



PENN30™

**Shaping auditing
automation**

The digital empowerment
of **accounting practices**

ABOUT PENNEO:

Penneo is a SaaS company that helps organizations automate business processes related to signing and managing documents in a secure, compliant, and easy way. Penneo caters to the needs of a wide range of industries such as audit and accounting, finance, law, property management, as well as HR and general admin departments, helping businesses streamline identity authentication, onboarding, and other digital document transactions. For more information, please visit penneo.com/customers/.

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Towards a modern version of audit processes

How can technology enhance accountants' daily tasks?

Major challenges affecting accountants

Auditing has been an ever-changing discipline since its inception over 100 years ago. But how much have the challenges facing accountants evolved over the last decades?

Some unsolved issues stand out as persistent in auditing today and regularly attract attention from the stakeholders involved:

- the need to keep up with different business models
- new technologies that evermore digitize the way we live and do business
- increasing legislative requirements with an overarching impact on all sectors.

Such shifting business and regulatory environments entail substantial implications. Auditors are not only tasked with working out how to incorporate those non-stop changes into their own businesses and activities, but also with considering how they impact their clients or those they do business with.

To these historical problems are then added new ones, those arising especially during the “busy season”:

- the more significant number of clients to handle at the same time (and more complex client types)
- multiple projects to take care of
- longer work hours to meet compressed deadlines.

No matter the specific type – public, private, audit and tax accountants – audit professionals are familiar with that notorious period of the year. The intensity and timing of it can vary, but they all share the increase in workload and consequently higher levels of stress to cope with clients (and their own firms') pressure.





Meanwhile, digitization is pressing the world ahead

In the meantime, organizations worldwide are focused on digital transformation. Technology is now pervasive and embedded in all business activities. The exponential growth of information shared online has a profound influence on business operations.

All this adds up to thought-provoking times ahead for auditors.

The world has moved faster than the audit field. Society's expectations are shifting rapidly, and clearly accounting practices have not kept pace with them.

The profession needs to be eager for change to make their work as valuable and useful as possible.

Companies from all sectors are facing mounting pressure to optimize pricing, costs, and efficiency. Consequently, they are making significant investments in technology, specifically regarding the use of data.

In such a context, where are the accounting firms on the digitization roadmap? Can they also take advantage of new technologies to improve operations and processes?

Is digital transformation an opportunity for auditors just as it is for everybody else?

Assuming that companies of all sizes that manage more than 3,000 documents annually should consider digitizing their financial functions, auditing professionals should not be seen as an exception, as theirs represents the perfect example of a business that relies heavily on written documentation.

All workflows, where possible, should exploit digital processes. Embracing the power of technology goes a long way in providing faster and safer operations, improving customer experience and building overhead trust. Transparency, convenience and compliance are additional benefits that an audit firm can gain by adopting a cutting-edge digital solution.

With the necessary technologies and regulatory frameworks in place to support a digitized business environment in finance and accounting, auditors only need to implement the right solutions and systems to start deriving benefits for their work and their clients. Transition times rarely come without challenges, but automation has the potential to advance and future-proof the overall business.



Although digitization continues to be a central topic for companies, **less than 40%** of all document processes are fully digital

Enterprises spend **1% to 2% of revenues** on paper, printing, filing, and costs for storing documents

It is estimated that by year-end 2020, **65% of enterprises** will have reengineered their document process with a focus on automated creation and routing



Part 1

Trends, drivers, benefits: The opportunities behind digital transformation



The concept of auditing digitization, previously viewed with distrust and suspicion, has seen an evolution in recent years. Several factors influenced this change of direction:

- the need for business processes optimization
- socio-political endorsement
- environmentalist pressure

Those fundamental circumstances are paving the way for innovations in accounting firms and are expected to continue to push auditors towards a digital evolution of their work habits.

1

Widespread digital transformation

Trend:

Most businesses are going digital and expect the same from their auditors

Benefits:

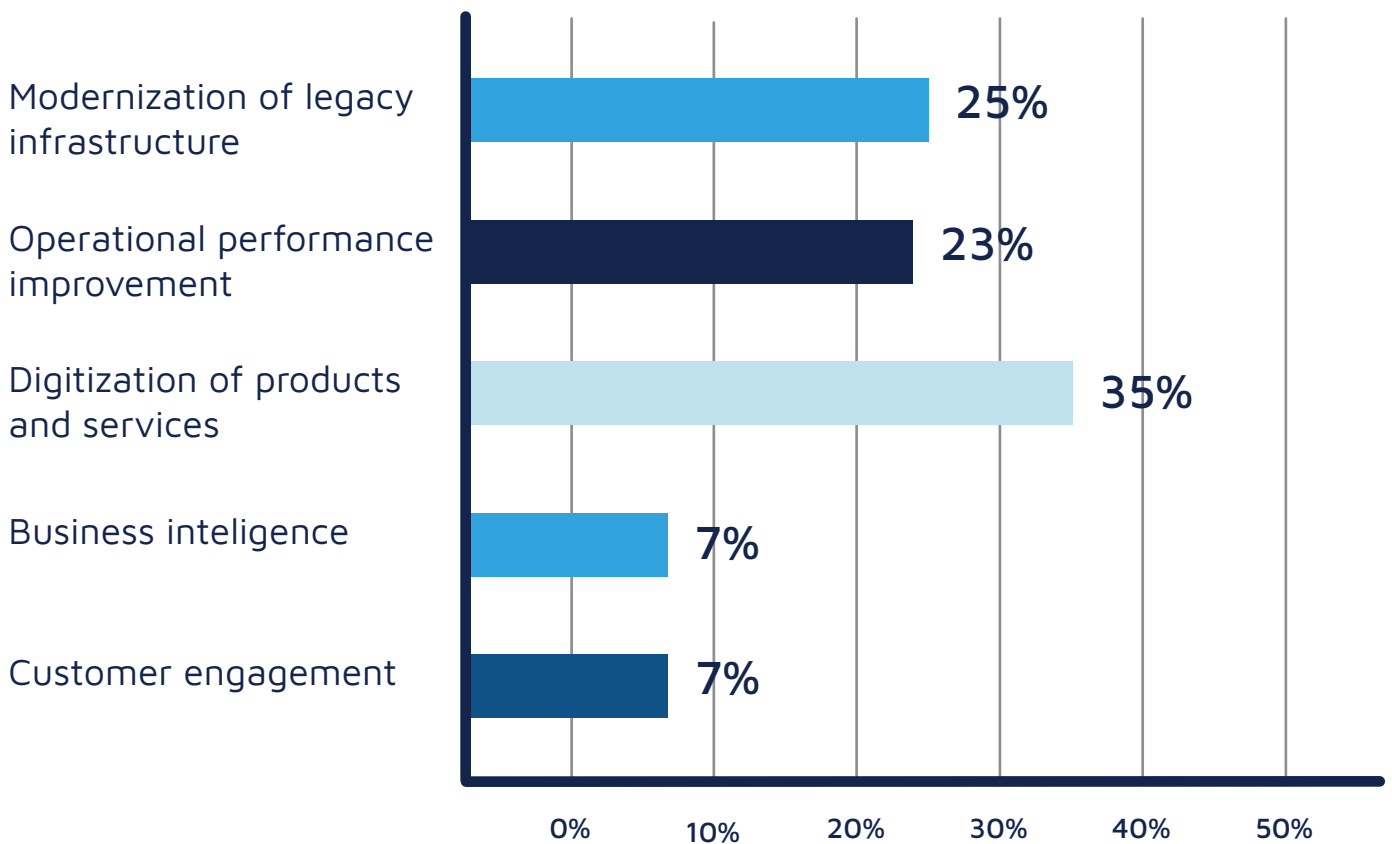
- Gains in time and cost-efficiency
- Improved service capabilities to customers
- Increased overall productivity and competitiveness

Digital should be seen less as a thing and more as a way of doing things.

In the last decade, “digital transformation” has been a buzzword for companies in all sectors that have embarked on the innovation path driven by the same modernization needs.

The first and primary area where digitization was a necessary and successful implementation is that which concerns the so-called paper processes. For all those activities involving the frequent and copious processing of “papers” – documents, records, emails, statements – and the need to print, scan, exchange, and store this information, digital evolution has offered solutions that can be defined as almost ‘revolutionary’ for their ability to simplify and speed up daily work, save resources and time, and boost productivity.

Primary purposes of the strategic technology projects in accounting firms



Converting labor-intensive tasks, like receiving, sharing, storing, securing, and retrieving documentation, from manual to digital processes, allows for error minimization. It also prevents duplication of effort and undue stress and helps avoid redundant operations that cause rework and lessen staff productivity.

Additionally, this transition implies risk management improvements and inherent greater security of the data involved, since such data is processed within a 'closed' digital system in which it can be controlled, tracked, protected – and not accidentally misplaced or lost.

Replacing manual methods and multiple and disconnected systems with innovative and harmonized solutions brings major benefits that extend beyond the business management area.

Improved time efficiency and higher productivity translate into happier customers that enjoy faster service and a more flexible and dynamic experience thanks to the digital interaction. A significant driver for digital innovation is indeed the attention to the quality of the customer experience and, in general, to the client's modern expectations.



Long processing times, frustrating delays, and time-consuming steps not only affect employees' ability to perform their job on time but also, and just as importantly, the customer's perception of the service quality. Especially nowadays, where consumers demand easy and immediate access to services online and are no longer willing to physically go to a branch just to hand over their ID or put their signature on a piece of paper.



Whatever the product or service a business offers, customers satisfaction is the common denominator.

It's the clients who dictate the rules, and this awareness should be reason enough to adopt more customer-centred strategies. It's here that the importance of a fully digital and streamlined process lies: in emphasizing consumers' needs by ensuring a smoother, internet-only, and more convenient experience.

To wrap up, digital investments are rewarded with positive ROI, lower business expenses, and greater customer satisfaction. Ergo, accounting firms are increasing digitization budgets to undertake significant company-wide changes towards becoming technology-driven.

2

Legislation supporting digitization

Trend:

Political initiatives promoting digital solutions

Benefits:

- Cross-border standardization and harmonization of laws and processes
- Level-playing field for digital networks and innovative services
- Greater transparency, enhanced security and compliance

Political ambitions and regulations enacted by the European Union and the United Nations are incentivizing digitization in both governments and businesses to such an extent that digital and political agendas have become intertwined.

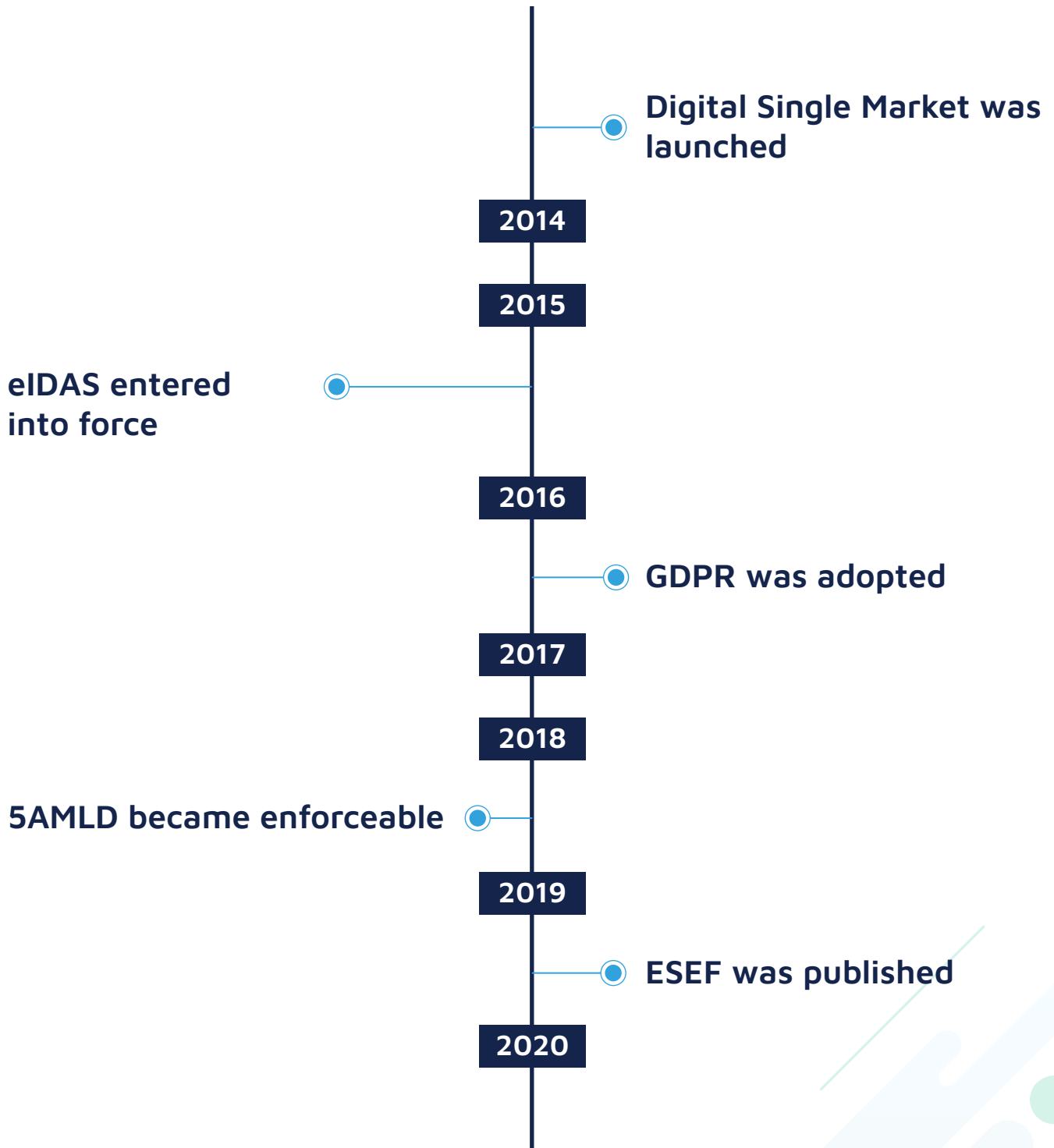
The promotion of digital identification mechanisms and the creation of standards for performing e-transactions (with [eIDAS](#)) were the first steps towards creating a modern digital market that allows Europe to keep up and compete with the rest of the world.

The [new AML Directive](#) further tightened the KYC requirements. Auditors, external accountants, and tax advisers are now required to perform more and more thorough customer background screenings which, in turn, have led to a more considerable amount of personal data to be collected, processed, and be responsible for.

Bearing in mind the large amount of confidential information they get exposed to, they are expected to be in the front line of protecting clients' organizations - as well as complying with the [GDPR](#).

It follows that accounting firms have to establish compliant and automated processes to ensure the security and privacy of such data.







Last but not least, the initiative to make the [electronic format of annual financial reports](#) consistent and homogeneous contributes to accelerating the digital maturity of the European market but also increases the need for auditors to embrace digitization and evolve their traditional working methods to adapt to legislative changes and meet customer needs.



These tendencies are facilitating and driving the digital shift in the auditing industry. In addition to the political leanings, the International Auditing and Assurance Standards Board (ISAAB) of the International Federation of Accountants (IFAC) is also openly promoting cross-border standardization of financial accounting and reporting processes, assurance, and quality control. The many regulatory initiatives launched, together with the general trend of increasing levels of digitization, will continue to push audit professionals towards upgrading their traditional processes.

3

Raised awareness about environmental issues and need for sustainable business practices

Trend:

Conscious environmental approach as a core element in the company strategy to achieve sustainability goals and competitive advantage

Benefits:

- More favorable sustainability profile
- Better Corporate Social Responsibility performance
- Much stronger environmental credentials

Climate change and environmental issues have become so profoundly rooted in the public conscience that the commitment to green initiatives has begun to manifest in corporate actions as well.

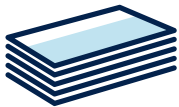
Regardless of their size, all companies have large carbon footprints. It is, therefore, every business' responsibility to make sure they are doing their best to preserve the world's resources.

The “myth” of the paperless office has been promoted for decades, and it was expected to become a reality by 2020. However, truth be told, the volume of paper being used has actually expanded. People now print even more; and it's just about contracts and reports but also emails, web pages, and so on. The same has been witnessed for the (ab)use of paper in packaging and postage, as well as the rising demand for printer ink. Production, transportation, and recycling have a significant impact on the environment too.



The cost of paper

A 10 people office uses:



100,000 pieces of paper/year



8 Trees



2000 kWh of electricity



4,077 kg of CO2

Sending 1 document by mail



and then sending it to be recycled will



2000 kWh of electricity



The lighting of 190,000 homes for a year



It's only in recent years, thanks to technology advancement and legislative pressure, that environmental efforts began to be included more seriously in business conversations and found fertile ground in the concept of Corporate Social Responsibility.

High ethical standards also reduce business and legal risk and, if coherently aligned with the business model, play a big part on the road to success.

As the use of corporate responsibility spreads, it is more and more prioritized to build and project a socially conscious image. Consumers, employees, and shareholders size up the level of [CSR](#) when choosing a firm, and hold corporations accountable for effecting social change with their business beliefs, practices, and profits. Consequently, CSR is taking on a strategic role as it highly contributes to positive public relations, brand

reputation and, as a result, to long-term profits.

Indeed, econometric studies found a correlation between social-environmental performance and financial outcomes, and businesses are discovering that focusing on social responsibility helps them maintain a competitive advantage, while also achieving organizational sustainability goals.

Digitization has a crucial role in CSR as it removes the need for physical documents and supports organizations' mission of limiting their paper usage. Diminishing the global demand for paper is key in attenuating deforestation and reduce businesses' environmental impact.

The implementation of sustainable business practices is shaping technology in a way that respects European values. Therefore, it's to be considered of cardinal prevalence for both the company and the overall society.





The next generation of employees is seeking out employers that are focused on the triple bottom line: people, planet, and revenue.

87% of respondents will purchase a product because a company advocated for an issue they cared about

76% will refuse to purchase a company's products or services upon learning it supported an issue contrary to their beliefs

63% are hopeful businesses will take the lead to drive social and environmental change moving forward

Part 2

Inefficiencies and needs: why should auditors go digital?

A growing demand

Audit firms play a vital role in the functioning of capital markets. By promoting integrity in reporting and building a foundation of trust, auditors reduce financing costs and contribute to an efficient allocation of capital to fuel economic growth.

In providing this essential service, accounting firms have seen an increase in clients in recent times – involving both public entities, that must necessarily undergo audits (due to regulation), and private companies that do it voluntarily.

Furthermore, due to globalization, increased competition and cost pressure, companies are outsourcing more business functions to service organizations. Consequently, they seek firmer security (and “certified” evidence) to gain confidence, control, and assurance over outsourced business processes – as they impact their financial statement, compliance requirements, and overall business risk management.

The best way for a service company to demonstrate its commitment – and provide reasonable (and official) assurance on the safety of the services offered – is by undergoing an independent examination (i.e. an external audit).

Besides, the favorable outcome of an assurance engagement not only helps to strengthen the business risk management but also results in a more transparent control framework. That, in turn, enables greater confidence in the market and distinguishes the audited company from their competitors.

Assurance reports are steadily more in demand. Consequently, the workload for auditing firms is constantly increasing. Customer expectations and widespread needs for speed and safety have evolved as well.

...and its implications

Surveys have indeed shown that both auditors and their customers face significant hurdles during the audit process.

Delays in providing documents and, more generally, the cost-effectiveness and the time spent for gathering evidence, are among the most common issues tackled by professionals in carrying out the audit.

Clients complain about excessive audit duration and frequent postponements in finalizing financial statements and reports, in availing documents and responding to audit queries.

This is mainly due to the fact that auditors usually have to deal with multiple clients and many assignments piling up on their desk.

Other issues arise in relation to the vulnerability of sensitive business data involved in the audit process.

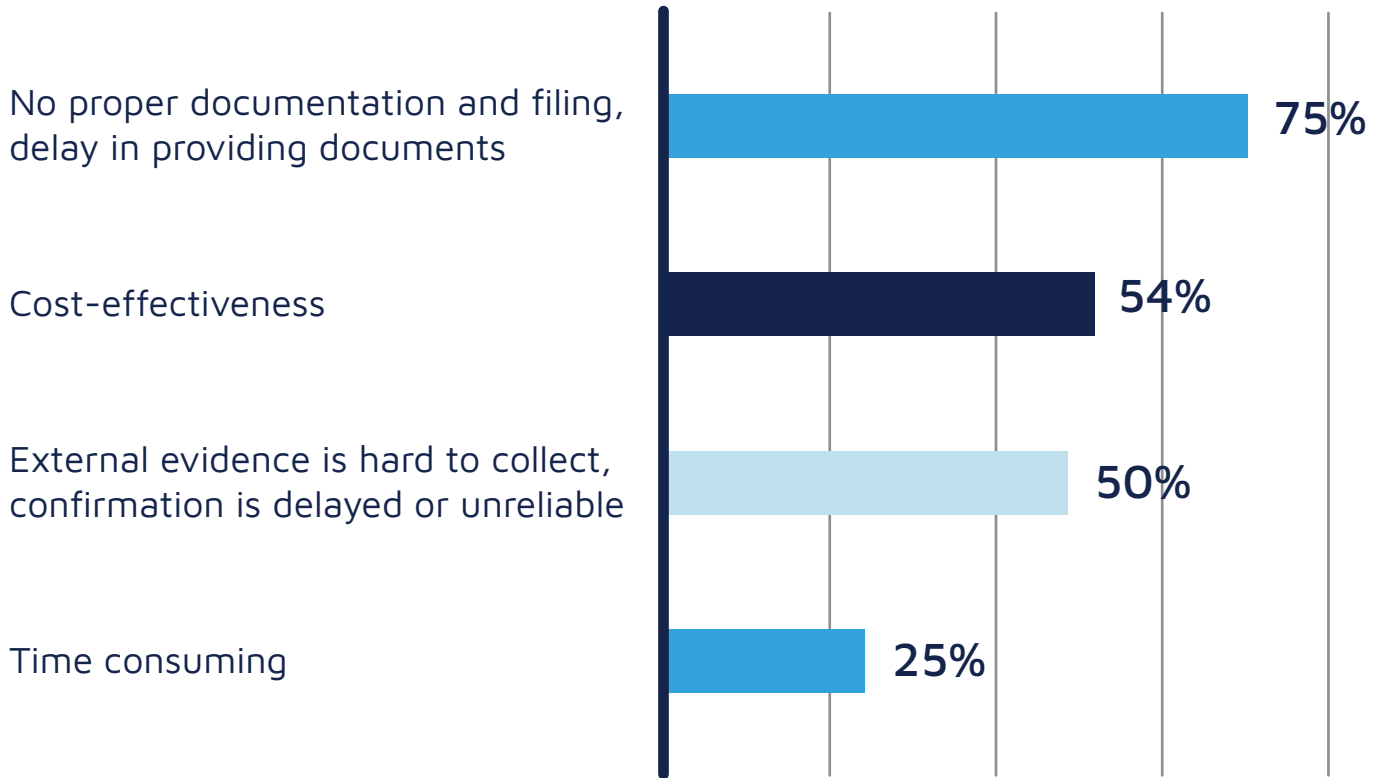
Many respondents stated that they feel – and fear – that auditors get exposed to confidential information. Although most of them trust in the correct and ethical behavior of accounting professionals (bound to the confidentiality agreement), some admitted that they still see the audit firm personnel acquiring knowledge of their organization’s sensitive information as an inherent risk. And that’s because no specific and strict security measures are usually in place to protect the privacy of the documentation exchanged between the parties.

Auditors are expected to be at the forefront of protecting clients and organizations. To this end, they need to guarantee the utmost privacy to clients’ information, as well as a high level of comfort about security and compliance.

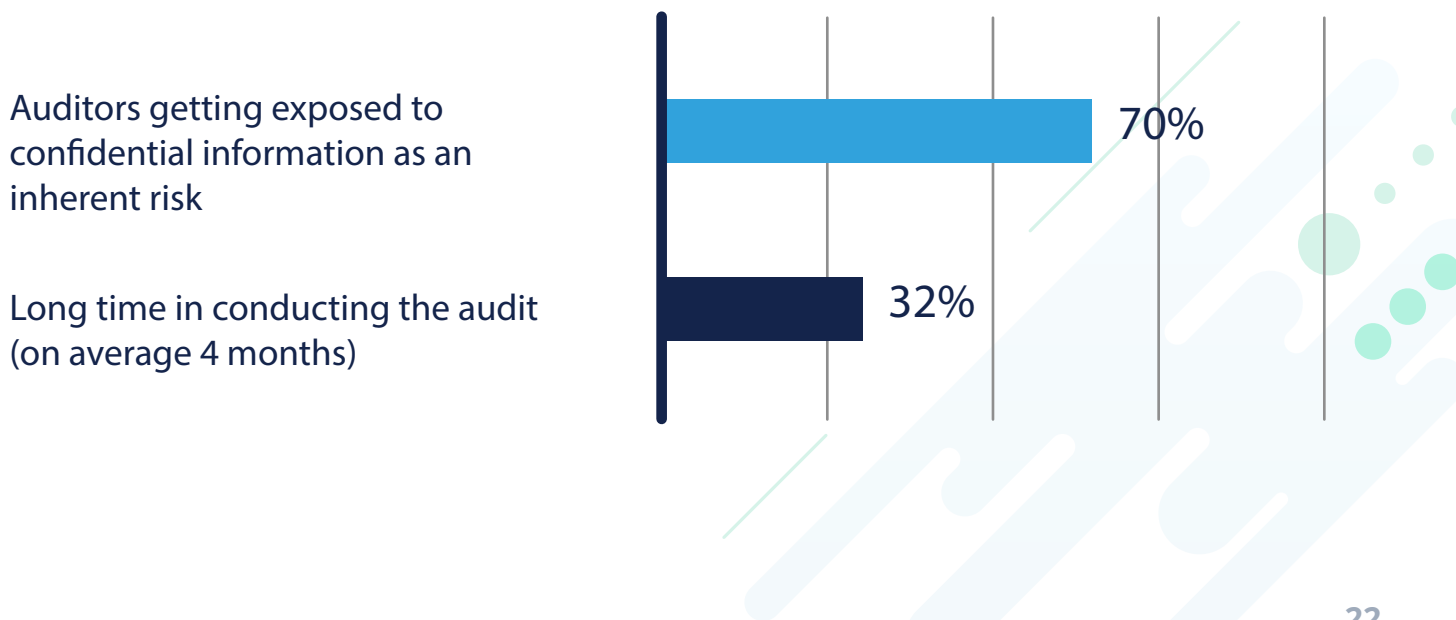
Additional elements of concern emerged from the responses from the companies interviewed, such as carelessness for the client-auditor relationship and uncertainty on the information required.



Main problems for auditors in gathering evidence



Client perceptions about auditing issues



Can digitization be the solution?

What “going digital” means in the world of auditing

In its purest form, digitization for auditors means transitioning accounting and reporting documents from the traditional paper-based system to an electronic format.

Auditing has traditionally been a field characterized by a low level of digital innovation. Historically, auditors have been slow to embrace digitalization and have tended to use technology based on disparate sources of software to perform various accounting tasks. However, as many auditors' processes are repetitive and labor-intensive by nature, a general realization of the achievable potential from automating these tasks has emerged in the industry in recent years.



Like other companies from the BFSI sector, auditors typically perform paper-centric workflows, whose automation would result in significant cost reduction and process optimization potential. Additionally, the stiffening of compliance requirements in banks and accounting firms, due to AML regulations and GDPR, has made KYC business process automation a critical area of focus for companies in this industry.

For auditors, digital adoption means improved quality and greater transparency, shorter audit cycle times, and reduction of errors and disservices. It's more than a transformation in technology. By accelerating administrative tasks, digital investments help optimize efficiency, so that professionals can focus on more strategic areas of their roles and, in turn, add more value to stakeholders.

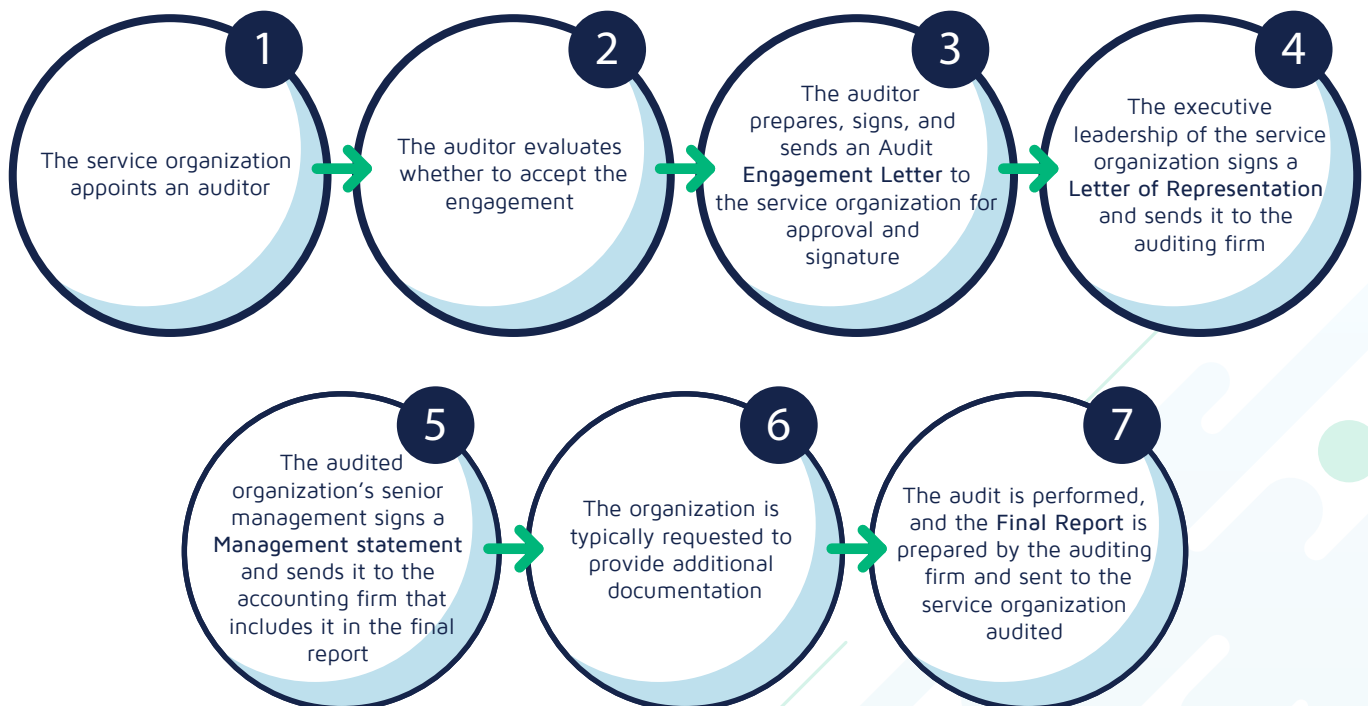


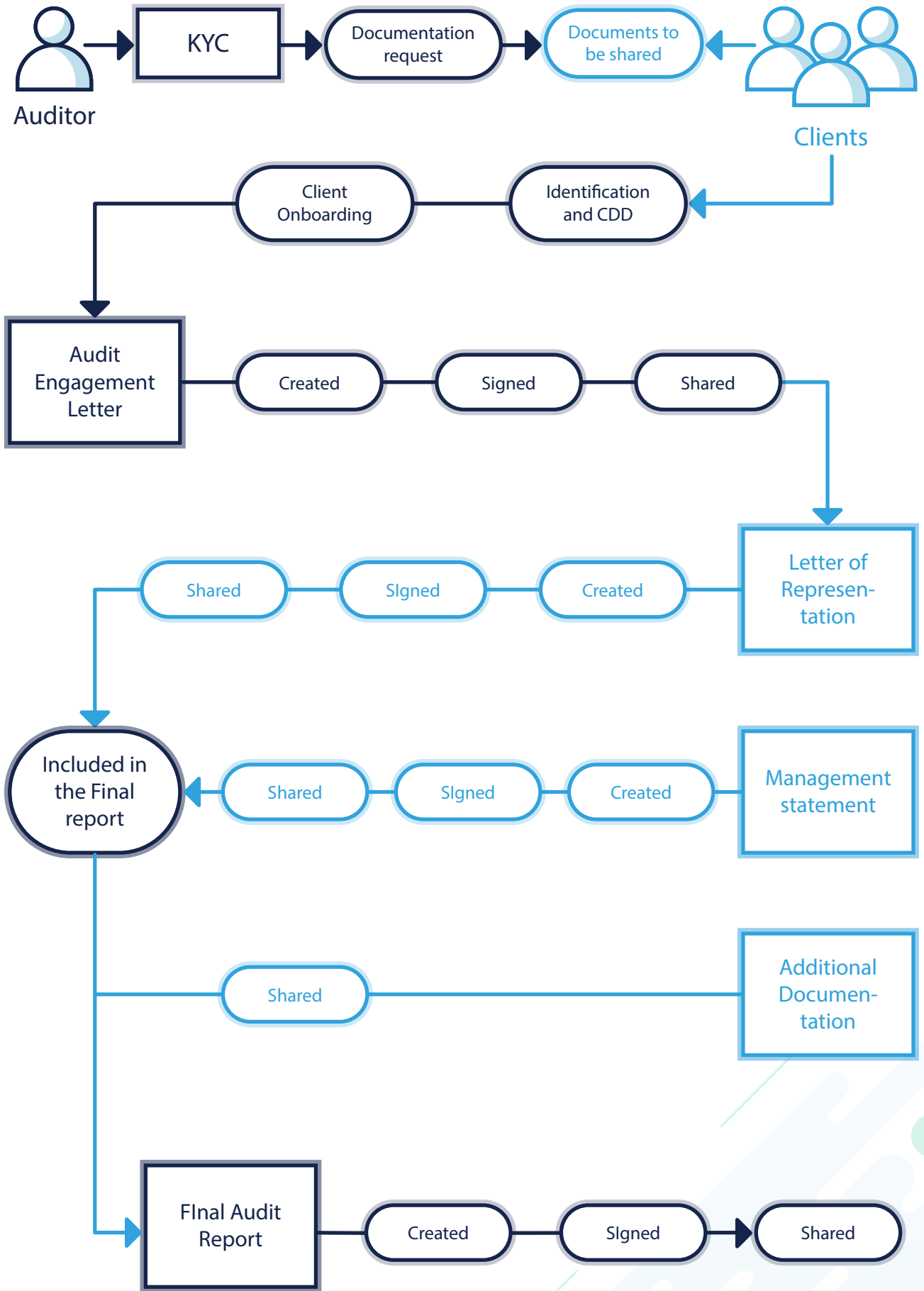


How long does it usually take to perform an audit?

Let's take a look at a basic audit-process, the steps it involves, and the actions required both from the accounting firm and from the clients.

Regardless of the type of audit – whether it pertains to [financial statements](#) and accounting records or it focuses on the performance and compliance of other departments (like the information management system) – the workflow usually includes the following phases:





The audit-flow is a typical example of a process heavily reliant on documentation. Six main document categories need to be shared, signed, and collected in performing an audit-process:

- The audit engagement letter
- The letter of representation
- The management statement
- The final audit report
- Further documents need to be considered as their examination can be required for inspection – like previous audit report, bank statements, receipts, and so forth.
- Additionally, at the beginning of any business relationship, the need to ensure the parties identities must be satisfied – and initiating an audit makes no difference. Being subject to AML regulations, accounting firms are obliged to meet KYC requirements and perform Customer Due Diligence. They must, therefore, ask for passports or other types of IDs and modulate the background checks according to the customer's risk profile to ensure their trustworthiness and the legality of their business.

Can this process be simplified, shortened, and digitized?

All this paperwork, in turn, implies exchange, scanning/printing, signing, and storing documents – with all the potential compliance issues that can accrue from a security and privacy perspective.

Furthermore, to demonstrate the ownership and authenticity of such documents, both

parties (auditor and client) will need to be physically present to handwrite their signatures and give proof of their identity.

Things get more complicated when it comes to ensuring the compliant execution of such a process. Legacy systems are likely under-performing and companies relying rigorously on hard-copy-based flows often have a hard time in making sure they abide by relevant legal requirements.

That's why workflow digitization is ever more consistently implemented as an effective means to meet compliance needs. And this is even more true for businesses operating in a highly regulated environment like auditors – whereby the right digital solution can make all the difference!

Time for a change

The audit profession is under remarkable scrutiny and has become a subject of much commentary and challenge in the public arena.

Maintaining and lifting confidence in the audit industry matters as it plays a decisive role in underpinning trust in businesses and the capital markets.

There's no need to look further into the future to understand that processes in paper-form will not live up to modern needs. It's enough to look at today's reality. Digitization is no longer a nice-to-have; it's a must – and this doesn't just apply to large audit firms.

85% of accounting firms recognize that they need to pick up the pace of technology adoption to remain competitive

It has been estimated that **86%** of auditors' current tasks and workflows could potentially be automated



Part 3

How to embark on business digitization: pros and profits of workflow automation



Is digital transformation an opportunity for auditors just as it is for everybody else?

Accounting firms worldwide expect that digital advancement will significantly impact the future of their industry.

And that is even more true if we consider that auditors, as much as any other business (and perhaps even more) need to ensure that their company's ethics and compliance programs keep up with globalization, technology, and evolving business models.

Onboarding clients, signing documents,

and managing files are pivotal processes whose automation completely changes the game for auditors. Traditional methods (such as paper, receipts, hand signatures, notification, etc.) will eventually go, and all will be done by internet-based accounting and digital signature systems.



What’s holding auditors back?

However, the digitization process is sometimes not as quick and easy as it might seem, due to a variety of circumstances.

One of the primary causes is the difficulty of understanding where to start and how to equip the business with the necessary tools to improve operational efficiency and customer experience.

The most common issues auditors face in embracing digitization can be summarized as follows:

- resistance to change, culture problems, insufficient acceptance by implementers;
- inadequate funding of activities, poor communication, lack of adequate staff, lack of stakeholder involvement;

- time constraints, logistic issues, bureaucracy;
- improper implementation of information communication technologies and shortcomings in the integration process.

Nonetheless, technological development isn’t going to stop despite the hitches.

It’s not something to be prepared for in the future; it is now and today. Accountants can (and should) adapt to turn digitalization from a challenge to an opportunity.

To this end, they must be prepared and well equipped to perform their assessment duties in a highly efficient and agile manner. This underscores the need to embrace a next generation mindset and employ methodologies and technologies necessary to support today’s highly dynamic, fast-moving organizations.

Taking stock of the situation

The audit process previously described highlighted major areas of an audit and common pitfalls for both the company and the auditor. In addition to being lengthy and time-consuming for both parties involved, it appears to include an exorbitant amount of documentation – often strictly sensitive and confidential – and require the execution and coordination of numerous signatures. Being one of the most common and recurring processes in an auditor’s daily work, it can be used as a perfect example to illustrate pros and profits of workflow automation.

To sum up, three main activities emerge from the audit-process - and are likely part of all accountants’ day-to-day tasks:

1. Client onboarding – fast and compliant identification of customer identity
2. Handling documents’ workflows, from signing to sharing
3. Ensuring secure storage and management of such documentation.



Which processes can be digitized and automated?

Each of these repetitive and labor-intensive workflows can potentially be done digitally - eliminating the need for paper, ink, shipping, and greatly accelerating the entire flow.

Commonly, companies don’t have the necessary know-how in-house to automate such workflows. Hence, the need for relying on third-party service providers.

Also, considering how processes such as signing documents, onboarding clients, and [filing financial reports](#) interlink and interact with one another, it’s essential for the digital tools supporting them to be systematically integrated.

Relatively high switching costs, dreaded difficulties in the transition to digital, and concerns related to [cybersecurity](#) and data privacy are main factors taken into consideration by auditing firms in the choice of vendors and providers to rely on when embarking on this digital transformation. Picking the right one is vital for the success of the entire business (r)evolution project.

From 2018 to 2022, budget allocations of accounting firms to technology investments are expected to increase with a CAGR of **13%**

70% of auditing companies have implemented a new IT system or application in the last 3 years

65% of them state that the technology project was successful in advancing organizational objectives

What can you do to drive improvements in your business processes?

Stop using pen and paper to sign your documents: be more respectful of the environment

Signing process digitization brings unprecedented convenience as it enables remote transactions, saves time and money, and makes the process eco-friendly.

Being trusted and enforceable in nearly every industrialized nation worldwide, [digital signatures](#) are as legally binding and valid as ordinary ones placed with ink on paper. It follows that no company, court or authority can refuse to accept or recognize contractual documents on the grounds that they are digitally signed.

What's likely the greatest benefit from the automation of the signing process is the higher security provided. The digital signature is the signing method which ensures with most certainty the identity of the signer as well as the integrity of the message. What's more, digital signatures are labelled as virtually impossible to defraud. A document signed digitally cannot be altered in transit, and the contractual parties can't deny having signed it as their certificate-based digital ID bind each signature to the document with encryption.

Avoid piles of IDs for client onboarding: ensure your customers' data is protected and your business compliant

The identity verification process is particularly suitable for digital conversion and can be greatly streamlined and speeded up while ensuring compliance with AML Regulations.

With an automated [KYC](#) process, customer due diligence duties can be performed online - removing the need for the physical presence of the person to be identified and without prejudice for security and privacy.

Automation capabilities allow to set up the required steps so that the software asks for and receives the sensitive documentation in a highly safe manner, verifies the social security number (or similar data), securely archives the information received while preserving its confidentiality. [Know-Your-Customer digitization](#) increases the reliability and quality of the data collected as it helps to avoid duplication and inconsistencies - with all the advantages that follow in terms of greater staff productivity and improved time-cost efficiency.

Standardize and secure your document storing process: keep your business-critical data within reach and safe

Paper records are highly vulnerable to security breaches. It can be challenging to keep confidential information such as social security numbers, bank account details, and sensitive personal data safe from information theft. Not to mention how easily paper documents can get misplaced.

Digital transaction management gives the means to faster, easier, and more secure modalities of handling documents. Having an electronic full inventory of your files - always accessible from any device so that you can sign and send on the go - lets you effortlessly navigate your documents and retrieve the one you need in a matter of seconds. This helps prevent everyday pitfalls such as loss of data or files, process breakdown, or lack of control.

Document-flows digitization allows the full upgrade of paper-based transactions thanks to time-saving functionalities like archive management, search and retrieval, and progress overview.

A comprehensive [document management solution](#) improves information sharing and project collaboration.

Greater security is ensured when the data is regularly and automatically backed up to the cloud so that even cybersecurity incidents can't affect documents and information safely stored offsite.

Embrace the “set it and forget it” mindset: let technology lighten your workload and simplify your daily tasks

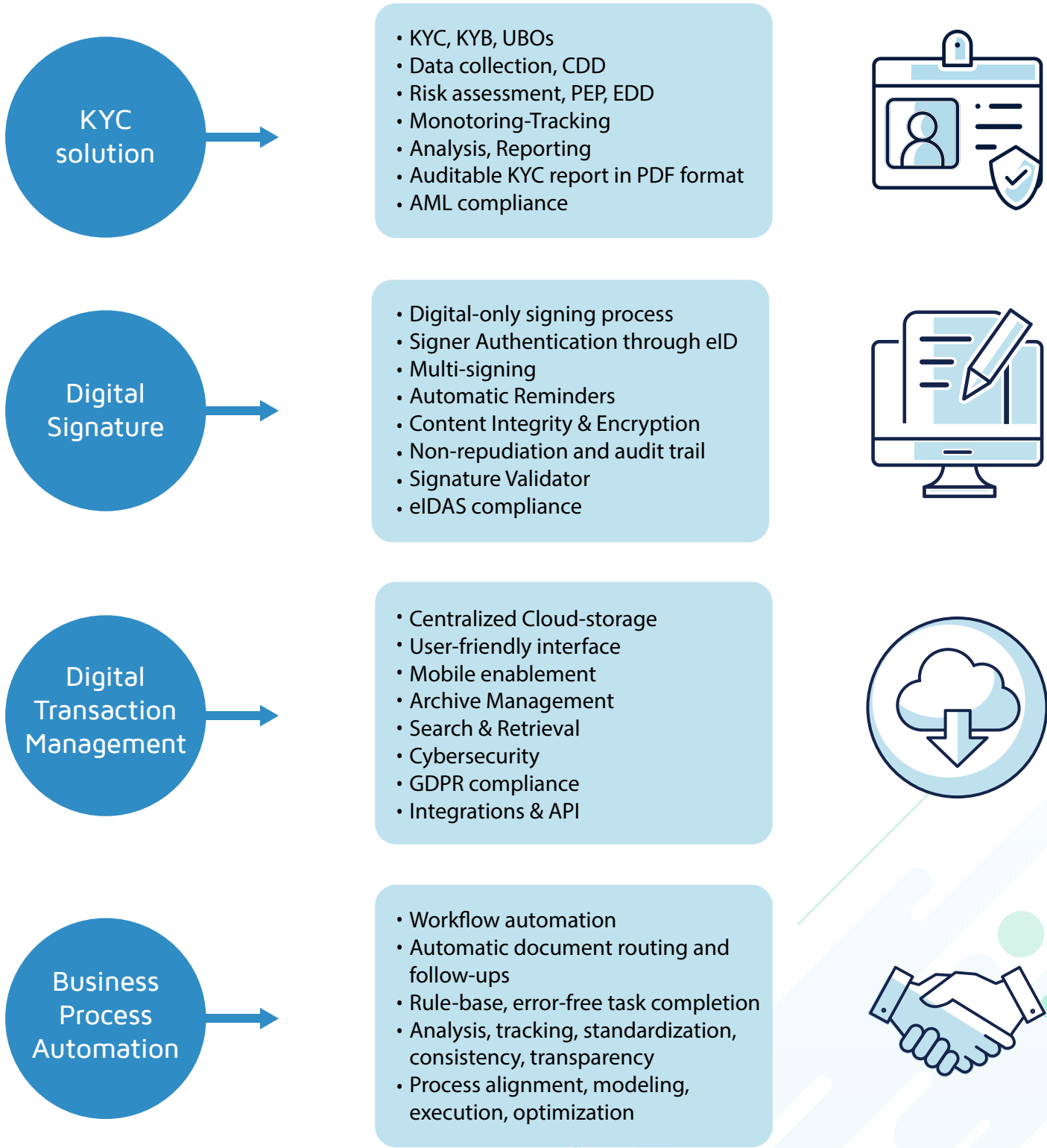
[Business process automation](#) goes a long way in easing and relieving repetitive manual routines and appears highly effective in improving document routing and oversight.

By setting up user-defined rules and actions, you can build a conditional workflow that triggers the necessary steps for your documents. This accelerates how tasks get done by routing information to the right person at the right time.

Smoother processes and automatic reminders confer the priceless comfort of keeping track of the projects' progress status. You can schedule a due date for the documents to be sent out or to give participants a notification, and never miss a deadline.

Automation can unburden approvals and filing of reports and transform these otherwise long and slow flows into just a few clear and easy steps - reducing processing time from weeks or days to just a few hours. You only need to establish properties for the case; then, the system will take care of the rest. In the meantime, the focus can be allocated to more value-adding activities requiring professional judgement, analysis, and insight - such as consultancy and advisory services.

What to look for in choosing the right solution for automating your processes





Many solutions offer similar functionalities, but there are several key differences to watch out for while selecting the best software for your company.

Here are some of the most important:

First things first: easiness and mobile accessibility

Access should be possible from any location and device and only require an internet connection. Just as important is that the usage should be intuitive and trouble-free from the first approach. The main purpose of outsourcing is precisely that: companies don't usually have internally the 'skilled expertise' needed to build automation tools - nor do they intend to engage their staff in a long training process to learn how to implement new software. Hence the need for selecting a digital system that can be rapidly installed and used, without requiring an IT team to boot it and keep it running properly.

With a digital-only, easy-to-use interface, you'll quickly master the various features to start reaping the benefits from day one.

Ensure a safe digital experience: compliance and security as a top priority

How does the software vendor deal with security? Who has access to the information? Are there sufficient anti-fraud measures in place?

What's probably the most important aspect to check out when looking for a digital solution is the level of compliance assured by the service provider. You need to gain confidence and control over the way your documents and data are handled and make sure the processing takes place in the safest possible way, under international standards. Knowing that all sensitive data is managed and archived securely translates in less need for internal compliance processes and reduced risk of compliance issues. To that end, third-party reports and certifications can ensure that a digital system has state-of-the-art protection measures in place to safeguard information entrusted. Encryption capabilities offer an additional layer of security to protect content integrity and confidentiality of documents and data.

Greater speed and efficiency: improve productivity and customer satisfaction

Overly long audit cycles erode the stakeholders' satisfaction. In addition, human mistakes and discrepancies can cause process degradation and affect audit quality. Work-enhancing technology considerably cuts the time it takes to the development of the final report, letting you complete more audits in a shorter amount of time and focus efforts on other tasks. Automation also allows for error minimization and prevents the typical adverse side effects of manual processes. The chosen digital solution should enhance accuracy and thoroughness, enforce accountability, and improve the efficiency of the entire flow.



CSR is good for business: going green lets you save money and move ahead of the competition

To make sure the implementation is a cost-effective investment, the software picked should be able to replace all traditional paper processes completely. Paperwork reduction means lower materials consumption, elimination of printing and shipping expenses, less space dedicated to physical archives, and more efficient allocation of resources. This not only saves costs but also represents a huge step towards sustainable business practices that create value through digitalization and increase competitiveness. Anything that helps shift away from printed documents is good news for the environment. Going paperless also project an innovative image of your company as a technologically savvy business that is fit for the future.



Putting it all together

The right time is now

Most types of auditing processes can be simplified and automated:

- Annual reports
- Engagement letters
- Client onboarding
- Business expense reports
- Loan agreements
- Invoices
- Receipts
- Purchase agreements
- Profit and loss accounting

As we are in a time of political, economic, and technological upheaval, it's a critical moment to reflect on the challenges facing the accounting world and identify opportunities for improved audit quality and client service.

Digitization is progressively permeating all industries, turning from a productivity booster to an absolutely necessary tool for today's companies.

Corporate C-suites and boardrooms perceive the need of relying on modern technologies to innovate, drive efficiencies and reach new

markets. Especially since policymakers and regulators initiated an open promotion of digital solutions to standardize processes internationally and improve transparency, security, and compliance.

Among other things, going digital is seen as an effective way to reshape the business sustainability profile and demonstrate climate-friendliness and social responsibility. Those core factors are main drivers for auditing automation and are pushing firms worldwide to implement new technologies and develop their business model.

With the Big Four leading the way towards digital adoption, [audit firms](#) worldwide have indicated that they are currently making prominent investments to investigate ways to redesign their audits and take advantage of emerging innovations. Smaller accounting firms are inspired to follow, which ultimately sets new standards for the use of digital solutions and the proliferation of technology-driven organizations.

Among the different options available on the market, it's crucial to choose the right one that best suits your exigencies. Taking steps towards digitization is just the starting point. To achieve actual process optimization, business operations must be streamlined and automated, while always keeping in mind security requirements and compliance needs.

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[Need assistance to get started in your business digitization?](#)

Penneo can help you throughout your digitization project. Our focus on the auditing sector means that we can offer an expert assessment on how to improve documents and data management. We assist accounting firms in driving profitability and client experience while remaining compliant. From identifying weaknesses through workflows, business process reengineering, and managing IT security impacts, we will guide you in revisiting your operations to identify and eliminate bottlenecks – and get improved realization rates and happier clients.

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