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While the audit profession is highly valued for instilling confidence in the capital markets, investors are demanding that the profession evolve quickly to provide more meaningful insights, according to a survey conducted by Deloitte.

The Deloitte [“Audit of the Future” survey](#) was conducted among financial statement users, such as investors, audit committee members, and financial statement preparers.

More than two-thirds of all respondents agree that the audit profession is fundamental to maintaining confidence in capital markets by providing assurance that financial statements are free of material misstatements and companies' systems of internal controls over financial reporting operate effectively.

However, 46 percent of audit committee members and 59 percent of financial statement users would like the audit profession to be more proactive in addressing evolving demands. All respondent groups strongly believe that the offering of expanded assurance would be valuable to capital markets if provided on information beyond traditional financial statements, such as earnings releases, investor presentations, and risk factors, to name a few.

Consistent with the findings, Deloitte is investing hundreds of millions of dollars in audit innovation, harnessing the power of data analytics capabilities and developing next generation audit applications that leverage artificial intelligence and workflow automation.

“The investing public is looking to a trusted source in an increasingly complex and

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Specifically, Ucuzoglu noted, auditors need to be open to reporting on the most important business metrics that move markets, such as key performance indicators, industry metrics, and non-GAAP measures, all of which are becoming increasingly relevant to investment decisions.

Technology-driven innovation is key to driving audit profession forward

More than 75 percent of audit committee members and financial statement preparers surveyed believe there are significant benefits to auditors utilizing advanced technologies. In addition, virtually all survey respondents strongly agree that more advanced technologies should be used in the execution of an audit. However, while 70 percent of audit committee members and financial statement preparers say that audit's adoption of innovative technology and process improvements keeps pace with their industry, financial statement users are less convinced (45 percent).

“The business environment is constantly shifting, spurred by technology innovations and evolving expectations,” Ucuzoglu said. “To deliver the most value, the audit profession must lead by taking deliberate steps to get in front of the challenges and bring audits into the future. This will require significant investments, and a mindset that is bolder than the public accounting profession has historically been known for.”

More engagement with auditors beneficial

One final, but important observation of the survey is worth noting. The survey results highlight that financial statement users have limited ways to fully understand the audit results and what an auditor does in fulfilling their professional responsibilities, other than what is written in the auditors' reports. More direct engagement between the audit profession and financial statement users will allow for a better understanding of user needs and a clearer understanding of audit results, both of which can be used to create value for the capital markets.

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