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AUDITCON

A HIGHER EDUCATION SUMMIT

ACUA  
ASSOCIATION OF COLLEGE & UNIVERSITY AUDITORS



# AuditCon

## A Higher Education Summit

September 24-28, 2023 Loews Miami Beach Hotel • Miami Beach, FL



Presented By: Tessa Anderson  
Artificial Intelligence  
Aided Audits



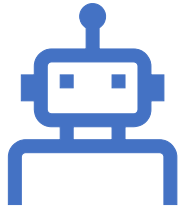
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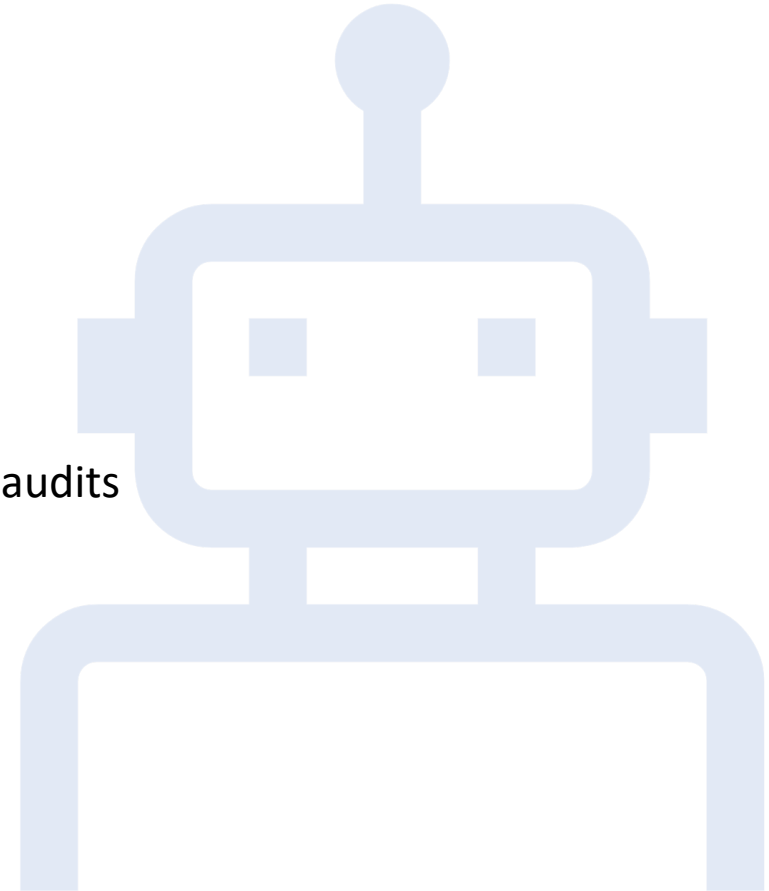
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## Agenda:



- Understand the potential of AI
- Learn how to harness AI tools for efficient and quality audits
- How do we get the most out of AI
- Demonstrate the usage of AI
- Explore the features and capabilities of AI tools
- Hands on Examples





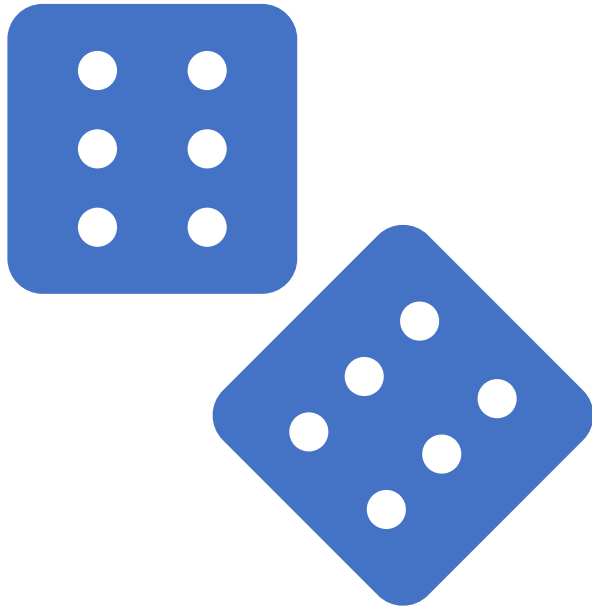
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## Understand the potential of AI



- Inherent Risks
  - AI can lie to you and hallucinate
    - Artificial intelligence strives to provide you with an accurate answer that aligns with your perspective. As a result, it may generate supporting documentation to reinforce your viewpoint.
    - “Lawyer Used ChatGPT In Court – And Cited Fake Cases. A Judge Is Considering Sanctions” – Forbes 2023
- Inherent Bias
  - “The information AI provides is necessarily dependent on the information upon which it is trained—and those who make decisions about what information the AI receives. This bias could manifest in the types of information ChatGPT offers in response to questions presented in “conversation” with it.” – Bloomberg News 2023





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## Understand the potential of AI

- Inherent Risk
  - Data Security and Privacy
    - “Confidentiality and data privacy are other concerns for employers when thinking about how employees might use ChatGPT in connection with work. There is the possibility that employees will share proprietary, confidential, or trade secret information when having “conversations” with ChatGPT.” – Bloomberg News 2023
    - PII - As internal auditors, we have access to a significant amount of personally identifiable information. It's crucial to understand the potential risks of using AI, as it can learn and store this information for future responses based on its interactions with you.



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# Understand the potential of AI

- User Based Risks
  - Improper Usage
  - Improper Expectations
  - Inadequate understanding of software limitations
  - Ian Malcolm Principle:
    - “Scientists (Internal Auditors) are actually preoccupied with accomplishment. So they are focused on whether they can do something. They never stop to ask if they should do something.”





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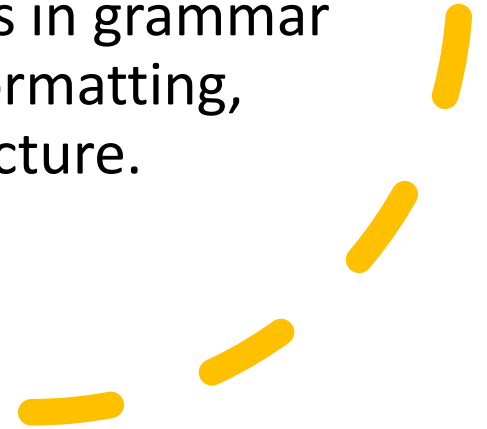
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Learn how to harness AI tools for efficient and quality audits

- Getting you started
  - Planning is crucial at the start of an audit. While AI cannot completely take over your responsibilities, it can provide valuable insights and propose potential audit program structures that you may have overlooked.
- Revision
  - Editing can be a sensitive task as simply copying and pasting won't suffice. AI excels in grammar and can provide assistance with formatting, word selection, and sentence structure.





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Learn how to harness AI tools for efficient and quality audits

- Risk Assessment
  - The integration of AI technology can play a pivotal role in enhancing the effectiveness and efficiency of potential risk identification in generalized areas. AI is capable of identifying both common and lesser-known risks in the areas being audited when it is utilized correctly.
- Knowledge Base
  - In today's job market, having proficiency in data analytics and coding languages is increasingly essential. Fortunately, AI can provide valuable guidance on when and how to apply these skills effectively.





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Learn how to harness AI tools for efficient and quality audits

- **Communication**

- Effective communication is crucial for success as an Internal Auditor. However, our use of formal business language can sometimes be perceived as cold by others. This is where AI can be helpful - it can suggest better word choices and even upgrade the language based on the prompts you provide.



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# How do we get the most out of AI

- Be Specific
  - To avoid getting unsatisfactory answers, it's important to ask specific questions with as much detail as possible. The more specific your question is, the better the result will be.
- Context
  - Including details such as background information, location (if relevant), and the reason for your inquiry can improve the quality of the response received.





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# How do we get the most out of AI

- Directiveness
  - When interacting with the AI, provide clear direction by assigning it a specific role, such as a Chief Audit Executive or an expert in the relevant field. Additionally, describe your target audience to ensure the AI tailors its response appropriately.
- Question Clarity
  - For the best results from AI, it's important to provide a clear and precise prompt. Using complex sentence structures can lead to confusion and lower the quality of the results.







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# How do we get the most out of AI

- Tone
  - In order to maximize the effectiveness of your AI and better target your audience appropriately, it is essential to tailor your responses to the situation and desired outcome. Direct the AI to set the tone for when a casual or formal tone is most appropriate for your specific needs.
- Revise Response
  - It's rare for things to be perfect on the first attempt. If the answer you get isn't what you were hoping for, simply rephrase the question and try again. It is also possible to request further information from the provided response if you need more details.







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# Let's get hands on!



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### Sample Prompt's:

- I need you to take on the role of a chief audit executive for a small rural college or university. Using the COSO framework and the IIA standards what are the risks internal audit should be looking into for a lab safety audit.
- You are a knowledgeable expert in the field of internal audit specializing in the higher education realm. I need you to provide me with examples of appropriate language to use in an internal audit report. These examples will need to follow the IIA guidelines.
- Using the COSO Framework and IIA standards I need you to take on the role of a Chief Audit Executive who is working with the Audit Committee and the Board of Trustees to identify areas of potential risk to a college or university. I need to list these risks in a bulleted format and provide the internal control that would help eliminate the risks.
- I am working with SQL coding language to identify areas of risk for our payroll department. What are areas that I should consider looking at and possible coding that would be helpful.
- I am in the process of crafting an introductory email template for the internal audit department at our college. I am seeking your assistance in creating five distinct welcome email examples. Each email should encompass essential details related to a specific audit that we are commencing. The key information that needs to be included for each audit comprises the estimated duration of the audit, the primary point of contact within the department, the specific areas that will be audited, and a general outline of the audit's progression adhering to the standards outlined by the Institute of Internal Auditors (IIA). Your expertise in crafting these emails will greatly aid in setting a professional tone and ensuring consistency in our communication.



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### Websites:

- ChatGPT: <https://openai.com/>
- Google Bard: <https://bard.google.com/>
- <https://help.openai.com/en/collections/3742473-chatgpt>
- <https://www.forbes.com/sites/jayadkisson/2023/06/26/artificial-intelligence-and-the-law-an-early-warning/?sh=6b0397012ade>
- <https://www.businessinsider.com/chatgpt-secret-productivity-work-ai-technology-ban-employees-coworkers-job-2023-8#:~:text=Those%20secretly%20using%20AI%20on,the%20technology%20on%20the%20sly.>

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