

# Five Ways Technology Elevates the Audit Experience



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## About **BDO***ADVANTAGE*

At BDO, we're guided by professional curiosity and inspired by our core purpose: helping people thrive every day. That curiosity and purpose take shape in the form of audit innovation, creating outcomes with deeper insights, stronger collaboration, and greater accuracy.

**BDO***ADVANTAGE* is our digital audit suite built to enrich the client experience and drive audit quality. Through advanced automation, we reduce client burden and empower our team to focus greater attention on critical audit areas. Leveraging powerful data analytics then helps us uncover patterns, trends, and anomalies to deliver a more comprehensive risk assessment — with status displayed through transparent, real-time updates on our Global Portal and project-management tools. The end result is a seamless, high-quality audit ready to meet the technology expectations and needs of our clients.

Digital transformation has brought about increasing demands and unprecedented shifts in expectations. Today, companies are facing these challenges in every aspect of their operations. One area of operations that is significantly impacted is the financial audit.

The audit of the past was typically an annual event. The audit of today is ongoing, having evolved into a continuous process. Audit firms and accounting departments can now spread the work of an audit throughout the year, creating space for thoughtful and timely evaluation of the rapidly evolving business landscape.

For CFOs, boards and audit committees, a high-quality audit remains a top priority. Achieving that requires engaging an auditor that has not only the most innovative technology but also the teams in place to effectively use that technology to its fullest potential.

Tech-enabled audits also include optimization of the process itself, communicating and collaborating with clients along the way, and deeper analysis and understanding of the business in all stages of the audit. When the audit team deeply understands the client's business, it results in better targeted testing and more focused use of the client's resources.

The benefits of working with an auditor with digital know-how are myriad. Here's a look at five of the most impactful:



*Recent developments in technology allow us to meet much higher expectations from our clients, from regulators and from stakeholders. We are moving toward a continuous audit approach, enabling earlier detection of issues, rather than uncovering and dealing with them at the end of an audit.*



**DEMETRIOS FRANGISKATOS**

Assurance East Geography Managing Partner  
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# 1. More Responsible Use of Resources

Today's tight labor market means that finance and accounting departments are stretched thin. Automating routine, time-intensive work can alleviate the burden. For example, by automating confirmations, firms can replace the manual process involving a client's preparation, printing, signing, and scanning dozens of confirmations for an audit, and transform the process from a mundane assignment into a one-click task. The audit team also benefits from the time savings created through automation.

“Automation provides our auditors with more time to spend on important activities such as developing a deeper understanding of the client and formulating a better audit risk assessment and planned audit responses. This, in turn, leads to further time savings for our clients because our teams develop more targeted audit tests.”



**BRYAN MARTIN**  
BDO **ADVANTAGE** Assurance Partner, BDO USA





## 2. Extraction, Transformation and Loading

Extracting data is among the most time-consuming and difficult audit tasks, especially when there are disparate platforms and multiple locations, each having their own system languages and formats. A tech-enabled audit uses safe extraction solutions to retrieve the data safely, and transformation platforms to ensure it's available in a language the other tools understand.

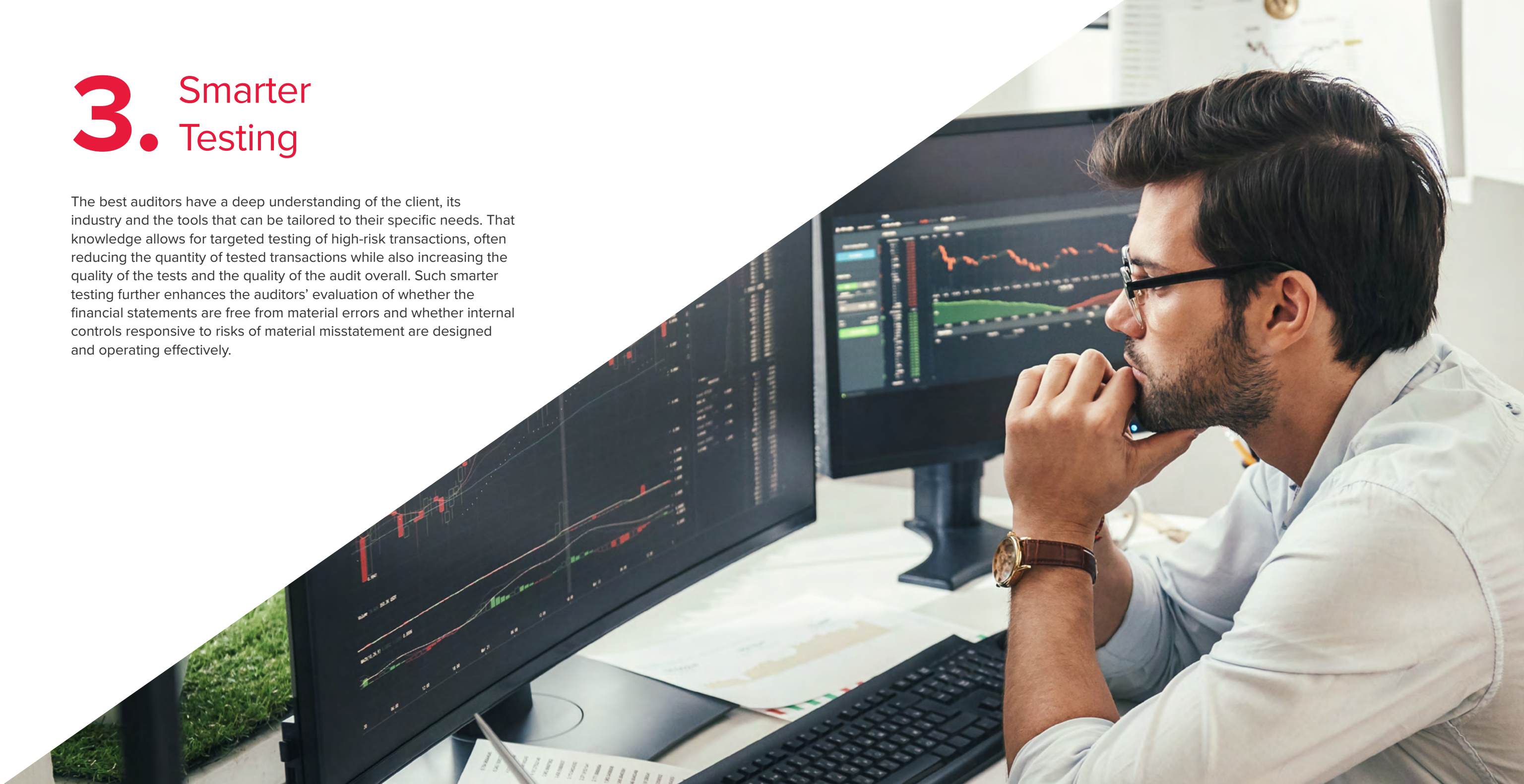
*“Every audit requires data extraction, but our clients shouldn't have to labor with that process. Our data-extraction and transformation platforms ensure we can extract entire data sets completely and safely the first time, with no requirement to reformat it for usability.”*



**BRIAN MILLER**  
BDO **ADVANTAGE** Assurance Partner, BDO USA

# 3. Smarter Testing

The best auditors have a deep understanding of the client, its industry and the tools that can be tailored to their specific needs. That knowledge allows for targeted testing of high-risk transactions, often reducing the quantity of tested transactions while also increasing the quality of the tests and the quality of the audit overall. Such smarter testing further enhances the auditors' evaluation of whether the financial statements are free from material errors and whether internal controls responsive to risks of material misstatement are designed and operating effectively.





# 4. Deep, Tailored and Data-Driven Risk Identification

The intrinsic depth and accuracy of a tech-enabled audit better identifies audit risks through data analytics tailored specifically to the company or industry. Using data analytics, teams can efficiently sort through massive amounts of financial information to identify anomalies or unexpected trends that warrant further attention. This approach results in smarter testing selections and gives the auditor a better understanding of the business, while also surfacing insights that may be of value to the audit committee in their governance role.



*Utilizing our analytics to perform a deeper risk assessment leads to a more targeted audit test and tailored audit approach for each client.*



**TARA PENDLETON**  
BDO **ADVANTAGE** Assurance Partner, BDO USA

# 5. Real-Time Information and Communication

Having a single, cloud-based, global audit platform allows all parties to instantly visualize the audit status in real time. For audits with multiple subsidiaries, using the same audit software globally allows the audit team to understand and see the status of every component audit. Also, a project-management solution for all engagements provides the engagement partner up-to-date information about how the audit is tracking and where to focus their attention. This instant visibility into audit status helps build mutual credibility and trust and improves accountability and transparency between the client's finance team and the auditors.





# Questions to Ask Your Next Auditor

Selecting the right auditor is critical. Once you've narrowed your search to a few candidates, ask them the following questions to learn more about the role that technology plays in their services.

## **How will your data analytics tools benefit our organization?**

You want an auditor that's experienced, not only with the audit process, but also specifically with managing audits within your industry and with organizations like yours. They should have tools — tailored to your industry — to identify audit risks and execute audit procedures.

## **In which areas do you use automation?**

Key areas for automation may include sampling, confirmation requests, document matching and mathematical-accuracy checks. You also want automation available to help your team streamline responses to audit requests.

## **How do you support our team in these technologies?**

Taking full advantage of all the tech-enabled audit benefits described in this playbook requires your team to understand and know how to make the most of the platform. Industry-leading platforms should dedicate the time and resources to help you do that, including FAQs, help desks and bots to answer your questions in real-time.

## **How are you innovating to keep up with evolving technology?**

Your auditor should have a thoughtful approach to future technology, such as the recent advancements in generative AI, and a plan to continue to optimize and incorporate leading-edge advancements into their process in the future.

## **Can you tell us about your project-management technology?**

The most effective way to track an audit is through visualizations. A technology-enabled audit firm will also employ a project-management system that tracks the status of audit requests, along with all audit phases and expected timing for completion, enabling the audit to stay on track.

## **How are you engaging with regulators around the use of technology in audits?**

Audit firms should have a process in place to monitor and provide input into rule making activities related to technology use in audits. As advancements in technology within this space continue to accelerate, best-in-class audit firms must continue to adapt to remain at the forefront of such evolution.

## **Can you track requests from multiple levels and keep some areas private or confidential?**

Privacy is one of the most critical aspects of any professional services relationship and is even more vital in audits that include highly sensitive information. Therefore, you also want an auditor that can restrict folders or data containing sensitive information, such as compensation, so that you can feel secure in providing the auditor that data. Your auditor should be able to speak to the controls over the information requests, including the screening methods.

## **What investments are you making in technology and training?**

Forward-thinking auditors should be making consistent investments to invent and incorporate new technology, and ensure that their professionals have the training and knowledge to optimize new innovations throughout the audit process.

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