Big data audit is the new reality for supreme audit institutions

26.09.2019

Transformation is the motto of our times: the world has witnessed the beginning of the fourth industrial revolution, the global digitilization is underway. In order to ensure high quality control over state investments, the audit community should introduce modern technologies, learn to efficiently use their whole toolkit. In the opinion of INTOSAI members, the whole budgetary process will depend on it, and the public sphere itself will become more transparent and open for citizens.

It is not surprising that one of the main themes of INCOSAI XXIII is dedicated to the role of information technologies in the development of public administration. In 2016 it was proposed by the Accounts Chamber for consideration of the audit community. The Working Group is headed by China.

"In recent years we have seen that information technologies have influenced all the aspects of life, we have witnessed the exponential growth of big data. Now it is easier than ever to measure the efficiency of decision-making in public administration. Thanks to social media and Internet connectivity, the public has an easier access to the decision making process. Thus we stregthen transparency and accountability of state regulation. What is more, supreme audit institutions (SAIs) across the world feel the need to increase their accountability, governance efficiency, and monitor the implementation and distribution of responsibilities on the national level and Sustainable Development Goals implementation,' Hu Zejun, the Auditor General of the People's Republic of China, outlined the key questions of the discussion for the participants.

Without big data analytics, it is impossible to conduct high-quality strategic risk-oriented audit. It was for the purposes of identification of potential social challenges that the SAI of Canada used artificial intelligence for the first time. As for big data, auditors work with all sources of information, they consistently use social media.

USA also uses high tech methods on a regular basis for risk identification. American auditors have focused on public procurement and social programmes. Now the SAI of the USA is launching a new working group on science, technological assessments and analytics.

The majority of the auditors who participated in the Congress are certain that big data audit is associated with the implementation of national goals. Almost 67% of those who have participated in the voting can see the connection clearly. They also agree that information and communication technologies make the work of the government more transparent and increase the accountability.

Despite all the benefits, this instrument has not yet become common in the audit toolkit. A little more than one third of the participants of the session admitted that they often used big data in their work. Another 44% have done that occasionally, and 19% of SAI representatives only employ traditional audit methods. However, such results are not surprising. Big data analysis is a new method of thinking and work, and it is still being developed. 'We should admit that an immediate transition from traditional methods of audit to big data analysis is impossible. This is a step-by-step process. Now we are at the stage when we combine both approaches. This is why the INTOSAI Working Group on Big Data decided that we should develop methods and approaches to big data analysis in more detail,' Zhang Haiyan, a representative of the SAI China, said. INTOSAI should become a platform for exchange of best practices and auditor training.

Summing up the meeting, the Audit General of the People's Republic of China, pointed out that thanks to IT technologies, SAIs can improve the quality of their data, forecasts, and, as a result, enhance the quality of public audit. 'Big data is a new way of thinking, this is an important trend in public audit. The practice of SAIs across the world confirms that. Big data will allow to increase efficiency and effectiveness of audit in its various forms and on different levels. The long-term goal of big data is to promote openness, transparency and effectiveness of public administration and to also help us to achieve goals of sustainable development,' Hu Zejun summarised.