



# INNOVATION AND ACCOUNTABILITY IN THE AGE OF AI

Artificial intelligence (AI) is moving fast from novelty to necessity. It is helping people manage work and make decisions, but it is also blurring the lines between convenience and control. The challenge for finance professionals is using the power of AI without losing sight of human judgement.



AI IS NO LONGER JUST A TOOL for number crunching or chatbots. It's writing songs, giving therapy advice, and even offering digital companionship to people who turn to it for comfort. But behind the friendly interfaces and clever answers there are serious issues. AI systems learn from vast pools of personal data. The more they know, the more they risk crossing the lines of privacy, ownership, accountability and consent.

For auditors and finance professionals, the same technology promises speed, precision and relief from repetitive work. AI can test entire data sets instead of samples, flag anomalies instantly and create a new kind of continuous assurance. Yet with every advance comes a new question. Who owns the data that trains these systems, and who takes responsibility when an algorithm gets it wrong?

These were some of the questions discussed at a recent SAICA webinar on AI, privacy and audit, where experts from across the profession unpacked both the opportunities and the risks.

Nerushka Bowan, founder of the LITT Institute and a specialist in emerging technology and privacy law, joined Nevellan Moodley, Head of Financial Services Advisory and Digital Assets Lead for Africa and the Middle East at BDO, and Elenor Jensen, Director and Partner at PwC, to explore how AI can enhance audit work without compromising privacy, accountability or trust.

## THE GROWING LIST OF ISSUES

Beyond the numerous benefits of AI, are a new set of risks that professionals must learn to manage.

### Data and privacy

AI systems often rely on massive datasets that include personal or sensitive information. Ownership of this data is rarely clear. Data may be collected without consent, transferred across borders, or used to train models that cannot later be 'untrained.' Weak security and poor anonymisation add further risk.

### Ethical and social concerns

AI can amplify human bias, spread misinformation and encourage over-reliance on automation. Deepfakes, fabricated documents and fake audio are already being used to defraud businesses. Some people are turning to chatbots for companionship or advice, creating new psychological and social dilemmas.

### Legal and regulatory challenges

Global regulation is struggling to keep pace. Data protection laws like POPIA and GDPR apply, but enforcement differs by country. Many cases now test whether AI companies can legally use public or copyrighted data for training. Liability remains unclear when AI systems make errors that cause harm.

## Professional and workplace implications

Auditors and accountants face their own challenges. AI can perform tasks faster, but it still needs oversight. Professionals must learn to verify results, question outputs and manage 'black box' algorithms that are difficult to explain. Skills development is essential, and trust in the profession depends on responsible use.

## Privacy, ethics and the law

Bowan noted how regulators worldwide are already taking action. Italy fined OpenAI €15 million for training ChatGPT on personal data without informing users or verifying ages. Another chatbot, Replica, was fined €5,6 million for processing data unlawfully and exposing minors to explicit content.

In South Korea, the data protection authority ordered the deletion of an AI model trained on unlawfully obtained user data from Kakao Pay and Apple Pay. 'It was the first time a regulator ordered an AI model to be deleted,' Bowan said. 'Once a model is trained on unlawful data, you can't undo it.'

She added that compliance alone is not enough. 'Ethics must guide how AI is used. It's easy to be impressed by the technology, but we have to remember it mirrors our own biases.'

## AI in audit

In the audit environment, the focus is shifting from experimentation to integration. Elenor Jensen of PwC explained how artificial intelligence is reshaping assurance work.

'In the early 2000s, audits were still manual and paper based. Then came cloud computing, data analytics and automation. Now, in 2025, we are entering the era of generative and agentic AI,' she said.

This new phase, known as Next Generation Audit, blends human oversight with machine efficiency. AI systems embedded in audit platforms can handle repetitive, low-judgement tasks such as reconciliations and testing, while auditors focus on interpretation and professional judgment.

'AI helps us work better, faster and smarter,' Jensen said. 'It reduces administrative work, analyses data in real time and improves the quality of insights.' PwC estimates 25–35% efficiency gains on routine tests and 100% transaction coverage for listed companies.

However, she stressed that AI does not replace human expertise. 'Auditors must remain in control. Explainability is essential. AI cannot make ethical or professional decisions.'

## The human remains central

Nevellan Moodley of BDO agreed that while AI will reshape the profession, it cannot replace it. 'AI can unlock new efficiencies, but it also requires governance, privacy controls and clear accountability,' he said. 'Boards must understand what data their organisations feed into AI and how that data is used.'

Both Moodley and Jensen emphasised the concept of 'human in the loop'. AI performs the work, but people remain responsible for the decisions. This approach aligns with global standards such as ISO and King IV, which call for human oversight and board-level accountability for AI systems.

## Building a responsible framework

The speakers outlined key steps for firms and professionals to use AI safely and effectively:

- Keep data clean, structured and secure.
- Develop an AI policy that defines acceptable use and outlines data handling procedures.
- Verify data sources and ensure that consent or lawful grounds exist for processing.
- Train teams to review and challenge AI-generated outputs.
- Document AI-related decisions for transparency and auditability.

Regulators are providing guidance too. The IRBA's AI Audit Risks Mitigation Update, SAICA's Difference Makers Guide to AI, and the FRC's AI guidance in the UK are helping firms align ethical practice with legal compliance.

## Continuous assurance and continuous responsibility

The long-term goal is continuous assurance, where AI monitors transactions in real time rather than waiting for year-end reviews. This approach could raise audit quality and transparency, but it also heightens responsibility.

'AI changes how we perform our work, not our duties,' Bowan said. 'It's still our role to question, verify and ensure fairness. We must remember always that AI doesn't make ethical decisions. People do. The profession's strength will depend not on how powerful the tools become, but on how we deepened our own knowledge and how responsibly we use them.'



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