitive tasks
- **Real time** and continuous **assurance**
- Greater reliance on **data analytics** (e.g., 100% validation of data)



Who would perform?

- **Focus on human only traits** – Creativity, Imagination, Critical Thinking, Intuition, Emotion and Ethics
- **Combination of varied skill-sets and competencies** – Finance experts, business process experts, data scientists, technology experts, cyber security specialist etc.
- **Bots and AI/ML** enabled Apps
- **Mobile workforce** – network of virtual and/or crowd sourced auditors to deliver select portions of the work

USING BOTS FOR PERFORMING EFFECTIVE INTERNAL AUDIT

INTERNAL AUDIT OF THE PROCESSES AUTOMATED LEVERAGING BOTS

01

Section 01:

INTRODUCING ROBOTICS PROCESS AUTOMATION

Objectives Of Robotic Process Automation



DIGITAL WORKFORCE

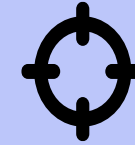
Build a digital workforce to complement the human workforce to share the workload.

Long-term objective to build a bot for each employee



3 LINES MODEL

RPA will bring in robustness and enhancement for process, compliance and Audit & Analytics within the overall risk management & governance framework



INCREASED FOCUS

The human workforce can focus on higher value activities / innovation



SCALABILITY

It is easy to up or down scale the use of 'BOTS'. RPA can be deployed more quickly and easily than humans.



HIGHER QUALITY AND CONTROL

RPA increases accuracy and compliance. It eliminates human errors and records every action in a process to maintain logs essential for compliance



OPTIMIZATION

A BOT will help optimize the overall cost, resources & tools and shall be able to support functions 24*7*365

...transforming your business with Robotic Process Automation

VIDEO 2

What can a Bot do?

01 Reading Documents
The bot can scan and read documents in multiple formats i.e. PDF, Word, Excel etc. and identify important information

02 Data Extraction/Entry
The bot can automatically extract relevant data from ERP systems and different websites which can be used for analysis

03 Document Storage & Trail
The bot can store data, digitally keep trail via sequential digital numbering

04 Data Analysis/ Transaction Testing
The bot can perform various checks and analysis of the data

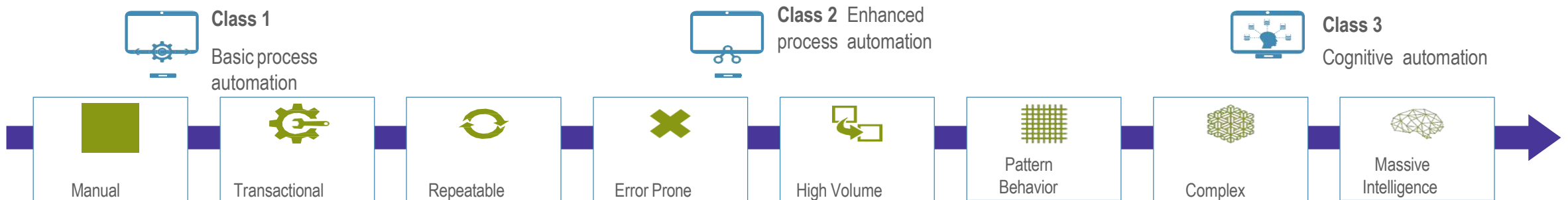
05 Reconciliations
The bot can compare multiple sets of data for completeness and accuracy

06 Following “if/then” decisions/rule
Bot uses decision system to determine its actions based on inputs it gathers from other systems

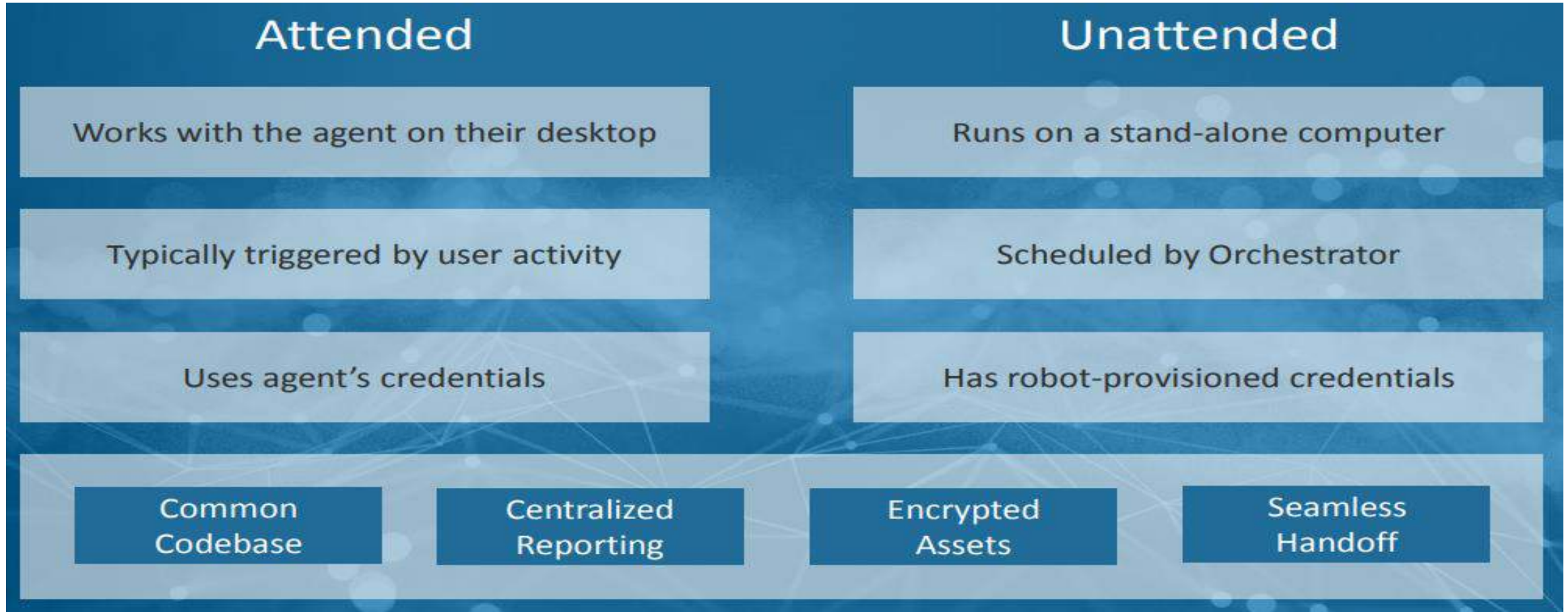
07 Connecting to system API’s & External Portals
Bot interacts with other systems via screen scraping or API integrations

08 Report Drafting
The bot can draft a 1st level draft report which can be customized manually by the user

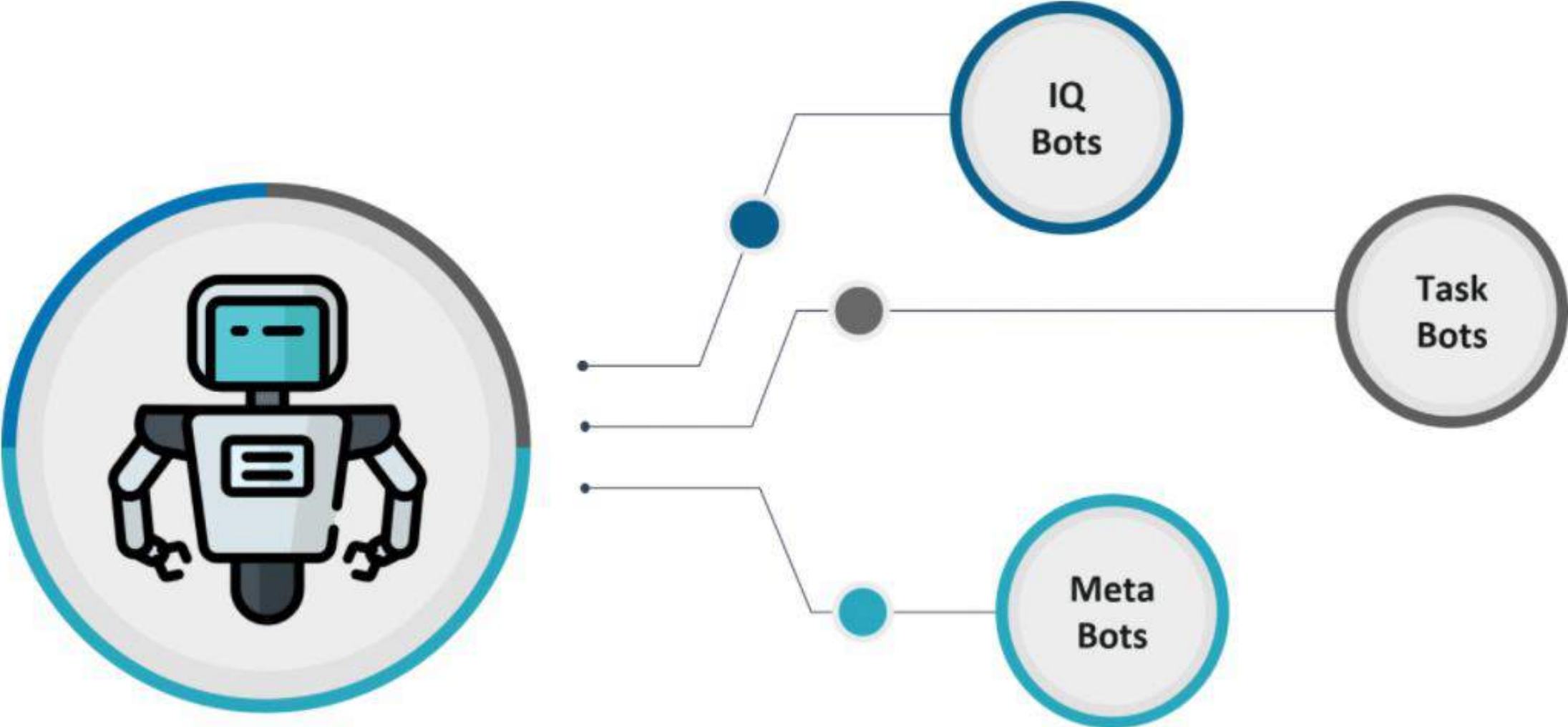
09 Mailing Reports
On report finalization, the bot can automatically mail the report to client for review



Type of Bots - Attended Vs Unattended



Type of Bots by Automation Anywhere



Section 2:

USING ROBOTICS IN AUDIT AND COMPLIANCE

Key challenges faced by companies during audits

Data Management

Time consumed by auditor or process owner in data management

Correctness of data extracted

Data **Storage & backup**

ERPs

Multiple ERPs **not integrated**

Auditor **not granted** access all ERPs

Audit Team

Lack of **team continuity** on engagements

Different approach / methodology used for auditing, by individuals

Quality and Experience of team

Audit Coverage

Limited areas / process covered during each audit cycle

Auditor **might not cover** all checklist line items

Sample based analysis

Audit Periodicity

Audit conducted on periodic basis and outcome of audit is for cumulated data of previous period.

Control ineffectiveness is detected late and overall CAPA is delayed significantly

Reporting

Lack of **consistency in report delivery and format**

Different report writing skills of individual audit team members

On Demand Visibility

Key information required for **decision making** available post audits

Bots deployed to execute activities and provide exceptions / information, when audit is not scheduled

Audit Cost

Audit cost is significantly high

Higher levels of **Process Owner involvement** in audits also adds on to the internal cost

Automation - Enabling 3 lines model to manage internal controls

3rd Line

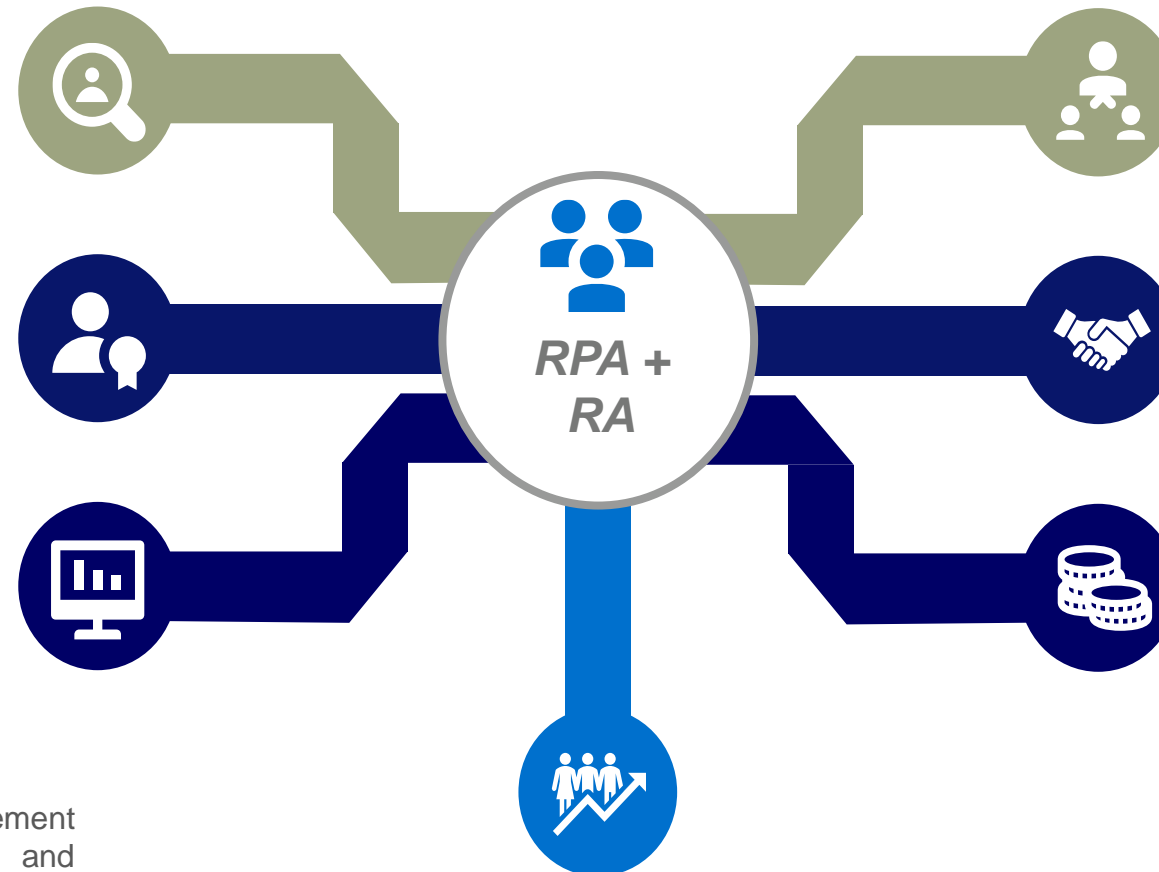
- Concurrent & Internal Audits
- External Audits
- Limited Reviews /Special Reviews

2nd Line

- Compliance Adherence for Controls over Financial Reporting and Operations
- Enterprise wide risk management measures
- IT & Cyber security

1st Line

- Self Assessment
- Management/Internal Measurement Mechanisms and Checks - SOD and Authority Matrix, Independence



Audit and Continuous Control Monitoring Automation

- Global/Local, Inhouse /External Audit Automation Delivery Models
- Evolve from Reactive to Predictive / Early Warning Signal Setup
- Select / Key Audit turned Concurrent

Control, Compliance & Risk Management Automation

- Global/Local, Testing of Controls/ Reperform Controls – Reactive/Proactive Setup
- Controls and Compliance Monitoring
- Centralization of Compliance & Risk Management
- Test control performance evidence (evidentiary quality Trail)

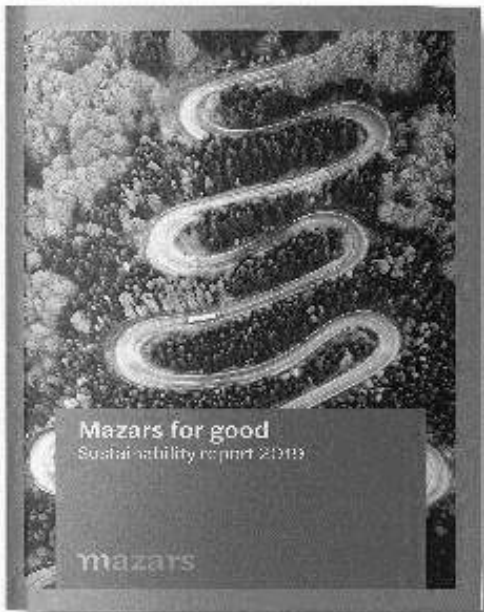
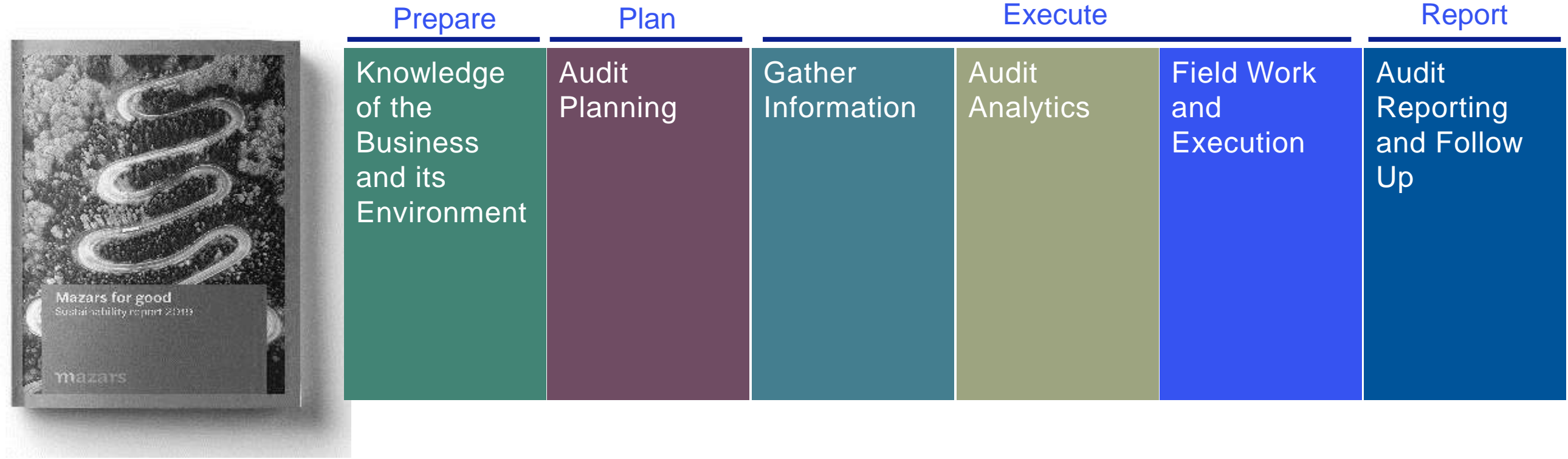
Process Automation

- Operations / Process Standardization
- Process Transformation
- Resource Optimization
- Interfacing with ERPs and External Portals
- Data Management, Security & Savings

Governance Committees/Audit Committee/Board **Shareholders/Regulators /Government/Others**

Internal Audit Life Cycle

Complete engagement life cycle of Internal Audit Can be covered in Six Phases



Leveraging Robotics for Internal Audit



8%

Review previous year's Internal Audit Reports and current year's process walkthrough

- Team refers to the previous year's internal audit report to check for risk assessment, scope coverage, observations noted
- Discussion with the stakeholders to gain process understanding
- Basic audit plan to be laid out with timelines



10%

Data Extraction and Cleansing

Team extracts data from ERP records based on business / geographical segments. Data is collated, cleansed and made ready for audit execution



12%

Sample Selection and Mail Communication to Process Owners

Sample selection based on pre-defined parameters and mailing sample details to client



35%

Transaction Testing, Exception Report and Mail Communication with Process Owners

- Data analytics
- Checking system configurations
- Vouching and verification of sample documents
- Physical verification of assets/ inventory; generates the exception report which is further shared with process owners



15%

Management Response on queries noted

After receiving management comments, team updates the list of exceptions noted and obtains management confirmation on the same



15%

Draft Reports and Dashboards

Draft reports along with dashboards for Management and External Auditors
Deliberations on the Reports and findings



5%

Final Report, Presentation & Record Keeping

Team Prepares final reports and presentation to Board and Audit Committee



Around 75%-80% activities are pertaining to

1. Data Input
2. Execution
3. Data output
4. Overall communication; which have potential high/medium automation possibility

Possibility of Automation

- High
- Medium
- Low

Automation opportunities in audit function

- **Internal auditing** is an independent, objective assurance and consulting activity designed to add value & improve an organization's operations
- In Robotic audit, BOT will **access & extract data**, download data from external portals and consolidate data for analysis
- IA activities such as **data analysis, vouching, transaction testing** and **draft report preparation** is facilitated by Robotic Audit

1

Internal Audit

- Robotic Expense & Reimbursement Audit, enables companies to **continuously monitor employee reimbursements & expenditures** through preventive & detective checks on ERP controls, data, documents, etc.
- **Analysing trends & patterns**, scan & read documents using OCR to establish proprietary of the expense supporting's like mobile bills, LTA claim, etc., preparation of approved expense reports, key word search e.g. alcohol
- **Accounting of reimbursement entries**

4

Expense & Reimbursement Audit

- **Concurrent audit** is a systematic and timely examination of financial transactions on a regular basis to ensure accuracy, authenticity, compliance with procedures and guidelines
- BOT facilitates performing **schedule-based analytics** and preparation of reports / MIS, to be presented to the management on daily / weekly / monthly / quarterly basis – as is required by the management or the statutes

2

Continuous Control Monitoring (CCM)

- **Forensic audit** involves examination & evaluation of records.
- BOTs enables forensic audit by **providing early warning signals**, perform anti- fraud analytics, setting preventive – detective control set-up, analyzing trends & patterns, vouching, transaction testing & reporting results to the management & authorities
- **ERP enabled checks and balances** + information based checks and balances

5

Forensic Audit

- Robotic **SOX/IFC Audit activities** by the BOT include review of previous year's control matrices, data extraction, collation and cleansing, transaction testing, system configuration check, control testing sheets updation and draft report preparation
- Robotic GST Audits cover **various tax related checks and balances** as detective setup i.e. input-credit, refunds, incorrect GST numbers, missing GST details in invoices etc.

3













Compliance & Taxation Audit

- Security audit is a systematic evaluation of the **security controls over the data stored** in the company's information system & its vulnerability to external hacks and penetration.
- BOTs can aid in performing **key control checks** like user access, change management, incidence management & back up management and maintaining review logs and audit trails to identify critical gaps in the IT systems

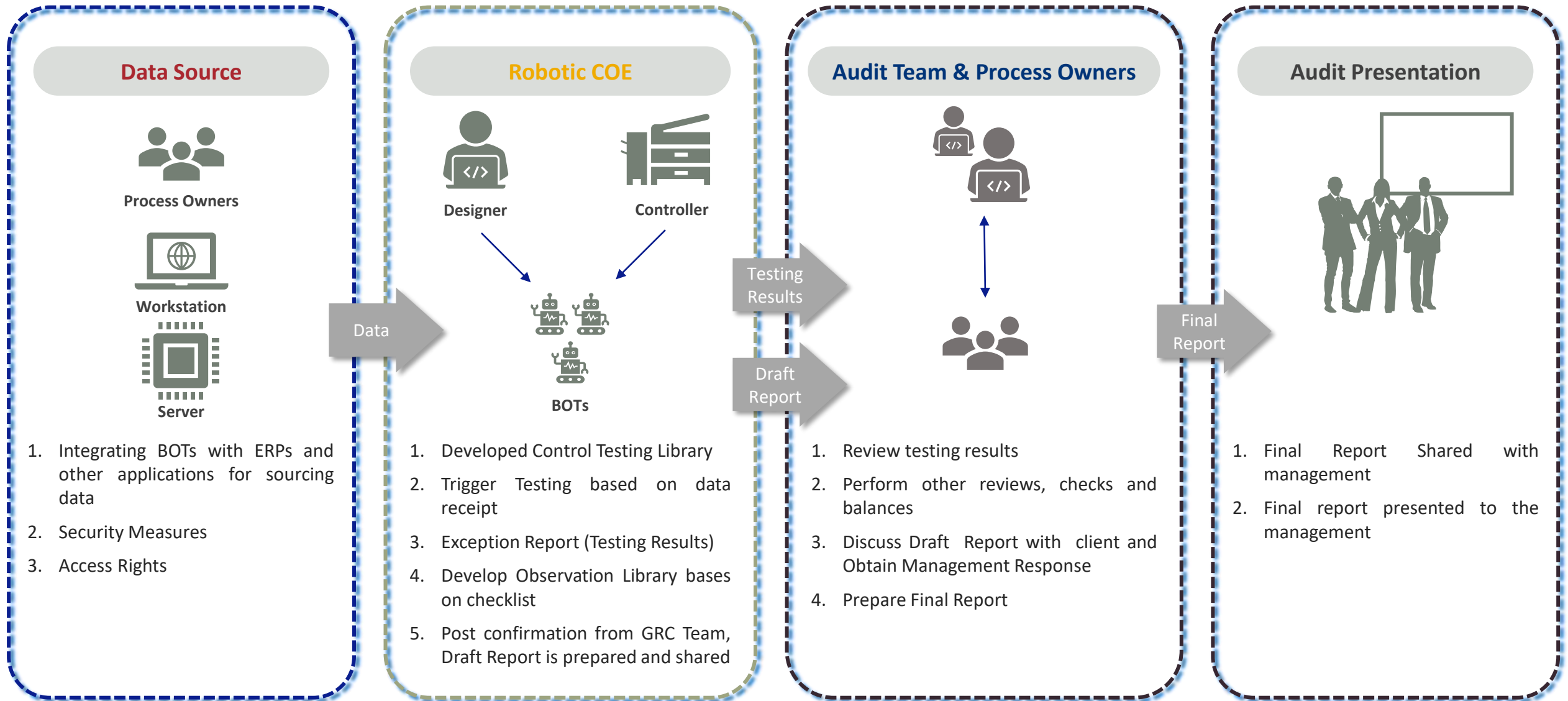
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Cyber Security Audit

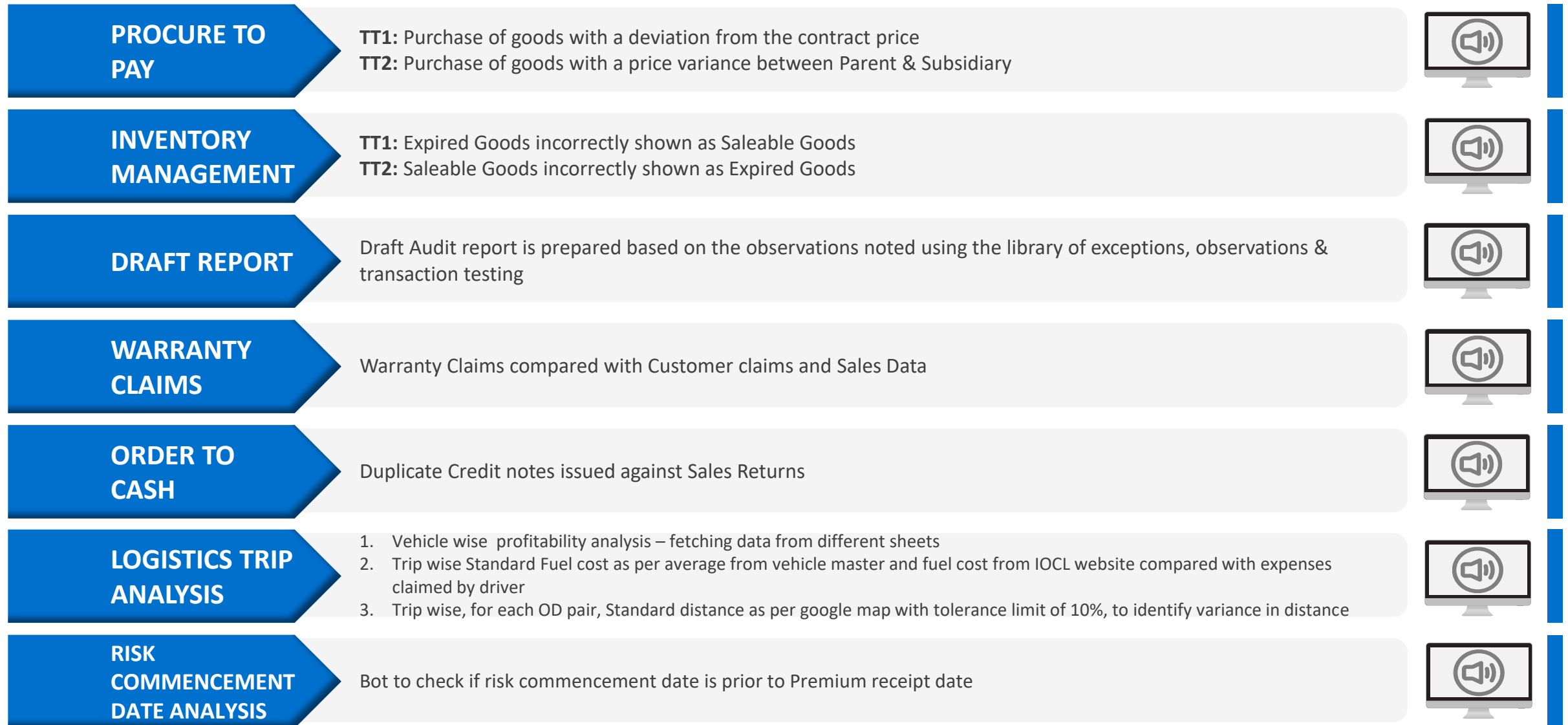
Potential process areas for applications of Robotic Audit (Illustrative)

<p> Human resources & Payroll (70%)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Recruitment as per manpower plan <input type="checkbox"/> Ghost employee/Duplicate employee check <input type="checkbox"/> Review of Absences and Leave are correctly captured <input type="checkbox"/> Calculation of Payroll as per defined salary rates and timesheet 	<p> Procurement to Payment (75%)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Excess procurement of goods than required <input type="checkbox"/> Purchase of goods without a PO <input type="checkbox"/> Open PO analysis <input type="checkbox"/> 3 way match (PO vs Invoice vs GRN) <input type="checkbox"/> Vendor Management review <input type="checkbox"/> Pricing 	<p> Branding and Social Media (70%)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Review of complaints and queries <input type="checkbox"/> Review of branding expenses and trend analysis <input type="checkbox"/> Review <input type="checkbox"/> Social Media Analysis <input type="checkbox"/> Branding image analysis 	<p> Inventory Management (75%)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Review of Inventory receipt and classification (FG, RM, Stores) <input type="checkbox"/> Inventory storage & issue process <input type="checkbox"/> Inventory levels check (ROL, EOQ) <input type="checkbox"/> Inventory valuation and accounting <input type="checkbox"/> Reconciliation of inventory ledger with register
<p> Order to Cash and Marketing (75%)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Finished goods selling price review <input type="checkbox"/> Revenue Recognition & Assurance <input type="checkbox"/> Customer Master Management <input type="checkbox"/> Review of Marketing Plan <input type="checkbox"/> Trend Comments from customer satisfaction data 	<p> Finance and Accounting (80%)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Review of year/month end adjustment entries <input type="checkbox"/> AP/AR Ageing analysis <input type="checkbox"/> Review of open ledgers for final accounts preparation <input type="checkbox"/> Actual vs Budgeted comparison (Revenue, Expense & Profit) 	<p> Expense Review (60%)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Expense trend analysis and review <input type="checkbox"/> Expense accounting review <input type="checkbox"/> Review of unusual expense transactions (based on key words) <input type="checkbox"/> Prepaid expense accounting review 	<p> CAPEX and Fixed Assets (60%)</p> <ul style="list-style-type: none"> <input type="checkbox"/> CAPEX accounting review <input type="checkbox"/> Tagging of fixed assets <input type="checkbox"/> Fixed asset valuation and accounting review <input type="checkbox"/> Depreciation calculation and accounting review
<p> Treasury (70%)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Review cash balances to ensure liquidity <input type="checkbox"/> Monitor daily settlement of cash balances and reconciliations 	<p> IT & Cyber Security (70%)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Access Rights, SOD's validation <input type="checkbox"/> Change Management <input type="checkbox"/> Logs Review <input type="checkbox"/> Security 	<p> Production, Quality and Plant Operations (70%)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Review of product, BOM and overall consumption <input type="checkbox"/> Actual vs Budgeted production plan monitoring 	<p> SCM (60%)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Tracking of delivery delays <input type="checkbox"/> Forwarding & Clearing charges <input type="checkbox"/> Freight rate analytics

Robotic Audit delivery model



Robotic Audit – Lets see Bots performing Audit Testing and Reporting



Approach to plan and embed Robotics in Internal Audit - Illustrative checks

Process	Key Risk	Data Analytics	On-Field Review
		Performed at Corporate Office	Performed at Plant / Branch Office
Order to Cash	Sales of products at incorrect prices	<ul style="list-style-type: none"> Verification of sales with approved price master for prices and payment terms Accuracy of system generated debit and credit notes passed to dealers Extension in payment credit period 	<ul style="list-style-type: none"> Approval by designated authority for special prices and extended payment terms Verification of sales register by branch finance personnel Maker checker control over debit and credit notes passed to dealers
	Extension of credit period to dealers with payment defaults or overdue outstanding	<ul style="list-style-type: none"> Review of dealers whose credit limit was withdrawn, or overdue outstanding exceed defined period 	<ul style="list-style-type: none"> Exceptional approval for extension of credit limit to dealers
	Dummy sales return recorded	<ul style="list-style-type: none"> Verification of re-invoicing to dealers of products accepted under sales return Verification of credit limit of both dealers at initial invoicing and subsequent invoicing 	<ul style="list-style-type: none"> In depth verification of documents with reasons for acceptance of sales return and re-invoicing
Inventory Management / Logistics	<ul style="list-style-type: none"> Delay in dispatch of goods Sales recorded without dispatch of goods from warehouse 	<ul style="list-style-type: none"> Verification of proof of delivery with the invoice date for sales Review of timely dispatch of goods in line with agreements executed with warehouse agents 	<ul style="list-style-type: none"> Verification of lorry receipt and proof of delivery for sample basis Review of gate out register and e-way bill of the warehouse agent on sample basis
	Non-monitoring of inventory	<ul style="list-style-type: none"> Review of slow-moving/ non-moving/ dead inventory 	<ul style="list-style-type: none"> Physical visit to the warehouse to review the functioning and condition of stock

Performed using Robotics

Can be performed using Robotics depending on Data

Performed Manually

Illustrative Assessment of Controls Testing possible using Bots

Summarised status of Process wise Key & Non Key RPA touch points

Sr. No.	Process Level Controls	Key Controls				Non-Key Controls				Total Controls			
		Yes	Partial	No	Total	Yes	Partial	No	Total	Yes	Partial	No	Total
1	Capex	3 (25%)	8 (67%)	1 (8%)	12	3 (19%)	5 (31%)	8 (50%)	16	6 (21%)	13 (46%)	9 (32%)	28
2	Budgeting	1 (25%)	1 (25%)	2 (50%)	4	0 (0%)	0 (0%)	2 (100%)	2	1 (17%)	1 (17%)	4 (67%)	6
3	Record to Report	4 (40%)	4 (40%)	2 (20%)	10	0 (0%)	4 (67%)	2 (33%)	6	4 (25%)	8 (50%)	4 (25%)	16
4	Payroll	5 (36%)	7 (50%)	2 (14%)	14	9 (47%)	5 (26%)	5 (26%)	19	14 (42%)	12 (36%)	7 (21%)	33
5	Admin and Other Expenses	0 (0%)	13 (93%)	1 (7%)	14	1 (13%)	3 (38%)	4 (50%)	8	1 (5%)	16 (73%)	5 (23%)	22
6	Advertisement	2 (29%)	4 (57%)	1 (14%)	7	0 (0%)	4 (67%)	2 (33%)	6	2 (15%)	8 (62%)	3 (23%)	13
7	Inventory Warehouse	3 (21%)	8 (57%)	3 (21%)	14	5 (50%)	2 (20%)	3 (30%)	10	8 (33%)	10 (42%)	6 (25%)	24
8	Treasury	2 (22%)	3 (33%)	4 (44%)	9	4 (16%)	10 (40%)	11 (44%)	25	6 (18%)	13 (38%)	15 (44%)	34
9	Direct Tax	4 (44%)	2 (22%)	3 (33%)	9	3 (60%)	0 (0%)	2 (40%)	5	7 (50%)	2 (14%)	5 (36%)	14
10	Insurance	0 (0%)	3 (75%)	1 (25%)	4	0 (0%)	1 (25%)	3 (75%)	4	0 (0%)	4 (50%)	4 (50%)	8
11	GHS	1 (17%)	3 (50%)	2 (33%)	6	0 (0%)	4 (80%)	1 (20%)	5	1 (9%)	7 (64%)	3 (27%)	11
12	Inventory Branch	4 (19%)	13 (62%)	4 (19%)	21	9 (82%)	2 (18%)	0 (0%)	11	13 (41%)	15 (47%)	4 (13%)	32
13	P2P Category A	11 (52%)	9 (43%)	1 (5%)	21	10 (77%)	3 (23%)	0 (0%)	13	21 (62%)	12 (35%)	1 (3%)	34
14	P2P Category B	8 (40%)	9 (45%)	3 (15%)	20	5 (45%)	4 (36%)	2 (18%)	11	13 (42%)	13 (42%)	5 (16%)	31
15	Revenue Category A	4 (31%)	9 (69%)	0 (0%)	13	5 (50%)	1 (10%)	4 (40%)	10	9 (39%)	10 (44%)	4 (17%)	23
16	Revenue Category B	0 (0%)	11 (79%)	3 (21%)	14	5 (56%)	4 (44%)	0 (0%)	9	5 (22%)	15 (65%)	3 (13%)	23
17	Indirect Tax	3 (27%)	6 (55%)	2 (18%)	11	3 (21%)	3 (21%)	8 (57%)	14	6 (24%)	9 (36%)	10 (40%)	25
18	ITGC	12 (57%)	0 (0%)	9 (43%)	21	2 (29%)	0 (0%)	5 (71%)	7	14 (50%)	0 (0%)	14 (50%)	28
19	Entity Level Controls (ELC) *	--	--	--	--	--	--	--	--	--	--	34 (100%)	34
Total		67	113	44	224	64	55	62	181	131	168	140	439
Percentage		30%	50%	20%	100%	35%	31%	34%	100%	30%	38%	32%	100%

Illustrative Assessment of Controls Testing possible using Bots

Sr. No.	Process Level Controls	Data Download		Sampling		Execution		Pass / Fail Status	Reporting (email)- Total Controls	Dashboard-Total Controls
		Yes	No*	Yes	No*	Complete	Partial			
1	Capex	18 (95%)	1 (5%)	19 (100%)	-	6 (21%)	13 (46%)	6 (100%)	28 (100%)	28 (100%)
2	Budgeting	1 (50%)	1 (50%)	1 (50%)	1 (50%)	1 (17%)	1 (17%)	1 (100%)	6 (100%)	6 (100%)
3	Record to Report	9 (75%)	3 (25%)	10 (83%)	2 (17%)	4 (25%)	8 (50%)	4 (100%)	16 (100%)	16 (100%)
4	Payroll	16 (62%)	10 (38%)	19 (73%)	7 (27%)	14 (42%)	12 (36%)	14 (100%)	33 (100%)	33 (100%)
5	Admin and Other Expenses	17 (100%)	-	17 (100%)	-	1 (5%)	16 (73%)	1 (100%)	22 (100%)	22 (100%)
6	Advertisement	9 (90%)	1 (10%)	10 (100%)	-	2 (15%)	8 (62%)	2 (100%)	13 (100%)	13 (100%)
7	Inventory Category A	15 (83%)	3 (17%)	15 (83%)	3 (17%)	8 (33%)	10 (42%)	8 (100%)	24 (100%)	24 (100%)
8	Treasury	18 (95%)	1 (5%)	18 (95%)	1 (5%)	6 (18%)	13 (38%)	6 (100%)	34 (100%)	34 (100%)
9	Direct Tax	6 (67%)	3 (33%)	9 (100%)	-	7 (50%)	2 (14%)	7 (100%)	14 (100%)	14 (100%)
10	Insurance	4 (100%)	-	4 (100%)	-	0 (0%)	4 (50%)	-	8 (100%)	8 (100%)
11	GHS	8 (100%)	-	8 (100%)	-	1 (9%)	7 (64%)	1 (100%)	11 (100%)	11 (100%)
12	Inventory Category B	27 (96%)	1 (4%)	28 (100%)	-	13 (41%)	15 (47%)	13 (100%)	32 (100%)	32 (100%)
13	P2P Category A	28 (85%)	5 (15%)	33 (100%)	-	21 (62%)	12 (35%)	21 (100%)	34 (100%)	34 (100%)
14	P2P Category B	24 (92%)	2 (8%)	24 (92%)	2 (8%)	13 (42%)	13 (42%)	13 (100%)	31 (100%)	31 (100%)
15	Revenue Category A	18 (95%)	1 (5%)	19 (100%)	-	9 (39%)	10 (44%)	9 (100%)	23 (100%)	23 (100%)
16	Revenue Category B	20 (100%)	-	20 (100%)	-	5 (22%)	15 (65%)	5 (100%)	23 (100%)	23 (100%)
17	Indirect Tax	15 (100%)	-	15 (100%)	-	6 (24%)	9 (36%)	6 (100%)	25 (100%)	25 (100%)
18	ITGC	13 (93%)	1 (7%)	13 (93%)	1 (7%)	14 (50%)	0 (0%)	14 (100%)	28 (100%)	28 (100%)
19	Entity Level Controls (ELC) *	-	-	-	-	---	---	---	34 (100%)	34 (100%)
Total		266	33	282	17	131	168	131	439	439

Robotic Audit value addition – typical effort saved estimates

01

Cost per-Control Testing

- **Manhour Cost**
- **Travel and Stay Cost**
- **Real time identification of leakages/frauds/cost saving opportunities e.g. Pricing, Input-Credit etc.**
- **Fixed Technology and Infrastructure Cost to Variable Technology & Infrastructure Cost**
- **Compliance Reporting 100%**

02

Frequency, Coverage & Speed of Audits

- **Continuous Control Monitoring (CCM)** Concurrent audits/ transaction testing/ analytics over controls and KPIs
- **Increase in Audit frequency** – as per need – daily, monthly etc.
- **Increase in coverage of audits** – larger scope, more regions/countries
- **Sample based audit to 100% transaction audit**
- **Audit cycle** - Time reduction (60%-75%)
- **Standardization** of audit & reporting
- **On Demand Visibility**

03

Resource Rationalization & Audit COE

- **Rationalization of tools** being used
- **Creation of Audit Center of Excellence (COE) – Global/Pan India**
- **Library of observations and reports** to be used as insights and benchmarking e.g. gaps in January month Vs gaps in March month.
- **End to End Audit Trail**
- **Special Audits** – Forensic, Cyber Security, IFC Testing etc. as way ahead
- **Employee satisfaction** - utilized in various innovative and value adding activities

04

Corona/Covid Impact

- **Impact on Audit Budget**
Forced to cut down number of audits
- **Travel and Stay restrictions**
International/Country wide travel looks difficult for this year
- **Work from home culture – minimal human interaction – more data available digitally**
- **Audit Committee/Board will need sufficient assurance** Pandemics may lead to higher number of malpractices
- **New Audit Areas post COVID**

A typical day in life of a Chief Audit Executive (CAE) of 2025

In less than 5 years from today, imagine if you will ...



7am

Wakes up with the Mobile Alert with Controls Health Dashboard on mobile app
Bots being deployed to perform all controls testing and generating daily dashboard



8am to 10am

While on the way to office, receives an alert on mobile about a possible controls breach. CAE triggers the detailed investigation at a click of a button.

Possibly a user trying to splitting the payment transaction to bypass defined approval hierarchy (System pre-configured to identify abnormal behavior of payment getting processed – Split, heavy amount)



10 am

In the office, results of investigation and possible outcomes on the CAE's tablet...

Audit manager verifies scanned copy of backup documents having red flag raised by system.



10:30 Am

Stop payment triggered to bank on the basis of investigation outcome published by CAE to Finance Team.

10:30 Am

CAE triggers deactivation of user ID to block all system and Physical access of the user



11:30 am

Security holds back the user while trying to moving out of office

Sensing that the payment is not finally approved.



1 pm

CAE publish red alert to Finance leads for adequate action along with investigation results and evidences.

And calls a meeting with the Business Unit leaders to discuss the analysis.



3pm

CAE accepts updating the controls listing being verified by the bots.



5pm

The CRO's tablet generates a flash report of the controls health and publish to the management...

All of the technologies required to realize this vision of the future exist today.

Thank You

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