

Dynamic Audit Solution: Frequently Asked Questions



1. What's changing in the audit area?

We're at an inflection point in the financial statement audit. Emerging technologies are creating new opportunities for auditors to reimagine how they perform the audit – what they look at, when they look at it and how they look at it – to drive audit quality and inform greater insights and value to the client.

At the same time, the AICPA Auditing Standards Board (ASB) is considering how standards should evolve to keep pace with technological advances. Firms are also identifying the new skills needed for success and investing in their talent to address a growing gap in digital intelligence, data analytics, critical thinking and people skills. The simultaneous evolution of these four drivers – technology, methodology, standards and new skills – are enabling the audit of the future. Firms that realize and embrace this transformation, and capitalize on the opportunity, will be well-positioned to meet the needs of today's and tomorrow's clients.

2. How is the AICPA preparing firms for this transformation?

Firms are already investing heavily in the adoption of new technology-enabled approaches to the audit. However, the level of investment required to custom-develop solutions can be cost-prohibitive. Leaders from many of the top 100 U.S. firms have expressed a need for a solution to help firms of all sizes to better leverage technology in the audit space.

This feedback was the impetus for the [Dynamic Audit Solution \(DAS\)](#). This initiative is a partnership among the AICPA, CPA.com and technology partner, CaseWare International, to develop a data-driven, technology-enabled audit solution that will enhance the quality and value of audits.

3. What is DAS exactly and what will it do?

The DAS initiative brings together top talent from across the profession to reimagine and digitize an audit methodology and workflow from the ground up. The DAS team is working to provide a standards compliant methodology that employs powerful, innovative technology that uses data to inform procedure selection and auditor judgement. The DAS approach will move away from detailed procedural checklists to more action steps, supplemented with useful guidance to help auditors focus on relevant risks. There will be an emphasis on the use of audit data analytics in risk assessment and audit performance. And to the extent sufficient data is available, artificial intelligence (specifically machine-learning) will also be leveraged to identify relationships and patterns in data that may not otherwise be obvious or intuitive.

4. Who will benefit from DAS?

The profession is developing DAS for the profession. The objective is to enable firms of all sizes to bring greater quality and value to their audits. Scalability is a foundational principle in the development process.

5. How does DAS fit with the OnPoint PCR solution introduced in 2018 and the OnPoint EBP solution introduced in 2020?

OnPoint PCR is [an award-winning](#) automated preparation, compilation and review (PCR) tool that integrates AICPA guidance into the CaseWare Cloud Smart Engagement (SE) platform (the same platform on which DAS is being built). Similarly, OnPoint EBP is an automated “limited scope” employee benefit plan (EBP) audit tool that integrates AICPA guidance into the CaseWare Cloud SE platform. Both are designed to facilitate and enhance the quality and efficiency of the engagements they respectively support.

While OnPoint PCR and OnPoint EBP are already available as stand-alone products, the longer-term vision is that, once DAS is commercially available, firms that offer both audit and PCR engagements will have access to a single, integrated platform to meet all of their audit and PCR needs. The platform will include modules that firms can select based on their engagements and specialized industries. The CaseWare Cloud SE platform can also support the addition of attestation and advisory service content, which we hope to build in longer term.

6. What opportunities is DAS bringing to the profession?

Since the AICPA's [announcement of this initiative](#), there is a new excitement and energy in the audit space. Firms are eager to have access to a tool that will allow them to leverage innovative technologies and a new, transformative methodology in the delivery of the audit.

Eventually, we envision that DAS will also support the delivery of attestation and advisory engagements for firms that are evolving their services beyond the traditional financial statement audit. The world has become more complex. Businesses are looking for assurance and advisory services in new areas, such as sustainability, data and information integrity, and System and Organization Controls (SOC) reporting, which includes reporting on cybersecurity risk management.

7. When will DAS be available?

DAS is being developed following an Agile development process, which means initial prototypes or offerings will be tested with firms and then the solution will be adapted based on the feedback collected. The first release of DAS is expected to be available in 2021 for audits of core commercial entities, and additional industries and functionality will be added over time with a focus on continuous improvement and innovation.

8. Will firms using DAS know about changes in peer review or audit standards before the public or have an advantage in the peer review process?

No. Both the audit standard-setting and peer review standard setting/administration processes are independent processes.

Firms that use the DAS and/or OnPoint methodologies will have no more or no less advantage in peer review; peer reviewers are charged with determining whether the firms they review have complied with professional standards, regardless of methodology adopted. As is the case today, firms utilizing a third-party provider's methodology may peer review another firm that uses that methodology.

Furthermore, the DAS and OnPoint development teams do not and will not have exclusive notice of changes in professional standards. Like other major third-party providers of methodology, they attend public meetings/read public materials of the Auditing Standards Board (ASB) and other AICPA standard setting committees. On occasion, and in the course of regular business to promote audit quality, AICPA staff corresponds with major third-party providers of methodology; this has been standard practice for decades.

9. Does the AICPA endorse the audit methodology in DAS?

The Dynamic Audit Solution offers a methodology that is compliant with the standards; however, the methodology within DAS is by no means the only acceptable methodology.

As with any software tool, firms are responsible for utilizing the tool and following a methodology in a manner that is in accordance with professional standards and guidance. How a firm does so impacts the results of its peer review, including the report rating.

Like other third-party methodology providers, the DAS and OnPoint solutions will be evaluated by (an) independent, qualified third party(ies).

10. Where can I learn more about DAS?

- Website: [About the Dynamic Audit Solution](#)
- *Accounting Today* podcasts:
 - [The future of DAS](#)
 - [Shaping the audit of the future](#)
- *AICPA Insights* blog: [A technology solution for data-driven audits](#)