

A large, light gray stylized sun logo is centered in the background. It features a central circle with a curved line below it, and several rectangular rays of varying lengths extending upwards from the top edge of the circle.

Challenges from professional
accountants' points of view

Panel Discussion at the 1st European Auditing
Research Network Symposium

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How to close the gap between the assessment of risks (control and inherent risks) and the substantive procedures?

- practical experiences demonstrate that this is still **the** challenge for auditors in applying a risk oriented audit approach
- achieving the link between combined risk assessments per account/group of accounts and assertions as well as the substantive part of the audit

How to determine/use "materiality" (ex ante and ex post)

- planning the audit
- on an individual account/group of account basis
- for financial statement as a whole
- how to aggregate audit conclusions reached in an audit field or account to the overall opinion

How to gain (positive) audit evidence through analytical and data analysis procedures ?

- all professional standards require the application of analytical procedures
- but they provide only very limited guidance which kind and how much audit assurance can be gained by using them
- what are useful analytical procedures (best practices, theory of analytics for financial information?)

The integration of IT and IT assessment into the audit process

- most business processes and accounting activities are IT supported or enabled
- many if not most controls are IT control
- therefore effectiveness and efficiency of accounting systems can only be assessed with sufficient IT knowledge
- also professional standards of auditing require a sufficient understanding of the IT environment and an assessment of IT controls
- practical experiences demonstrate, that integration of IT skills into the audit process is not easy to achieve

Permanent and Real Time Auditing: The audit approach in a future E-enabled world?

- reduction of audit risk and cost, increase in audit quality and value?
- speed of gaining assurance through permanent monitoring
- auditing of ad hoc information
- auditing in a paperless/traceless environment
- auditing of non-financial information
- providing business process assurance (critical success factors, process controls, key performance indicators)
- the influence of XBRL or similar data standards on auditing

How to audit/assess a company's risk management (systems)?

- in Germany and in some other jurisdictions, the auditor of a listed company has to address the effectiveness of the company's risk management
- knowledge, methodologies and tools to accomplish this requirement are still in an infant state (at most)

Educating the auditor of the future: Are today's learning opportunities in accounting and auditing at the Universities "producing" the required skill sets?

- accounting specialist
- audit knowledge (methodological, technical, tools knowledge)
- IT specialist
- e-commerce specialist
- business process analyst
- risk manager
- controller
- industry specialist
- project manager
- client relationship manager
- sales and account manager
- business intelligence analyst
- etc.

How to cope as an auditor with the challenges of the ongoing corporate governance discussion without widening the expectation gap ?