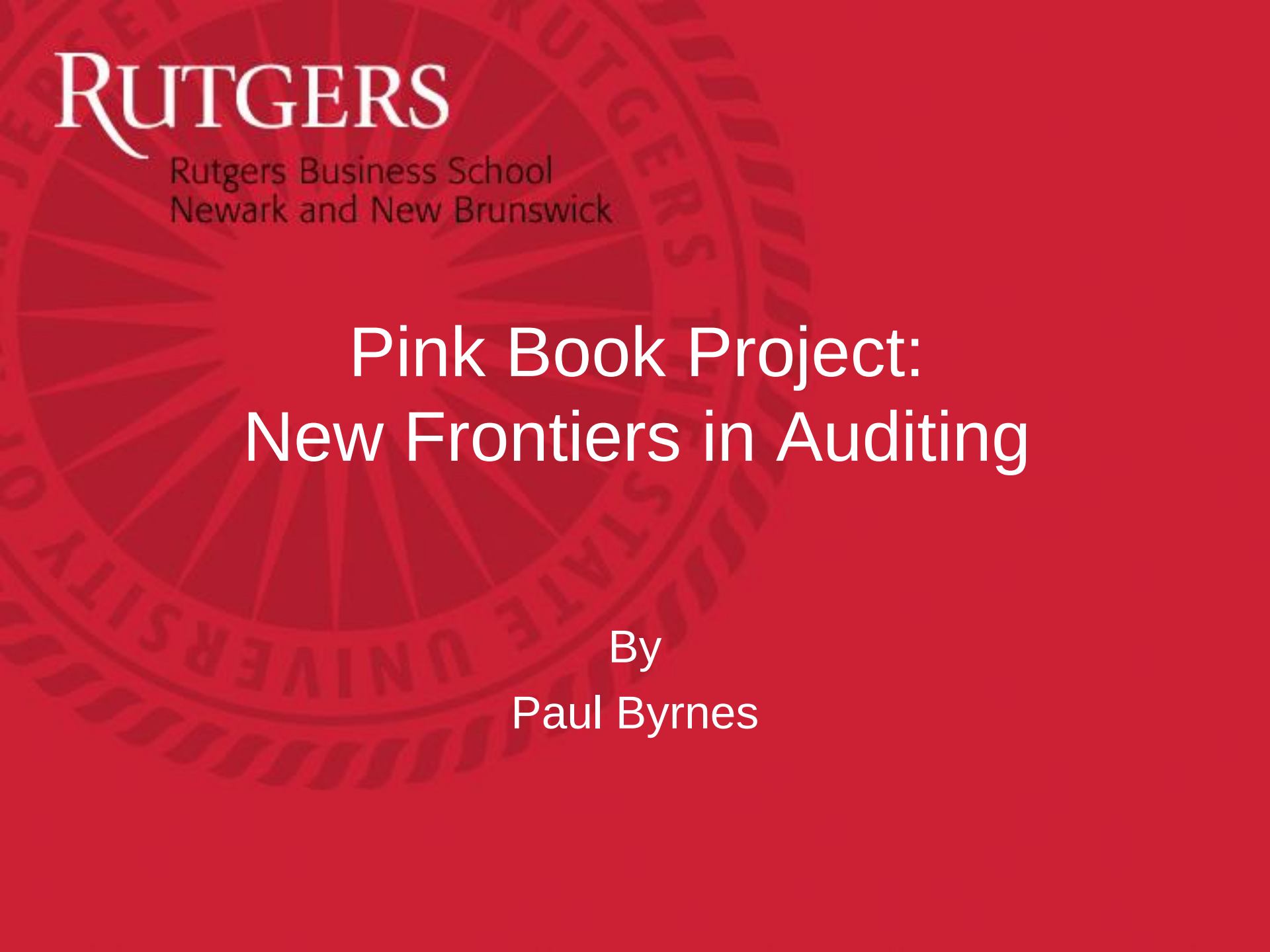


The background of the slide features a large, faint, circular seal of Rutgers University. The seal contains the text "RUTGERS UNIVERSITY" and "EST. 1823" around a central emblem.

# RUTGERS

Rutgers Business School  
Newark and New Brunswick

## Pink Book Project: New Frontiers in Auditing

By  
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# Outline

- **Chapter 1 – Survey and Initial Observations**
  - Motivation, procedure, and general findings
- **Chapter 2 – Evolution of Auditing**
  - From traditional manual audit to the highly automated future audit
- **Chapter 3 – Blue Sky Scenario**
  - Visionary perspective of the future audit
  - Rethinking of audit theories, processes, and standards necessary
- **Future Destinations**
  - Preliminary preview of coming chapters

# Chapter 1 - Survey and Initial Observations

- Update of 1999 Red Book Project
- Data collection: Survey instrument and interviews
- Objectives involve determining:
  - progress relative to CA/CM adoption
  - scope of potential CA/CM initiatives
  - optimal skill set for providing CA/CM services
  - key methods for further promoting CA/CM

## Chapter 2 - Evolution of Auditing

- Historical account of formal auditing practices in U.S.
  - Demonstrate where auditing has been, currently resides, and how it might evolve to the future audit
  - **Takeaway** - latency reductions between the following:

**Event → Data Capture → Information Creation → Assurances**

## Chapter 3 - Blue Sky Scenario

- Visionary interpretation of the future audit
- **Key:** Audit theories, processes, and standards likely will need to be periodically revisited to fit business and technological environments that will increasingly become more sophisticated
- **Examples:**
  - materiality heuristics
  - receivables confirmation process

## Future Destinations

- Organizational considerations and issues in progressing toward the future audit
- Re-engineering the accounting education model to better align with skill-set requirements of the 21<sup>st</sup> century
- Rise of “big data” and associated implications for the future audit
- Issues in continued evolution, adaptation, and mutation: facilitating movement to a more dynamic profession

