

# Reimagining Audit



## The Impact of the Tabloidization of Big Data

SHALL WE PLAY A GAME?



**“Data! Data! Data!”**

**He cried impatiently.**

**“I cant make bricks without clay!”**

Sherlock Holmes – The Adventures in the Copper Beaches

# The Tabloid Moment

- Exploits of Edward Snowden and others has raised the collective societal consciousness of big data to a new level
- This is the moment:
  - That big data is on the front page of every paper in the world
  - We are talking about things such as meta data
  - We are talking about the ability to not look at content but to look at trends
  - My mother begins asking questions about big data
- This is the moment that big data went tabloid

# The Challenges for Audit

- Most exciting time to be an auditor in 150 years but it is not without its challenges
  - Changes in expectations of stakeholders on audit function
  - What is an audit going to look like in 5, 20 and 50 years?
  - Who will have the skill sets to take audit on its journey?



# Matched Only By Opportunities

- Auditing – whether continuous, traditional internal audit or traditional external audit – has always been data driven
- Data is destroying industries
- We are the masters of our destiny



# Changing (or Not!) Expectations

- What is audit's purpose?
  - Step one – forget the text book definition
- To honestly lay bare to the proprietors the true condition of the undertaking
- Expectations haven't changed
- Means to deliver on expectations has changed

# Predicting the Future

- Adopted a principles approach to determine what audit will look like
- Key principles
  - Transparency
  - Accuracy
  - Time appropriate

# Wednesday 21<sup>st</sup> November 2018

- Transparency
  - Acceptance of the importance of data as a central element of the auditing process
    - “I can’t make bricks without clay”
  
- Accuracy
  - Ability to define poor data at the input stage rather than identifying it at the output stage
  
- Time appropriate
  - Continuous auditing drastically reducing post event audits



# Tuesday 21<sup>st</sup> November 2033

- Transparency
  - Auditee driven audits
  - Role of the auditor
- Accuracy
  - Accuracy of data a given
  - Sampling last used about 10 years ago
- Time appropriate
  - All auditing done real time

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# Knowing Thyself

- Professional self assessment needed of skill set required
- Will accounting / auditing knowledge become less or more important?
- Is having a data scientist enough?



# The Time is Now

**Change will not come if we wait  
for some other person or some other time.**

**We are the ones we've been waiting for.**

**We are the change that we seek.**

President Barack Obama