



## Client

- Big Four Professional Services and Auditing Firm

## Challenges

- Cost of auditing and compliance
- Time
- Manual compliance processes & accuracy
- Manual monitoring of clients
- Constant regulatory change

## Solution

- AI-driven automated auditing and compliance
- Automated regulatory compliance checking of the documents
- Automated audit of financial reports against accountancy standards.
- Unique, proprietary Artificial Intelligence, Natural Language Processing and Machine Learning
- Expert feedback mechanism for self-learning and continuous adaptability
- Flexible REST API
- Low cost, hasslefree implementation

## Benefits

- Up to 90% reduction in cost of compliance
- Clearer view of risk and workflow
- Intelligent automation
- Accuracy of 90% and above
- Reduced workload for compliance

“AuditXPRT Technology being used by a Global ‘Big Four’ Professional Services and Auditing Firm to deliver innovative operational transformation and client solutions within Audit, Finance, HR and Regulatory Compliance.”

## Case study

*Changes in the economic environment and the market for audit services have impacted how the audit industry operates and how it is perceived by users and the public. Important issues facing the audit industry include:*

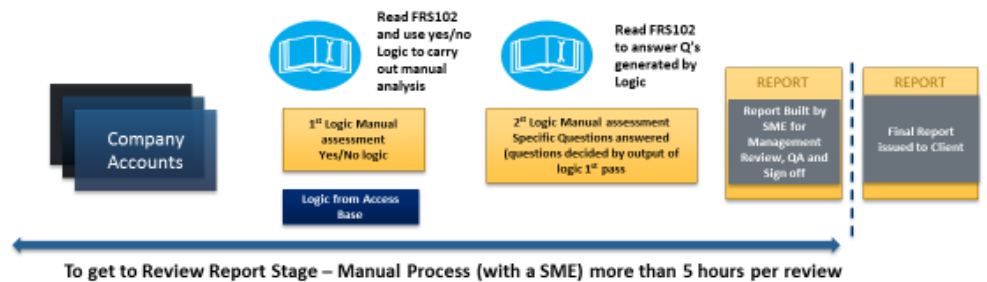
- Revenue from Audit Assurance Services have been steadily declining since 2012 due to intense price war between the big four consulting firms (PwC, Deloitte, EY and KPMG) which together with commoditization of audit services by second and third tier firms has led to lower fees;
- The perceived value and relevance of the traditional audit including the auditor’s responsibility to detect errors and fraud quickly;
- The impact of an increased focus by the larger audit firms to grow their non-audit services with a specific focus on advisory / consulting services; and, the impact of advances in technology and greater availability of and access to data.
- Software programs such as Microsoft Word, Excel and PowerPoint have become almost universal as a foundation technology for audit planning, programs, working papers, reporting and much documentation. Use of the Internet has transformed auditors’ ability to access and share information such as regulatory requirements, standards and audit best practices.
- While the use of existing general-purpose software to support internal audit has undoubtedly created efficiencies, it has not changed the fundamental approach to auditing. Currently, the technologies being used still sit either in the traditional spreadsheet software or more sophisticated data mining and Big Data analysis.

Arguably though, one of the most significant changes over the past three years is the extent to which the profession has recognised the importance of data analysis and automation of audit and control testing procedures through continuous auditing and monitoring, but have been struggling to find the right solution

## The Problem

### Current Audit Disclosure Process Used by the Big Four Firms

1. Accounts are parsed through a basic database of questions allowing the auditor to check to see if the accounts document has met the required UK Financial reporting standards
2. There are currently 650 questions in the database of which an auditor needs to apply to the submitted Accounts document and check for compliance. The output is either a list of disclosure requirements not met or a clean bill of health
3. It currently takes on average 5 hours to complete by an Auditor costing the firm an average of £105k per annum
4. Current accuracy rates of manual first pass is 60%, meaning that the process has to be repeated several times to ensure accuracy of audit and assurance of approval



Scrutiny around compliance is rapidly increasing as regulators look to ensure that companies are putting policies and procedures in place to effectively respond to and mitigate risk. The most obvious consequence of non-compliance is the huge monetary penalties and fines that can occur because of misconduct or poor audit and assurance management

## The Solution

### iXPR AI enabled Audit & Compliance Checklist System

Our client was seeking a customised application to rapidly answer initial filtering and detailed analysis questions about standard financial statements. The purpose is to save time and improve accuracy (accuracy levels at +90% for first pass), allowing staff to be more productive and removing a layer of audit effort.

To that end, we developed a web-based hosted solution that uses linguistic analysis and expert reasoning systems to automate the analysis of the financial statements based on 's internal templates

**What did take on average 5 hours of manual checking now averages a few minutes for the system to conduct the same work**

Inclusion of an Expert tool (super user level) to allow authorized users the ability to 'adjust' answers to questions in the system allowing continual system refinement without compromising accuracy

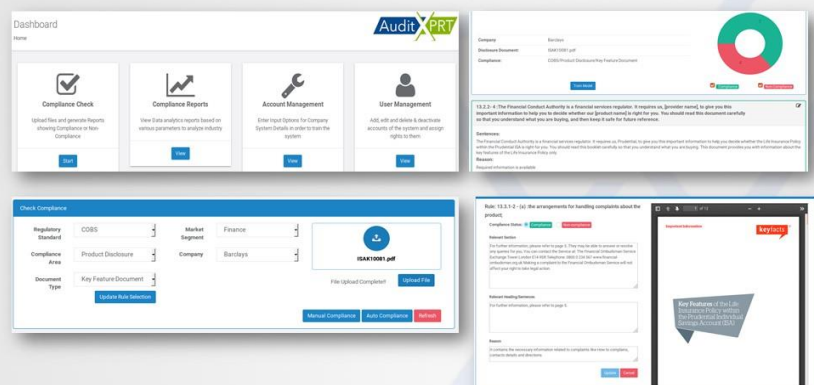
**The productive and staff savings from this system is estimated at £2m per year**

Improved assurance for the firm in the auditing process and reducing risk to the firm.

**Plan to turn this solution into a cost effective services aimed at smaller clients who hitherto would not have contemplated the use of a Big Four firm.**

### iXPR Platform's Web based User Interface is simple and intuitive

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Get in touch for further information and demo

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## Why we are unique

- ✓ Intelligent, automated compliance and audit checking
- ✓ Unique, proprietary Artificial Intelligence (Natural Language Processing and Machine Learning)
- ✓ Understanding of unstructured data – both text and numbers – from PDF, Word and Excel documents
- ✓ Automated extraction of Rules from regulatory documents
- ✓ Expert feedback mechanism for self-learning and continuous adaptability
- ✓ Dynamic selection of optimum algorithms for best possible accuracy
- ✓ Web User Interface specifically designed for compliance officers and auditors
- ✓ Business Intelligence Reports & Analytics
- ✓ Ready to be trained for new regulatory standards and documents
- ✓ Demos for automated Compliance & Audit demos for FCA COBS and IFRS
- ✓ Cloud hosted core platform (IBM cloud)
- ✓ REST API for easy integration with existing applications.