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Digital future in audit:

Challenges and opportunities for public auditors

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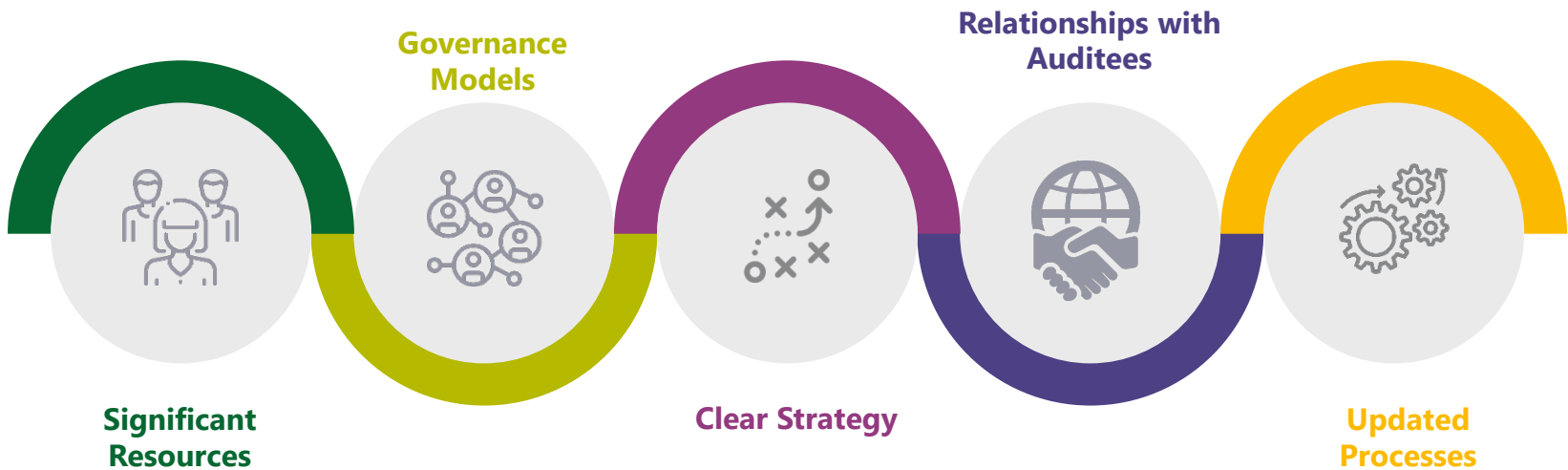
EUROPEAN
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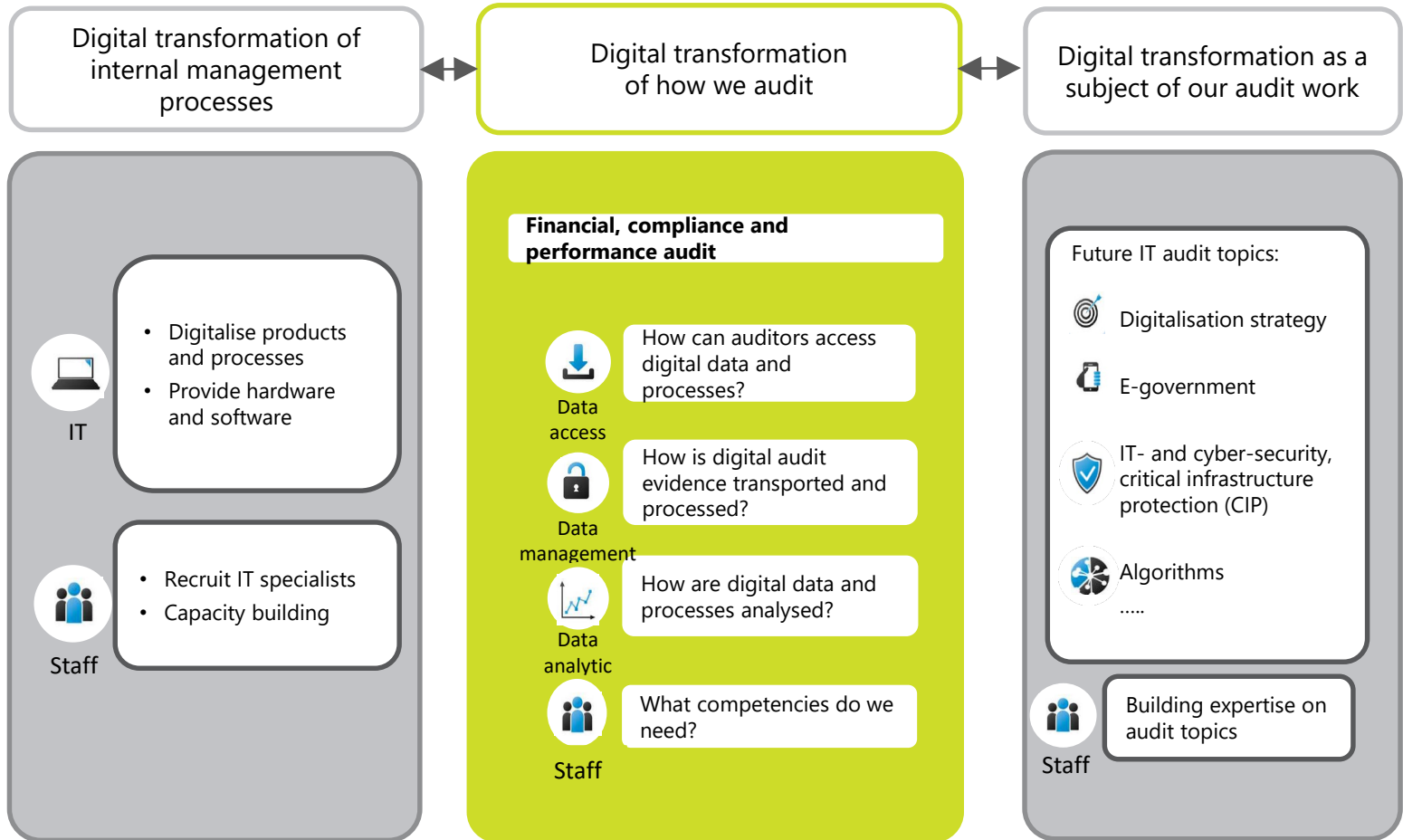OF AUDITORS

CURIA RATIONUM

Why is digitalisation important?

- More and better information for accountability

- Increased transparency (open data) contributing to trust

- Improved quality and efficiency of audit work

- Auditees are digitalising, we cannot stay behind

- Citizens and stakeholders expectations

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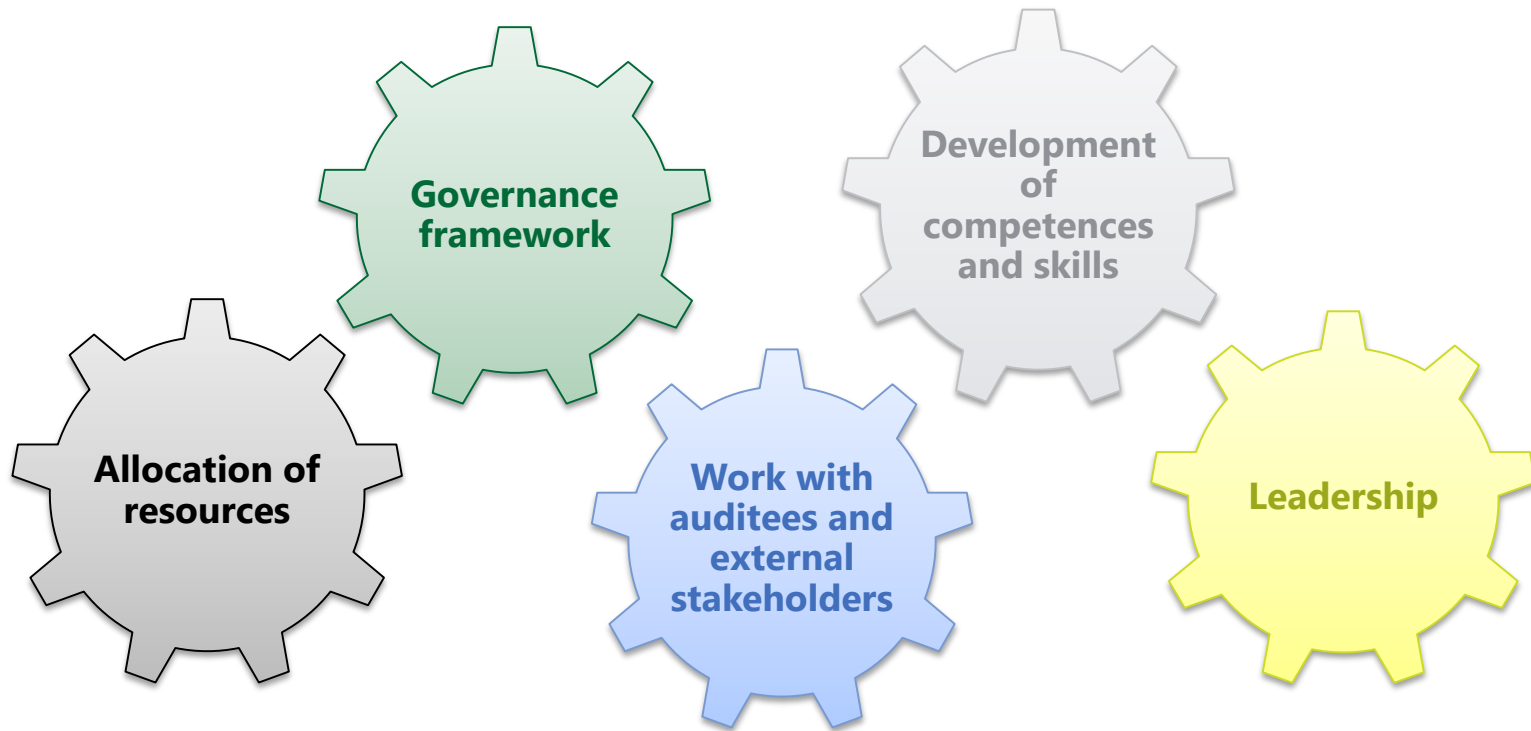COURT
OF AUDITORS

What is happening in private audit sector & leading SAIs in this field?

Governance Models

Relationships with Auditees

Significant Resources

Clear Strategy

Updated Processes

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The 3 pillars of digitalisation in public audit

Digital transformation of internal management processes ↔ **Digital transformation of how we audit** ↔ **Digital transformation as a subject of our audit work**

Digital transformation of internal management processes

IT
- Digitalise products and processes
- Provide hardware and software

Staff
- Recruit IT specialists
- Capacity building

Digital transformation of how we audit

Financial, compliance and performance audit

Data access — How can auditors access digital data and processes?

Data management — How is digital audit evidence transported and processed?

Data analytic — How are digital data and processes analysed?

Staff — What competencies do we need?

Digital transformation as a subject of our audit work

Future IT audit topics:
- Digitalisation strategy
- E-government
- IT- and cyber-security, critical infrastructure protection (CIP)
- Algorithms
- .....

Staff — Building expertise on audit topics

Key success factors for digitalisation

Governance framework

Development of competences and skills

Allocation of resources

Work with auditees and external stakeholders

Leadership

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A development plan based on the ECA strategy

Objectives of the strategy broken down into areas for improvement

' **Seek to obtain secure and easy access to auditees' data**

1. Accessing data
2. Engaging with auditees

' **Foster a digital audit culture and mind-set in our work**

3. Analysing and visualising data
4. Auditing in a digital environment
5. Promote digital collaboration and openness

' **Invest in the requisite skills and knowledge across our staff**

6. Recruiting specialists and upskilling ECA staff

' **Implement new digital audit tools and techniques**

7. Standardising processes for automation
8. Using tools and technology to facilitate audit
9. Ensuring good governance and leadership of the digital transformation

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Pilot on audit of EU agencies - Results

Automation of tests

- Legality and regularity audit

SAMPLE

20 payments
20 commitments

FULL POPULATION

8 000 payments
1 400 commitments

- Reconciliation : processing speed increase by 98%

Handling time for the
6 agencies
~ **6** hours

Handling time for the
6 agencies
~ **90** sec

The future of digital audit.....

speed of change

recovery

foresight

digital

resilience

sai

skills

future

eunextgeneration

competence

opportunities

accountability

challenge

audit

digitalisation

sustainability

peer

.....is already here