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
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?
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 textbook 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
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
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
Wednesday 21st November 2063
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?
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