



Potential AI Use Cases for Auditors

June 6

What can AI do for Auditors?

- **Fundamental changes to the audit, improve quality and insights**
- **Significant benefits to people, existing professionals will need to be upskilled.**
- **Near term: Transitioning traditional audit procedures to more targeted approaches**
- **In the future, Potential for more autonomous end-to-end audit execution, transform the experience for both clients and auditors**

Considerations of Using AI

- **Accountability – Human oversight and responsibility**
- **Safety – Filters for prompts and outputs that are inappropriate, offensive, or potentially malicious content**
- **Privacy – Protecting data in the tool**
- **Reliability – Consistent and quality responses**

Use Case 1

Understanding the Entity

Prompt

I am an external auditor. Very carefully analyze the document and identify any fraud risk factors. List identified fraud risk factors and for each provide explanations. Please consider if there are any related fraud risk factors in accordance with the guidance included below.

PCAOB Standard AS 2401:

[Include full text of standard]

The engagement team is documenting their understanding of their client’s process to determine an estimate without performing a walkthrough. Please ask me the following questions individually, one at a time and wait for my reply before asking the next. After I provide the responses, compare my understanding of the estimate to the PCAOB guidance included below. Is my understanding complete, concise, and clear? Did I obtain an appropriate understanding of the estimate in accordance with the guidance? It may be that this information has been documented elsewhere in the audit file. If the information is missing from their documentation included below, the team should be reminded to locate this documentation, and to consider whether it aligns with your suggestions.

- 1. What is the name of the estimate?**
- 2. Please provide your documentation included on the Understanding the Estimate screen in lieu of a walkthrough.**

Use Case 2

Reviewing and
summarizing reports

Prompt

I am on the external financial statement audit of [Government Agency]. I have obtained an article from the web and pasted it below. Please succinctly summarize the article. Additionally, add any information that has audit significance in bullet point form below the summary.

[Insert article]

Use Case 3

Flowcharting

Prompt

Flowcharting – Add-on Tool

Use Case 4

**Data Extraction: Legal Documents and FASAB
Guidance**

Prompt

What are the relevant terms of the attached agreement?

[insert agreement]

I will provide you with a prompt, please analyze the provided prompt attentively, scrutinizing each word and comprehending the context. When doing so, please adopt the persona of an expert financial statement disclosure reviewer, who is upskilled on Federal Accounting Standards Advisory Board requirements.

Please always reference the subtopic and subsection header to ensure the results are within the classification being analyzed. For example, if the analysis is being performed for “Subtopic 360-10: Property, Plant, and Equipment – Overall: Subsection: Impairment or Disposal of Long-Lived Assets” and the requirement is “A description of the impaired long-lived asset (asset group) and the facts and circumstances leading to the impairment”, the result should reference only impairment of long-lived assets, not additional items like joint ventures, goodwill, etc.

Thank you

and

Q&A



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