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The Implications of Big Data and audit analytics on Auditing Functions

AUTHOR

Dr Ahmed Eltweri

Assistant professor in Accounting- Liverpool John Moores University

ABSTRACT

To remain competitive and relevant in today's business environment, contemporary audit engagements increasingly involve reviewing clients using big data and analytics. Furthermore, client systems are becoming more connected to the cloud, the Internet of Things, and third-party data sources such as social media. Furthermore, many Engagement clients are increasingly using big data with new and complex business analytics approaches to provide decision-making data. This situation presents the external auditor with virtually limitless options and a compelling need to use advanced analytics. Accounting can do more complicated predictive and prescriptive analytics in a big data context.

Finally, Big Data and business analytics are significantly altering the corporate environment and the capacities of the core business. Business functions are transforming, new business capabilities are being introduced, archaic business functions are being phased out, and, most importantly, processes are becoming significantly faster. The same should happen in the external audit or assurance role; its rules should be altered, its procedures evolved, automation incorporated into its core operations, and its timeliness in predictive, prescriptive, and preventative analytical modes should become extremely rapid.

KEYWORDS

Blockchain Technology, Accounting and Auditing Standards, Auditing profession, Auditing Fees

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