

Facing challenges, overcoming difficulties,
the transition towards data driven audit.

Strategic Approach

- Awareness: automated process used by audited entities become more and more pervasive
- Define objective: assess requirements
- Draw the path: adopt effective, and possibly efficient, solutions.



- Awareness

- Audit procedures are aligned to operational processes
- Compliance audit not compatible with sampling approach
- Size and structure of datasets became more and more challenging
- Very limited use of software potentiality already in house.



- Define Objectives
 - Assess Requirements:
 - Skilled auditors
 - Hardware and software capabilities
 - Audited entities adequate IT systems
 - Effective operational arrangements



- Define Objectives

- Gap Analysis

- Internal factors:

- ✓ Auditors not accustomed to deal with increasingly complex and bigger dataset
 - ✓ Behavioural resistance or underestimation of sceptic approach toward dataset provided by audited entities
 - ✓ Obsolete audit procedures
 - ✓ Incompleted knowledge of the potentiality of the audit tools already provided (i.e Idea)



- Define Objectives

- Gap Analysis (cont.)

- External factors (Audited entities):

- ✓ Lack of centralised information systems or standardised data format
 - ✓ Old information systems (i.e Crystal report)
 - ✓ Audited entities would have to weigh up internally the costs and benefits of any investment they make in new technology (i.e. it is easier for a larger one)
 - ✓ Lack of collaboration or operatives resistant (i.e diminished importance felt by IT department)
 - ✓ Technical arrangements between the Office and audited entity (i.e. SQL specs, direct access to databases, etc).



Financial Audit in a Digital era challenges....

- Draw the path



work in progress... suggestions?

