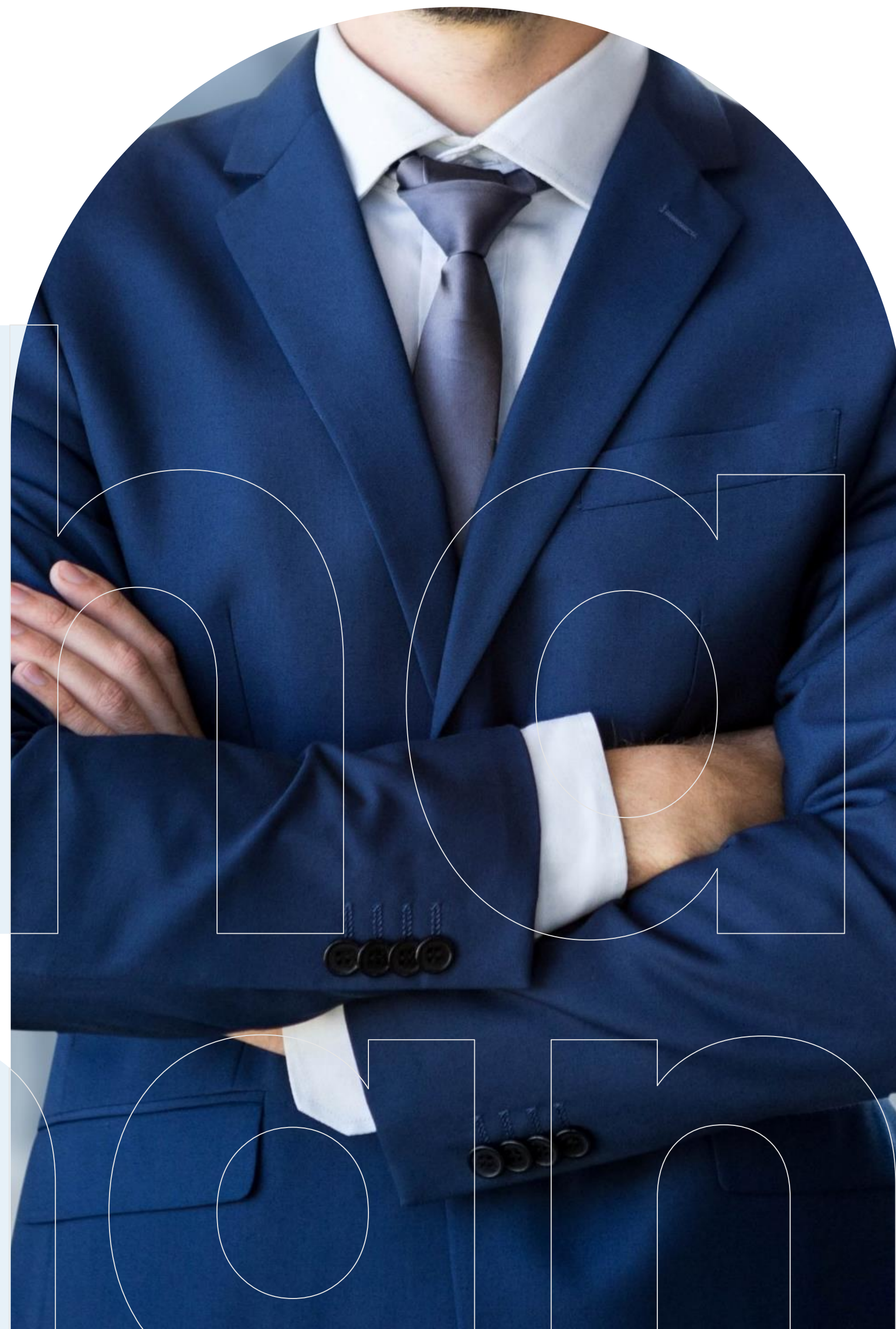




Navigating the Future of Auditing:
Prepared during SAI Thailand's
ASOSAI Chairmanship 2021 – 2024



A Chairman's View

Modern Auditing Practices
Uncovered Weekly

A Chairman's View: Modern Auditing Practices Uncovered Weekly Vol. 16



The Future of Fieldwork in Auditing:
Preparing SAIs for the Next Normal
18 July 2023

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A Chairman's View

The Future of Fieldwork in Auditing: Preparing SAIs for the Next Normal

As technology advances at a breakneck pace and global dynamics shift, the traditional approach to fieldwork in auditing is poised for change. Supreme Audit Institutions (SAIs) are at the heart of this evolution, and their readiness to adapt and embrace this change is paramount. This is a glimpse of the future of fieldwork in auditing and how SAIs can equip themselves for this new era.

Technological Disruption

The auditing landscape is on the brink of being reshaped by several technological innovations:

- **Artificial Intelligence (AI) and Machine Learning (ML):** AI and ML tools can sift through massive volumes of transactional data, detecting anomalies and risky transactions that require auditor attention. Adopting these technologies can not only improve the efficiency of audits but also enhance their accuracy and comprehensiveness.
- **Data Analytics:** Advanced data analytics can provide deep insights into financial information, facilitating predictive analysis, and risk assessment. SAIs need to be proficient in these tools to make the most of the data at their disposal.
- **Blockchain Technology:** Blockchain could bring unprecedented levels of transparency and traceability to financial transactions. SAIs need to understand this technology and consider how it might affect their auditing procedures.

- Robotic Process Automation (RPA): RPA can handle routine audit tasks, freeing up auditors for higher-order decision-making and judgment calls.

Remote Auditing

The COVID-19 pandemic has accelerated the shift towards remote auditing. With secure digital platforms and remote desktop applications, audits can be conducted without the auditor being physically present on-site. This shift towards a 'virtual fieldwork' environment necessitates a new set of skills and practices.

Broadened Scope of Auditing


The scope of auditing is expanding beyond financial information to include non-financial aspects like sustainability, corporate social responsibility, and cybersecurity. SAIs should gear up to audit these areas by developing the necessary expertise and methodologies.


Global Collaboration

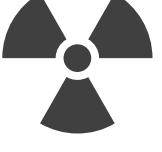
In a globalized world, cross-border auditing and international collaboration are becoming more critical. SAIs will need to collaborate effectively with their counterparts in other countries, sharing best practices, methodologies, and data.

1. How Can SAIs Prepare?


As fieldwork auditing evolves, SAIs must also evolve to stay relevant and effective. Here are some steps they can take:


 **Embrace Technology:** Invest in the latest auditing technologies and provide training to auditors to ensure they can use these tools effectively. It might involve partnering with tech companies or hiring in-house tech experts.

 **Develop New Skills:** Technical skills are crucial, but they are not enough. Auditors will also need to develop skills or upskill like critical thinking, problem-solving, and effective communication. SAIs should provide continuous learning opportunities to help their auditors acquire and hone these skills.

 **Adopt a Risk-Based Approach:** With AI and ML tools, SAIs can focus their auditing efforts on higher-risk areas. This risk-based approach can lead to more effective audits.

 **Strengthen Remote Auditing Capabilities:** As remote auditing becomes more prevalent, SAIs need to establish protocols for remote audits and ensure they have the necessary infrastructure. It includes reliable internet connectivity, secure digital platforms for data sharing and collaboration, and tools for remote desktop access.

 **Broaden Audit Scope:** SAIs should develop expertise and methodologies to audit non-financial aspects. SAIs might require hiring or training auditors with specialized knowledge in areas like sustainability and cybersecurity.

 **Enhance Collaboration:** SAIs should strengthen their collaboration with other SAIs, regulatory bodies, and other stakeholders. It might cover participating in international audit forums, contributing to the development of global auditing standards, and sharing data and best practices.

The future of fieldwork auditing holds both challenges and opportunities for Supreme Audit Institutions.

Responding to Challenges

Fieldwork auditing in the future will also bring about new challenges that SAIs will need to navigate:

- **Data Privacy and Security:** As auditors handle large volumes of data, often remotely, they must ensure that this data is stored and transferred securely. SAIs should strengthen their cybersecurity measures and adhere to data privacy regulations.
- **Over-reliance on Technology:** While technology can improve the efficiency of audits, over-reliance on technology can lead to a lack of professional skepticism or judgment. SAIs need to ensure that their auditors continue to apply their professional judgment and do not solely rely on automated processes.
- **Maintaining Auditor Independence and Objectivity:** In a remote auditing environment, maintaining auditor independence and objectivity can be challenging. SAIs will need to establish clear protocols to manage this risk.

The Way Forward

To navigate these challenges and harness the opportunities, SAIs should foster a culture of innovation and continuous learning. They need to stay updated on the latest technological developments and changes in auditing standards. Regular training programs should be conducted to ensure auditors are equipped with the necessary skills and knowledge.

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In addition, SAIs should invest in research and development to explore how new technologies and methodologies can be applied to auditing. They should also seek feedback from their stakeholders and be open to revising their practices based on this feedback.

Conclusion

the future of fieldwork auditing promises to be an exciting journey, one that will reshape the role and functioning of SAIs. By preparing themselves for this future, SAIs can ensure that they continue to play a crucial role in promoting transparency and accountability in public finances. It's not just about being ready for the future—it's about actively shaping that future.

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After word

A Chairman's View: Modern Auditing Practices Uncovered Weekly

According to the ASOSAI Chairman 2021-2024, The State Audit Office of the Kingdom of Thailand promotes the Bangkok Declaration 2021, which explains the adaptation of SAIs in the next normal era. Therefore, this short paper aims to provide weekly insights and updates on modern auditing practices, focusing on the experiences and perspectives of SAI Thailand's Chairman during their ASOSAI 2021-2024 term.

The paper series focuses on the Public Sector Audit Trends: Analyze emerging trends and advancements in the public sector audit landscape within Thailand and across ASOSAI member countries. The short paper series will be published in a concise and accessible format, with each weekly installment consisting of 3-5 pages. This format ensures that the content is easily digestible for a broad range of readers. The short paper series will be published weekly, with a new installment released every week, covering various topics within the defined scope.

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