Internal Auditing and Digital Transformation
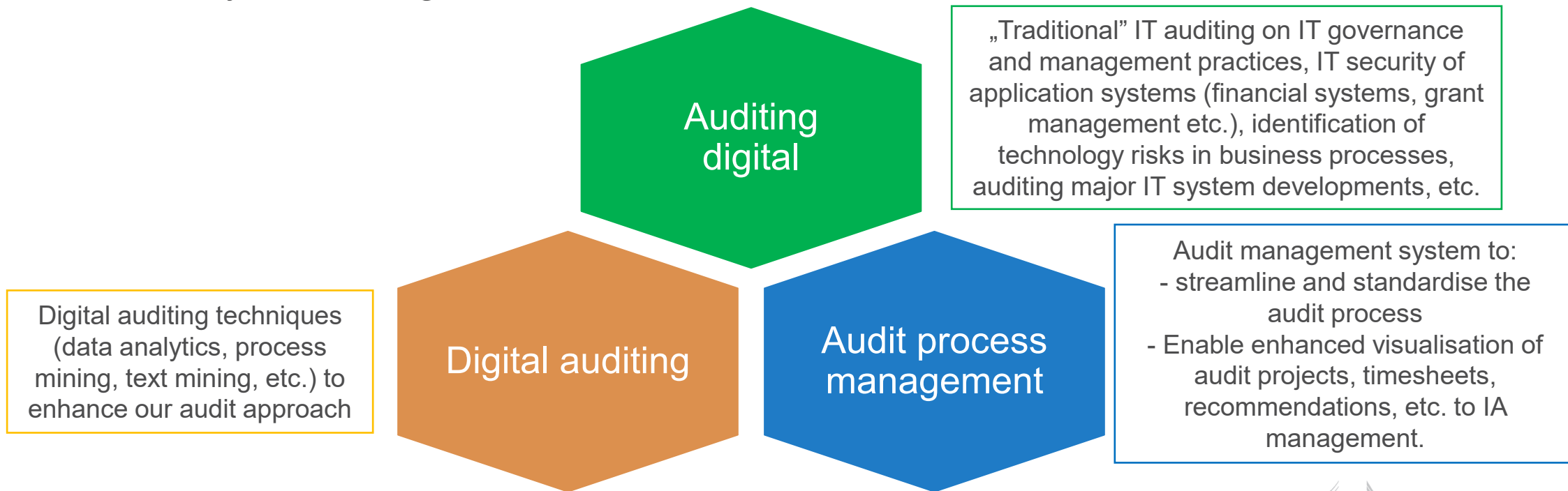
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PEMPAL IACOP
*Budapest, 28 October 2024*

How internal audit is affected?

- Increased digitalization of auditees and auditors – now with AI

- Increased expectations of management in terms of speed, accuracy and foresight

Auditing digital

„Traditional" IT auditing on IT governance and management practices, IT security of application systems (financial systems, grant management etc.), identification of technology risks in business processes, auditing major IT system developments, etc.

Digital auditing

Digital auditing techniques (data analytics, process mining, text mining, etc.) to enhance our audit approach

Audit process management

Audit management system to:
- streamline and standardise the audit process
- Enable enhanced visualisation of audit projects, timesheets, recommendations, etc. to IA management.
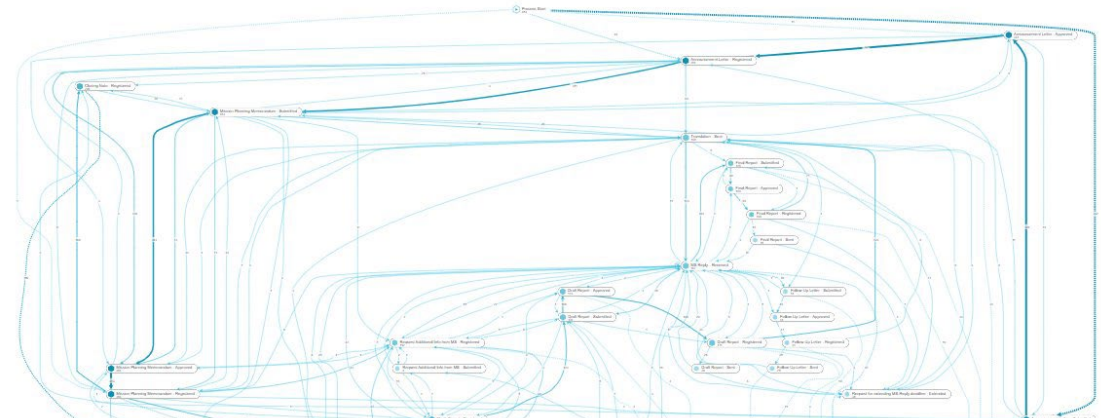
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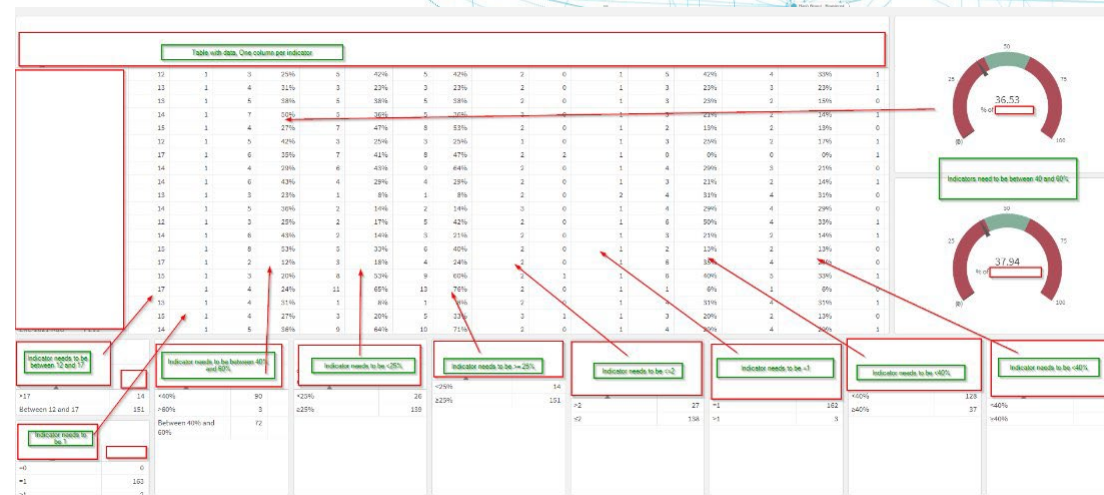
Examples of Digital auditing

- Internal control systems for a certain phase of a grant lifecycle
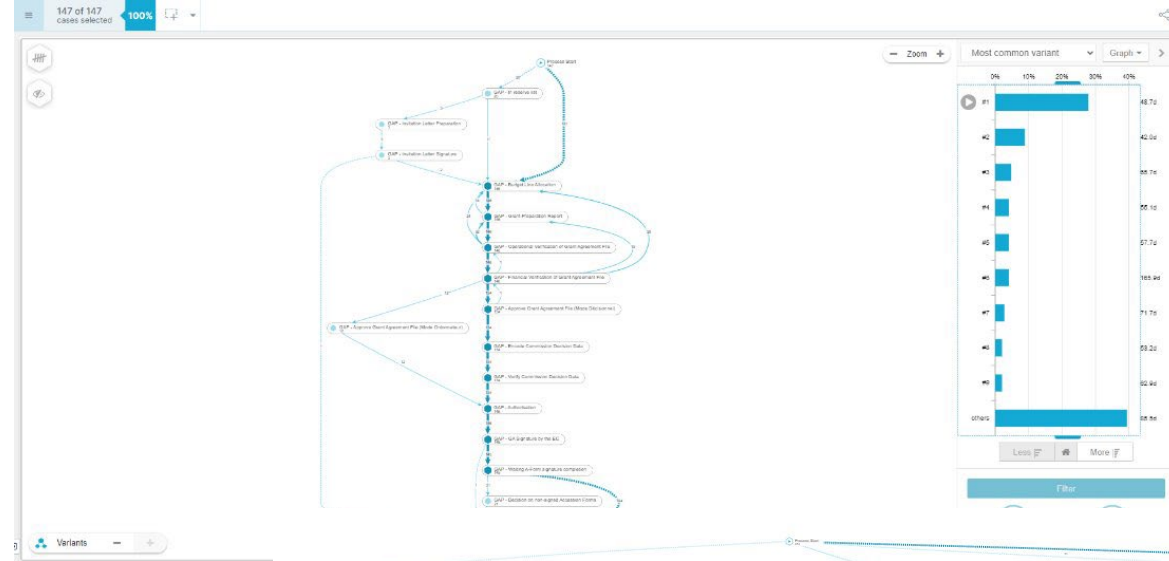
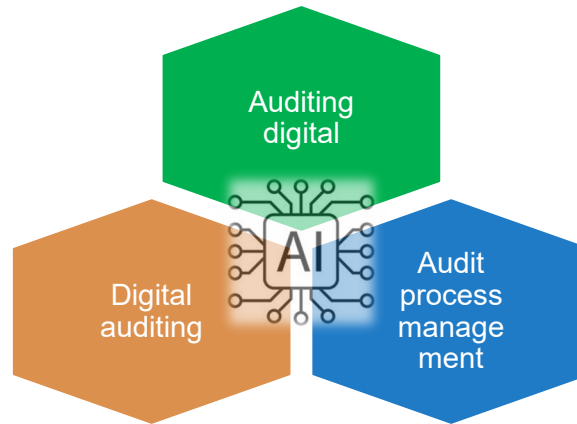 - Workflows of an operational programme and audits in Member States

- Compliance with multiple criteria (based on rules/guidelines)

AI in IA (Potential uses of Artificial Intelligence in Internal Audit)

- To recognise, assess and audit the AI related risks in business processes – increasing awareness / knowledge of auditors

- Summarisation of huge volumes of documents
- Assessment and compliance check of audit evidence
- Analysing large datasets, identifying patterns, and assisting in identifying potential risks or anomalies

- Creating audit programmes (risk identification and testing topics)
- Improving the content of audit reports (risk / impact descriptions)
- Creating meeting minutes
- Linguistic review

Thank you for your attention