



Tax & Accounting

Transforming Audits: Leveraging Technology to Enhance Efficiency and Value

by Erin Leckie, CPA



Erin Leckie, CPA
VP, Product Management - Audit
Tax & Accounting North America
Wolters Kluwer

Technology Is Challenging the Status Quo of Auditing

Gone are the days of lugging heavy three-ring audit binders to client sites, manually gathering workpapers, and completing audit work in-office. Cloud-based audit solutions, such as CCH Axcess™ Audit, empower auditors to access real-time audit data securely from anywhere and collaborate with clients digitally.

Clients now expect firms to deliver more value through audits. With automation improving efficiency throughout the workflow, auditors can focus on deeply understanding client businesses, identifying growth opportunities, and benchmarking performance against peers.

Technological advancements like artificial intelligence (AI) and machine learning are shifting audits from sampling data to testing 100% of client data. Predictive analytics further enhance auditors' ability to uncover trends, identify risks, and provide clients with actionable insights.

Will Audits (and Auditors) Still Exist in Future Years?

The question of whether audits will eventually disappear continues to surface. However, auditing will evolve rather than vanish, with auditors adopting new roles tailored to changing client expectations. Advanced technologies will handle routine tasks, like data gathering and processing, while freeing auditors to focus on nuanced, strategic engagements.

For example, more and more, auditors are leveraging AI and real-time data analysis to make faster, more accurate decisions. Their role as trusted advisors will expand as they help clients uncover competitive opportunities through deeper insights. This shift underscores the need for firms to invest in training and technology to stay ahead.



“Often in our work, we receive large sets of data from our clients, and it’s difficult to manually dissect that information and identify what’s relevant and meaningful for us in the audit. It can become a huge time drain and burden to teach newer staff to work through that data. So, for us, we saw analytics — and TeamMate® Analytics — as a tool we could implement at every level of our audit and achieve a solution to those problems: efficiency and quality.”

Morgan Martin, CPA
Associate Partner
Rödl & Partner USA

How Technology has Shaped the Future of Audits

As technology continues to grow at a dizzying pace, when looking in the mirror, most firms do not see the same firm they did just several years ago. Advanced technologies are rapidly reshaping the audit profession. Three areas are driving this transformation:

1. **Artificial intelligence and machine learning.** AI now supports routine audit work, such as automating data aggregation and identifying anomalies. For example, auditors can use AI-powered analytics to test entire datasets, providing a more comprehensive and accurate risk assessment than traditional sampling.

2. **Data analytics.** Data analytics enables auditors to identify risky transactions, streamline procedures, and communicate findings more effectively. Firms are increasingly using these tools throughout the audit, from planning to forming conclusions. Visualization tools also allow clients to better understand audit results.

3. **Benchmarking.** Benchmarking helps auditors and clients compare performance to industry standards, identifying areas for improvement or opportunity. Firms that build benchmarking capabilities into their workflows provide additional value to clients, solidifying their role as strategic advisors.

Regarding analytics, it is an area that most firms recognize will make a big impact, but few firms are really strong performers yet. The AICPA expects data analytics to be used throughout the entire audit, starting with risk assessment and proceeding right through the substantive analytical procedure, as this graphic demonstrates:

Consider When Choosing a Tool	Risk Assessment	Test of Controls	Sub Analytical Procedures	Test of Details	Forming Overall Conclusion
Access to data (e.g. can a PDF be imported? Connect with Client ERP?)	Trend analysis of key f/s balances	Select samples for test of controls	Predictive modeling of amounts using regression analysis	Select sample using random techniques	Updating ratio and related analysis used in assessing risks
Preparing data for use	Preliminary general ledger account balance analysis	Three way match of sales invoices, shipping doc and master price list	Variance analysis between periods	Identifying unusual transactions (outliers, specific days and more, etc)	Updating year over year financial statement variances
Reliability of data	Visualization of key f/s ratios			Recalculation of detailed aging schedules	
Visualization capabilities	Quantity and pricing analysis of sales revenue			Benford's testing of expenses and journals	
Documentation of results				Credit notes posted to payables after period-end	

How Firms Can Start Leveraging Better Audit Technology Today

Firms are at different stages along the path to advanced technology adoption. But smaller firms should not procrastinate in taking steps to adapt for the future of audits either. Here are five ways firms of any size can better position themselves to be ready to take advantage of advanced technologies in their audit workflows:

1. **Automate manual tasks and enhance client collaboration.** If your audit process still contains a lot of paper, this is the first area to apply better technology. Automate client collaboration and create more efficient data extraction workflows that produce organized, standardized digital workpapers at the start of each engagement. CCH Axxess™ Engagement is an example of good technology for this.
2. **Leverage the power of a platform.** Harness the full potential of a unified cloud technology platform designed to empower auditors wherever they work—whether in the office, at home, or in the field. With seamless access to real-time data and integrated tools, auditors can collaborate with clients, organize workpapers, plan audits, conduct testing, run diagnostics, perform analytics, and leverage benchmarking—all within a single, efficient workflow.

CCH Axxess™ ensures firms of all sizes can access the same advanced cloud technology as their larger counterparts, driving superior accuracy, efficiency, and accountability. By integrating every step of the audit process, Wolters Kluwer delivers an unparalleled solution that eliminates the inefficiencies of standalone systems and enables firms to elevate their audit practices.

3. **Recruit for new skill sets.** In order to take advantage of new technologies, firms will need to hire professionals with different skill sets than their traditional accounting and auditing staff might possess. People who really understand technology can help evaluate new technologies and assess where they would make the biggest improvements for clients and generate the best return for the firm.

These professionals will need the knowledge to understand all the technology behind your firm — and how it all works together to help you access the data your clients need.

4. **Evaluate advanced solutions that are cost-effective and practical.** Taking it one logical step at a time makes sense when trying to incorporate technologies like AI and machine learning, analytics, and benchmarking into your audit workflows, instead of racing to simply adopt expensive technology.

“Best of breed solutions might seem like a good idea but the ability to have data flow across a platform is a better idea. Choose a partner not a product.”

Rick Kasnick, CPA
Managing Partner (Northeast)
Rödl & Partner USA





“All CPA firms are service based. The only way we make money is efficiencies, so the faster we can do things, the more efficiently we can do things, the more money we make. When you have integrated software, you are spending less time going from one thing to another.”

Melissa Knox
Audit Partner
JC CPAs and Advisors

Conclusion

Firms that don't yet have a firm handle on digital workflows and risk-based audits face a steep hill to climb if they don't begin now to acquire the people, skill sets, and processes to incorporate advanced technologies like AI and machine learning, conduct 100% audits, and help clients gain better insights from financial performance data.

Technology continues to drive the evolution of modern auditing, pushing firms to deliver higher-quality audits more efficiently. Those that adopt integrated and cloud-based platforms, risk-based methodologies, and advanced analytics are better positioned to meet changing client expectations and regulatory standards.

By embracing this transformation, forward-thinking firms can enhance their role as trusted advisors while staying competitive in an increasingly technology-driven profession.

Contact information:
Wolters Kluwer
2700 Lake Cook Road
Riverwoods, IL 60015
United States

Visit EngageTax.WoltersKluwer.com/Software4CPAs for more information.

02/24 8354630352

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