



How audit digitization reflects a Transformative Age

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The digitization of the audit mirrors a broader transformation taking place across the business landscape.

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e are living in the Transformative Age, where the signature characteristic is being connected, whether it is to data, interfaces, people or experiences.

Organizations continue to invest heavily in new technology to harness this connectivity and many now leverage large-scale digital transformation to radically evolve traditional business models.

This can be seen across a world that is increasingly connected by data and through a range of new technology advancements. Examples include the rise of on-demand media, increasingly pervasive automation, artificial intelligence and even drone technology.

Within the corporate world, this transformation has created a fundamental shift in many companies not traditionally perceived as digital enterprises. These organizations, however, do understand that their digital transformation is an imperative and a significant cultural change that drives value. They know they need to be the disruptor versus being disrupted and are prioritizing investments in new systems and data analytics technology to better understand their business and the needs of the markets they serve.

And, although not part of the organization, who is better positioned to observe this change than the auditor? Auditors have a front-row seat to this large-scale transformation and are directly impacted by the evolution of operating environments, business cycle disruption, changes to organizational models and the overall digitization of processes.

The digital transformation of the audit

As companies' digitization generates more and more data, audit professionals' roles are required to evolve. This growing volume of information needs to be used effectively to deliver high-quality audits and allow auditors to put greater emphasis on risk identification and business insight. The sheer volume and untapped potential of data generated by new technologies drives the need for the ongoing digitization of the audit.

Similar to corporate organizations, audit firms need to address how transformation will alter their approach to doing business. For example:

- Could one technology platform be developed to connect large audit teams in different locations to one another and to the companies being audited?
- How could the potential of a connected digital audit be realized through centralization, standardization and automation?
- How can data analytics be made integral to the audit?
- How could auditors drive value through innovation to the companies being audited?

These are questions that EY auditors reflected on in developing the EY Digital Audit, the first connected data-driven audit.

By **harnessing the connectivity and insight enhanced by technology**, stakeholders are provided with greater confidence in the financial reporting of the companies audited. Company management and finance teams can experience an audit that is more effective, and audit committees can benefit from greater risk insights and new perspectives.

More than a transformation in technology, this is also a transformation in how auditors do their work. It improves connectivity, uses automation to help increase time focused on areas requiring judgement, and helps improve analysis and insight.

The digital audit is no longer an aspiration; it is a reality. It is also at the heart of the **EY purpose of Building a Better working world** through inspiring confidence and trust to help a complex world to work.

Summary

The role of an audit professional is evolving in response to the digital transformation of companies. Using automation for increasing volumes of data can help to deliver high-quality audits and allows auditors to focus more on risk identification and business insights. This audit evolution is leading to greater connectivity and transparency and as a result, greater stakeholder confidence.


About this article

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