



# # DIFFERENCE # MAKERS

## FREQUENTLY ASKED QUESTIONS

**Audit and Emerging  
Technologies**



## **PLEASE NOTE:**

Every effort has been made to ensure that the information in this document is complete and accurate. Nevertheless, information is given purely as guidance with respect to the subject matter and SAICA will have no responsibility to any person for any claim of any nature whatsoever which may arise out of or related to the contents of this document.

The information provided in this document does not constitute legal advice and should be read in that context. Where the document suggests a particular view, such a view is based on SAICA's interpretation at that point in time, of the relevant laws, regulations, standards, codes and related pronouncements.

This is a live document that is subject to change and is non-authoritative.

# CONTENTS

<b>Q1</b>	Does AI always mirror you, or can it be instructed not to mirror?	<b>04</b>
<b>Q2</b>	What are your thoughts on the use of synthetic data to train a model?	<b>04</b>
<b>Q3</b>	How do you know that the AI is using copyrighted data or personal data?	<b>05</b>
<b>Q4</b>	If you share your personal data, do you not give away some of your privacy rights?	<b>05</b>
<b>Q5</b>	Is AI not a coding system, and can its decision-making process not be tracked or reverse engineered?	<b>05</b>
<b>Q6</b>	Where is a good place to improve my AI skills?	<b>06</b>
<b>Q7</b>	What is EU AI	<b>06</b>
<b>Q8</b>	Are we not becoming a bit too dependent on AI technology?	<b>06</b>
<b>Q09</b>	How do I get info on the AI course?	<b>07</b>
<b>Q10</b>	If there is no repetitive tasks how do we shape the minds of the next generation? How do we train the next generation of article clerks?	<b>07</b>
<b>Q11</b>	How do smaller firms keep up with the pace and the skills required? Training and adopting safe technologies.	<b>07</b>
<b>Q12</b>	Is there a risk of information overload and losing sight of the purpose of an audit?	<b>08</b>
<b>Q13</b>	How do we preserve peoples jobs?	<b>08</b>
<b>Q14</b>	Why would a Company approve AI API calls?	<b>08</b>
<b>Q15</b>	How do I get info on the AI course?	<b>09</b>
<b>Q16</b>	Should audit teams do IT General Control (ITGC) to ensure your data you feed your AI is valid?	<b>09</b>
<b>Q17</b>	How will we match the ethical factor / approach with the efficiency of the analytics achieved by AI in the Audit?	<b>09</b>
<b>Q18</b>	What is the one skill that universities can install in future CA(SA)'s that will assist them to navigate the new audit landscape?	<b>10</b>
<b>Q19</b>	Meeting attendees are using AI minute and recording tools. These are attendees outside the organisation. While they do ask for permission, we have no idea as to the security over the content. What do we need to consider before using such tools?	<b>10</b>
<b>Q20</b>	So if we could now test 100% of the population, are we then in the near future moving away from reasonable assurance?	<b>10</b>
<b>Q21</b>	Why are the Big Four investing billions in building their own AI platforms?	<b>11</b>
<b>Q22</b>	How can small and mid-tier audit firms keep up without massive investment?	<b>11</b>
<b>Q23</b>	What is an "AI analyst," and how does it work in an audit context?	<b>12</b>
<b>Q24</b>	How can AI outputs remain auditable, transparent and regulator-ready?	<b>12</b>
<b>Q25</b>	How are clients reacting to firms using AI during assurance work?	<b>13</b>
<b>Q26</b>	What are regulators doing to prepare for AI in audit?	<b>13</b>
<b>Q27</b>	What level of upskilling is required for auditors and managers?	<b>14</b>
<b>Q28</b>	How should universities adapt to prepare future Chartered Accountants?	<b>14</b>
<b>Q29</b>	How is data protection handled when developing audit-specific AI tools?	<b>14</b>
<b>Q30</b>	How do "AI Prompt Simulators" help staff learn responsible prompting?	<b>15</b>
<b>Q31</b>	What does the future audit firm look like in an AI-first world?	<b>15</b>

# Audit and Emerging Technology FAQ



## Q1: Does AI always mirror you, or can it be instructed not to mirror?

Generative AI can mirror a user, but it doesn't always do so. Mirroring tends to arise when training rewards agreement or stylistic imitation. You cannot turn off mirroring through user settings or controls.

However, you can reduce mirroring behaviour by being explicit in your prompts. For example, state that you want honest feedback rather than validation, ask for alternate perspectives, or request that it challenges your assumptions.

*Further reading:*



## Q2: What is Synthetic data to training a model?

Synthetic data can be a valuable tool in model development, particularly when access to real-world data is constrained due to privacy, regulatory, or operational limitations. It enables experimentation and initial model training without compromising sensitive information.

However, it's important to acknowledge that synthetic data often lacks the complexity and nuance of real-world datasets. As a result, while models trained on synthetic data may perform adequately, they typically do not achieve the same level of accuracy or robustness as those trained on authentic data. For optimal performance, synthetic data should ideally be used to complement—not replace—real-world data in the training pipeline.

Synthetic data can be a great alternative as it removes the need to train on people's personal data, copyright data or other sensitive data sets. It also provides the opportunity to balance biased datasets. High quality synthetic data sets that adequately mimic the complexities of real-world data are a significant advantage when training AI models, especially in scenarios where collecting real data is expensive, dangerous, or ethically problematic.

To prevent synthetic data from "model collapse" (where they lose diversity over generations). The key is finding the right balance between synthetic and real data to get the benefits of both while avoiding the pitfalls of either. Training on synthetic datasets is common practice in AI labs, as well as in corporate environments.

# Audit and Emerging Technology FAQ



## Q3: How do you know that the AI is using copyrighted data or personal data?

As an end user of an AI tool you wouldn't be able to easily determine whether an AI model has been trained on copyrighted or personal data unless there is transparency from the developers of the AI model about the sources used for training. Outputs that too closely resemble copyrighted material could possibly indicate potential infringement or outputs that contain personal data, even though the model doesn't store direct copies of the data.

It's extremely difficult to definitely prove whether an AI model was trained on specific copyrighted or personal data because training datasets are typically massive, often undisclosed and the data gets transformed during the learning process rather than stored directly.



## Q4: If you share your personal data, do you not give away some of your privacy rights?

When you share information with a specific organisation by accepting their terms and privacy policy, you are providing permission for them to use your personal data in accordance with the stated purposes in those documents, in line with data protection legislation. When you publicly share your personal information, you may lose some of your data protection rights, but not all of them.

For example, in section 12 of POPIA, it states that personal information must be collected directly from a data subject. However, one of the exceptions where it is not necessary to comply with this requirement is when the data subject has deliberately made the personal information public.

However, all of the other provisions in POPIA still apply to the processing of that data, even if it was made publicly available by the data subject (ie. you would still need a lawful justification to process the data, you would still need to have data security measures in place etc).



## Q5: Is AI not a coding system, and can its decision-making process not be tracked or reverse engineered?

AI is indeed built upon code, but it extends far beyond traditional rule-based systems. Modern AI—particularly machine learning and deep learning models—learns patterns from data rather than relying solely on predefined instructions. This makes its decision-making process more dynamic and, at times, less transparent. While some aspects of AI can be tracked and reverse engineered, especially in simpler models, the complexity of advanced neural networks often makes it difficult to fully interpret how specific decisions are made.

This phenomenon is commonly referred to as the "black box" problem in AI. However, the field of explainable AI (XAI) is rapidly evolving to address this challenge, offering tools and techniques that help auditors, regulators, and developers better understand and validate AI-driven outcomes. In the context of audit and privacy, it's essential to strike a balance between leveraging AI's capabilities and ensuring accountability, transparency, and compliance with data protection standards.

# Audit and Emerging Technology FAQ



## Q6: What can be done to improve AI skills?

There are various AI courses available (both paid and free) that you can use to enhance your AI skills. Further, we would suggest that you practice using AI in your day-to-day life, experiment with prompting in a personal capacity (various AI prompting challenges that are available), and you can also refer to the SAICA Audit Reform page for some of the webinars previously offered on AI Webinars and Recordings.



## Q7: What is EU AI?

The EU AI Act = The Act focusing on regulating AI that applies in the European Union region. More information:

*Further reading:*



## Q8: Are we not becoming too dependent on AI technology?

This is a very important question and one that has growing debate. It's a valid concern. There are already studies on "AI brain" showcasing the effects when we outsource our thinking to an AI tool (also known as cognitive offloading).

Critical thinking is an important skill for future success. Some experts are advocating for "AI fasting" periods, similar to "digital detox" for excess use of screens, in order to keep our cognitive muscles sharp. The key question is whether we're maintaining the right balance between leveraging AI's capabilities and preserving our own agency and critical faculties.

*Further reading:*

# Audit and Emerging Technology FAQ



## Q9: How do I get info on the AI course?

If you are interested in the LITT Institute #GenAI Legal Accelerator Cohort 9 taking place please send an email to [info@littinstitute.com](mailto:info@littinstitute.com)



## Q10: If there is no repetitive tasks how do we shape the minds of the next generation? How do we train the next generation of article clerks?

This is a crucial challenge across professions. If AI handles all the repetitive foundational tasks like manual calculations and basic reviews that traditionally taught pattern recognition and deep understanding, new auditors / CA's might understand theory but lack the intuitive grasp that comes with practice. On the other hand, this shift is also an opportunity to elevate the profession by focusing on critical thinking, ethical judgment, strategic analysis, and client relationships that AI can't replicate.

The longer term solution will likely involve the intentional preservation of some manual, foundational practices while teaching how to effectively audit AI outputs and work on complex cases requiring human judgment.

Similar to how engineering students learn calculations from first principles even though there is software available to perform these calculations. The ultimate goal is creating professionals who can skilfully collaborate with AI rather than being replaced by it.



## Q11: How do smaller firms keep up with the pace and the skills required? Training and adopting safe technologies.

Smaller accounting and audit firms face a real challenge keeping up with AI adoption since they typically lack the budget and resources of the larger and global firms to build expensive, bespoke enterprise AI tools. However, they may also have some advantages.

Smaller firms are often more agile and faster at decision-making, allowing them to quickly adopt more affordable solutions without navigating complex corporate approval processes and red tape.

The key is to focus on leveraging lower cost tools that don't require massive upfront investment, while empowering and training existing staff. They may also find competitive advantage by focusing on niche markets and specialising in areas where human expertise and personal relationships matter the most.

This approach allows them to leverage low cost AI solutions while simultaneously doubling down on the high-touch advisory services that clients want from trusted human professionals. Embracing adaptability and a culture of lifelong learning may help smaller firms stay competitive despite resource constraints.

# Audit and Emerging Technology FAQ



## Q12: Is there a risk of information overload and losing sight of the purpose of an audit?

Absolutely, the risk of information overload is real—especially as audits become increasingly data-driven. With the vast amount of information now available through digital systems and AI-enhanced tools, it's easy to get caught up in the volume and lose sight of the audit's core purpose: to deliver clear, reliable assurance and support sound decision-making.

However, the solution lies in disciplined data governance and purposeful audit design. By focusing on relevance, materiality, and risk-based prioritisation, auditors can ensure that technology enhances—rather than distracts from—the audit's objectives. The goal is not to process more data, but to extract more meaningful insights. When used thoughtfully, innovation can sharpen our focus, improve audit quality, and reinforce the very principles that define our profession.



## Q13: How do we preserve peoples jobs?

Rather than “preserving” jobs, we should recognize that technological evolution may naturally make certain roles obsolete. Just as we didn't need to preserve the role of lamp lighters after electric lights or carriage drivers after motor vehicles arrived, we don't need to cling on to roles that are no longer suitable for humans in the AI era. Which of our current jobs will continue as is, which ones will augment, and which ones will become obsolete, we don't know yet.

What we do know is that people have successfully re-skilled and augmented their roles through previous industrial revolutions and this period of transformation offers an opportunity to find something better for humans to do rather than hold onto outdated functions.

The key is focusing on human-AI collaboration while leveraging uniquely human skills that provide a competitive advantage. Skills like having an open mind, being curious, staying willing to learn, grow and adapt are crucial for this transition. Human skills like empathy and relationship building will never go out of fashion. After all, ChatGPT can't have a catch-up coffee with a client just yet.



## Q14: Why would a Company approve AI API calls?

Companies typically approve AI API calls when the anticipated benefits—such as efficiency gains, enhanced decision-making, or improved customer experience—clearly outweigh the associated costs. These calls enable access to powerful external models and services without the need to build and maintain complex infrastructure internally.

However, approval is not solely a financial decision. It also hinges on the company's confidence in the security, reliability, and compliance of the technology being used. When the AI solution aligns with business objectives, adheres to data protection standards, and demonstrates a favourable return on investment, organisations are more inclined to integrate it into their operations

# Audit and Emerging Technology FAQ



## Q15: Do we expect audit fee to half if you are using AI ?

It's understandable to expect that automation and AI would lead to reduced audit fees. However, the reality is more nuanced. While AI can significantly enhance efficiency by automating routine tasks and improving risk detection, the audit itself is evolving—not simply becoming faster.

As firms adopt AI-first approaches, the audit model shifts from being time-based to value-based. This means fees are increasingly aligned with the depth of insights, assurance quality, and strategic relevance delivered—not just the hours spent. Moreover, large firms must also recover substantial investments made in developing and maintaining secure, compliant AI infrastructure. In short, AI doesn't necessarily reduce the cost of an audit—it redefines its value. Clients benefit from smarter, more targeted audits, and the pricing reflects that enhanced capability.



## Q16: Should audit teams do IT General Control (ITGC) to ensure your data you feed your AI is valid?

Yes – this is done at the global level and secured for the rest of the network.



## Q17: How will we match the ethical factor / approach with the efficiency of the analytics achieved by AI in the Audit?

This question strikes at the heart of the evolving role of auditors in an AI-enabled environment. While AI and advanced analytics can significantly enhance the efficiency and precision of audits—by identifying anomalies, patterns, and potential risks at scale—they do not replace the ethical judgment and professional skepticism that define our role as Chartered Accountants.

The responsibility to ask probing questions, challenge assumptions, and uphold the public interest remains firmly with the auditor. AI is a tool—powerful, yes—but it is the auditor who must interpret its outputs, contextualize findings, and engage with clients from a position of integrity.

Historical failures like Enron, Leisurennet, and Steinhoff remind us that ethical lapses often stem not from a lack of data, but from a failure to act on it. As we integrate AI into our audit methodologies, we must also reinforce our ethical frameworks, ensuring that efficiency never comes at the expense of accountability. The future of audit lies in combining technological capability with unwavering professional values.

# Audit and Emerging Technology FAQ



**Q18: What is the one skill that universities can install in future CA(SA)'s that will assist them to navigate the new audit landscape?**

To effectively navigate the evolving audit landscape, future CA(SA)s must be equipped with two foundational skills: a strong understanding of data principles and well-developed critical thinking abilities. An understanding of data principles—such as data structure, integrity, and flow—enables auditors to interpret how AI systems process information and generate insights. This is essential for reviewing AI outputs with confidence and ensuring that technology is applied responsibly and effectively within the audit process.

Equally important is the cultivation of critical thinking. As audits become more complex and data-rich, auditors must be able to assess information contextually, challenge assumptions, and make sound judgments—especially when AI surfaces anomalies or patterns that require deeper investigation. Together, these skills empower future professionals to harness technology while upholding the rigor, skepticism, and ethical standards that define the audit profession.



**Q19: Meeting attendees are using AI minute and recording tools. These are attendees outside the organisation. While they do ask for permission, we have no idea as to the security over the content. What do we need to consider before using such tools?**

It is becoming a problem. People need to learn AI etiquette. Some attendees don't even turn up at all but sent an AI to record on their behalf.

If your organisation has an AI usage policy that only allows certain AI tools to be used for meeting recordings, you can let the other person know that the meeting can't be recorded with their third-party tool as it is against your company policy or explain that your organisation has security and confidentiality concerns. You could offer your company-approved version as an alternate to record the meeting.



**Q20: So if we could now test 100% of the population, are we then in the near future moving away from reasonable assurance?**

Even with the capability to test 100% of a population using advanced analytics or AI, the audit profession remains grounded in the principle of reasonable assurance. Full-population testing enhances coverage and precision, but it does not eliminate the need for professional judgment, nor does it guarantee absolute assurance. Audits are inherently subject to limitations—such as the quality of underlying data, the complexity of business environments, and the potential for management bias or fraud.

These factors mean that even with complete data access, the auditor's role in interpreting, validating, and contextualising findings remains critical.

In short, technology strengthens our ability to deliver high-quality audits, but it does not change the fundamental nature of assurance. Reasonable assurance remains the standard because it reflects both the capabilities and the boundaries of the profession

# Audit and Emerging Technology FAQ



## Q 21: Why are the Big Four investing billions in building their own AI platforms?

The Big Four are repositioning their entire businesses around AI. Their rationale is strategic rather than tactical. At their scale, off-the-shelf tools such as Microsoft Copilot, Google Workspace or even commercial audit platforms simply cannot provide the level of differentiation, real-time risk insight, security and global consistency they need.

The firms want AI embedded into their methodologies, risk assessment models, substantive procedures and reporting processes in a way that is identical whether you're sitting in Cape Town, Sydney or Frankfurt. That is difficult to achieve when relying fully on third-party platforms.

There is also a clear commercial incentive. If every firm used the same AI tools, competitive advantage would erode quickly. The Big Four see proprietary AI as the next frontier of differentiation, equivalent to developing their own audit software in the early 2000s, but far more powerful.

Confidentiality is another major driver. Given the scale and sensitivity of their data, the Big Four need internal hosting, enterprise isolation and rigorous model governance, which clients now take for granted. Developing systems in-house ensures every action is traceable and legally defensible. The key point, however, is that although large firms are building bespoke platforms, the capabilities themselves are not out of reach for mid-tier and smaller firms. The technologies enabling large-scale AI adoption – especially inside Microsoft and Google ecosystems – are the same ones all firms already pay for.



## Q 22: How can small and mid-tier audit firms keep up without massive investment?

A key point is that small firms do not need to replicate the Big Four's spending. They need to replicate their thinking. AI does not require a proprietary platform to generate meaningful returns. What it requires is clever use of the infrastructure firms already have. Most firms today run on Microsoft 365. This ecosystem has matured into a secure, enterprise-grade AI environment with authentication, permissions, audit trails and built-in access controls that already satisfy most firms' ISQM 1 requirements. By building on

Power Apps and Azure OpenAI, firms can develop highly practical audit tools with very little engineering overhead. For example, a fully functioning "AI analyst" tool created entirely within Microsoft can review integrated reports or financial statements against complex checklists, extract evidence, identify gaps and produces structured analysis. This is exactly the kind of capability mid-tier firms assume is out of reach, yet it can be developed using tools they already own.

Another powerful strategy is the citizen-developer model. Instead of building large, centralised development teams, firms empower business users – audit seniors, managers, trainees – to create workflow automations and AI tools themselves. These individuals are closest to the pain points. They understand bottlenecks in the audit file, where time is wasted, and where repetitive tasks slow engagements down. When the people who understand the process also build the solution, the result is often more accurate, more practical and more readily adopted.

# Audit and Emerging Technology FAQ



## Q 22: How can small and mid-tier audit firms keep up without massive investment?

On top of improving efficiency, this approach builds long-term internal capability. As AI becomes embedded in the profession, firms will rely far more on staff who understand both accounting and technology. Citizen development accelerates this evolution and helps smaller firms compete for talent.

The real differentiator is mindset. Smaller firms often have a real advantage here because they can move with far more agility. They aren't weighed down by legacy systems, global governance structures or endless approval layers. That means they can test ideas quickly, refine tools in real time and weave AI into everyday work without the usual institutional drag. The firms that move early will begin compounding gains long before AI becomes standard across the profession.



## Q 23: What is an "AI analyst," and how does it work in an audit context?

An AI analyst tool supports assurance work without replacing professional judgment. It's best understood as a structured digital junior – it's fast, consistent, unflinching, and able to read hundreds of pages in minutes. But it remains subordinate to the human reviewer and operates within a controlled workflow.

In practice, the analyst reads documents such as integrated reports, sustainability disclosures, financial statements or contracts. It compares those documents against predefined requirements, which may include IFRS disclosures, JSE listing requirements, ESG standards or contract clause expectations. For each requirement, the model determines whether it's "met," "partially met" or "not met," extracts relevant supporting text, identifies the page reference, and produces a gap description where needed.

What makes the tool valuable is not simply that it reads quickly. It's that it reads consistently. Manual disclosure checklists can involve hundreds of requirements and are usually completed under time pressure, often by junior staff. Variability is inevitable. An AI analyst removes that inconsistency and ensures that no requirement is overlooked. Humans remain responsible for evaluating the AI's interpretation, but the heavy lifting – the scanning, extraction and cross-referencing – is automated.

The result is a workflow in which engagement teams spend less time searching for text and more time interpreting it. The AI does not make assurance conclusions. It accelerates the process of getting to the point where those conclusions can be made.



## Q 24: How can AI outputs remain auditable, transparent and regulator-ready?

The concern about the "black box effect" is legitimate. Audit requires traceability – the ability to demonstrate how a conclusion was reached. Early AI models provided outputs with no visible reasoning. This is changing quickly. Modern models allow documented reasoning, meaning they can record the steps they followed when evaluating a document. Combined with structured workflows, this eliminates much of the opacity that previously worried regulators and audit committees.

# Audit and Emerging Technology FAQ



## Q 24: How can AI outputs remain auditable, transparent and regulator-ready?

The most reliable way to do this is to use workflow agents rather than free-form AI queries. Workflow agents follow predefined sequences of tasks. For example, a reconciliation agent may request a trial balance, execute a script, check for unbalanced entries, and then ask the user to resolve any exceptions. Each step is logged. The AI cannot skip or reorder tasks unless programmed to do so.

This produces a clear audit trail. It also ensures the AI's role remains appropriately bounded. Regulators are far more likely to accept AI outputs when those outputs are embedded in a controlled workflow with human checkpoints at every critical stage. In essence, transparency is not achieved by trusting the model more. It's achieved by constraining the model more intelligently.



## Q 25: How are clients reacting to firms using AI during assurance work?

Clients are responding in three distinct ways. The first group consists of technologically mature clients who already use AI internally. They understand model governance, data controls and confidentiality requirements and are generally supportive once they understand the firm's safeguards. The second group is open to AI but insists on running it through internal governance processes. These clients want their CIOs or data protection teams to review how AI is used, where data is stored, and how confidentiality is preserved. They aren't sceptical, but they are cautious and procedural.

The third group remains wary, usually because they misunderstand how AI operates. Their concern tends to revolve around the misconception that their data will train a public model or that the results cannot be controlled. Once firms explain that client data is not used for model training and that the AI operates within the firm's own secure environment, most concerns are resolved. What clients want is clarity. When firms explain their governance model, clients generally accept or even welcome AI use because they recognise the improvements it brings to quality and consistency.



## Q 26: What are regulators doing to prepare for AI in audit?

Regulators are engaging earlier and more seriously with AI than they did with previous technological shifts. The IAASB, IRBA, SAICA and other bodies are already running consultations, commissioning studies and working directly with firms to understand how AI affects standards such as ISQM 1 and the ISAs. This proactive stance is encouraging. It reflects the profession's recognition that AI is not a marginal add-on. It's an instrument that will reshape how evidence is gathered, how risks are assessed and how documentation is produced. The regulators' involvement also signals that future guidance will likely become more explicit about expectations for documented reasoning, human oversight, and the classification of AI-generated evidence.

Because the regulatory environment is adapting in parallel with the technology, firms cannot wait for rules to be finalised before building internal capabilities. They must develop AI governance structures now.



## 27: What level of upskilling is required for auditors and managers?

Upskilling in AI has two layers. The first is a baseline of structured learning. Firms typically expect around ten to twenty hours of formal training covering AI fundamentals, security, prompting technique and practical usage. This ensures consistent literacy across the organisation. The second layer is ongoing, informal and far more impactful. Professionals need to build fluency through real use, such as drafting planning memos, analysing documents, brainstorming audit approaches, summarising issues, or even using AI for personal tasks outside work. The more staff interact with AI, the more intuitive the tools become, and the more naturally they integrate AI into their audit work.

This is where firms face a cultural challenge. Some professionals speak extensively about AI without ever using it meaningfully. It's important to know that adoption only takes root when people use the tools. Once they do, understanding deepens quickly, and capability expands almost organically. Over time, AI literacy will become as essential as spreadsheet literacy. Those who avoid it will find themselves increasingly out of sync with the workflows of the modern audit environment.



## Q 28: How should universities adapt to prepare future Chartered Accountants?

Universities are already moving in this direction. The University of Pretoria has developed classroom AI agents that interact with students, assess their reasoning and guide them towards correct answers. In trials, students using these tools performed significantly better than previous cohorts.

Stellenbosch University is working on an AI-driven private tutor system that supports accounting students outside the classroom. SAICA has facilitated symposiums bringing universities and firms together to re-examine curricula and consider how AI should be integrated.

The shift required is conceptual. If AI can pass board exams, the value of education cannot lie purely in content knowledge. It must focus on the ability to interpret, evaluate and apply. Graduates need to understand how to work with AI systems, how to question their outputs, and how to incorporate them into audit procedures responsibly. It's safe to say that the profession will increasingly reward judgment over memorisation.



## Q 29: How is data protection handled when developing audit-specific AI tools?

Data protection is foundational to audit AI design. Firms must comply with ISQM 1 and maintain strict confidentiality. For this reason, client data is never used to train models. If a client withdraws consent, the data must be removable – a principle that is incompatible with using client information for model training.

Audit AI tools therefore operate in secure, enterprise environments. When built inside Microsoft 365 or similar platforms, they inherit the firm's existing confidentiality framework, including encryption, access controls, auditing and data residency rules.

# Audit and Emerging Technology FAQ



## Q 29: How is data protection handled when developing audit-specific AI tools?

A warning against using ungoverned tools. Professionals who paste client data into public AI tools or rely on free versions to generate scripts introduce significant risk. Even when AI is used to write code internally, specialist review remains essential. The rule is straightforward. AI can be powerful, but only when used inside the firm's secure ecosystem and under the same governance applied to any other audit tool.



## Q 30: How do "AI Prompt Simulators" help staff learn responsible prompting?

The prompt simulator is a simple but highly effective way to train staff in real prompting technique. Instead of watching videos or reading guidelines, staff engage directly with audit-related scenarios. They are asked to write prompts that would, in a real engagement, drive a generative AI tool to produce risk assessments, summaries, analytical insights or planning notes. Once submitted, each prompt is evaluated by an AI tutor that scores it out of ten for clarity, context, structure and tone. A low score requires the user to refine the prompt until it meets the firm's threshold, and they are shown an improved version of their prompt so they can understand exactly how to strengthen it. This turns prompting from theory into practice. Staff learn how to give AI enough context, how to specify outputs, how to avoid ambiguity and how to frame queries in a way that aligns with professional standards. It creates a safe, contained environment where they can experiment without risking client data or producing flawed work in a live engagement.

Crucially, the simulator also produces evidence of competence. Firms can demonstrate that staff have been trained, assessed and verified, supporting ISQM 1 requirements and strengthening the firm's overall AI governance framework. Over time, this type of structured practice helps build a culture where prompting is done thoughtfully and consistently, not as an ad-hoc, hit-and-hope exercise. It raises the baseline across the entire audit team and ensures that staff approach AI tools with the same discipline they apply to any other professional method.



## Q 31: What does the future audit firm look like in an AI-first world?

In the future audit firm, AI will sit inside every significant workflow – from risk assessment to substantive testing, journal entry analysis, documentation, reporting and quality control. Each AI action will occur within a structured workflow with human oversight and documented reasoning. The future firm will require a broader mix of capabilities. Audit professionals will increasingly include workflow designers, technologists, AI governance specialists and citizen developers alongside traditional accountants. The profession will value those who can combine accounting expertise with technological fluency.

The nature of audit work will shift away from searching for information and towards interpreting it. AI will take over the mechanical layer of the audit, while humans focus on analytical thinking, scepticism and complex judgment. Ultimately, the future firm is not one that uses AI as a tool, but one designed around AI – with workflows, governance, talent, methodology and culture aligned to a world in which intelligent systems are the default mechanism for executing work.

# DIFFERENCE  
# MAKERS

 SAICA  
DIFFERENCE MAKERS™

## CONNECT WITH US

**Address:** 8 Anslow Ln  
Bryanston,  
Sandton,  
2191

### Head Office

**Tel:** +27 (0) 11 621 6600  
+27 (0) 861 072 422

### SAICA International

**Tel:** +27 (0) 861 072 422  
**Email:** [info@saica.co.za](mailto:info@saica.co.za)

**For more information visit**  
[www.saica.org.za](http://www.saica.org.za)



 CA(SA)  AGA(SA)  AT(SA)