A transformed approach to audit | Sebastian Stockle

Emma Carroll..... 00:00:01

Welcome to the Future of the Firm podcast. I'm Emma Carroll, head of content here at Source, and in this episode, we're going to talk about a transformed approach to audit. So it's all about the future of audit, and that's no small topic to do that. I'm absolutely delighted to welcome our speaker, Sebastian Stoeckler. And Sebastian is Global Head of Audit, Innovation and AI at kpmg. So just the person we need for this conversation. So, Sebastian, a big welcome to you.

Sebastian Stockle..... 00:00:34

Oh, thanks for having me, Emma. I'm really excited to be on this podcast.

Speaker C 00:00:38

Thank you.

Emma Carroll..... 00:00:38

And to kick things off, Sebastian, can you tell us a little bit about yourself and maybe a little bit about your background as well? Because from speaking to you before, I know that it's not really the traditional background for an auditor.

Sebastian Stockle..... 00:00:53

Yeah, that's right. I'm happy to do that. So, yeah, first and foremost, my name is Sebastian Stoeckler. I'm based in Berlin, Germany, and I'm a partner at kpmg. But I'm not a classical audit partner. I'm not a typical cpa. My background is computer science and data science.

Sebastian Stockle..... 00:01:09

And with that, I started at KPMG about 20 years ago in Frankfurt doing SAP implementation and audit work. Busy season and off season, switching it up. And over the years, I've spent a decent amount of time in the space of data and analytics, automation and artificial intelligence in different roles, first in advisory, but then for

many years in audit. I have lived in the US For a number of years where our home base for audit technology is. And we, in this location started working on developing smart audit applications that we would distribute throughout our KPMG network. And back in Germany, my role, as you explained, is I'm the global Head of Audit, Innovation and AI. So I report to our global Head of Audit, Scott Flynn, and it is really my role to ensure that our 95,000 audit professionals all around the world have access to relevant and modern audit applications. And that's what I'm here to do.

Emma Carroll..... 00:02:20

Okay, brilliant. And you've given us a good overview of what you do. But I wondered if there were one or two priorities that you were to pull out from your roles at the moment. What would those top two priorities be?

Sebastian Stockle..... 00:02:31

Look, beauty about the wave of artificial intelligence, I just like to describe it like a wave that has been approaching the professional service industry as a whole over the last two or three years, is that it definitely is mainstream.

Speaker D 00:02:47

Right?

Sebastian Stockle..... 00:02:48

Everybody recognizes the value, the opportunity, certainly also the risks that come with it. And with that common Understanding broadly applicable across domains, business people and technologists. It really results in that deep understanding of the need for transformation, transforming the way we do things. And I would say that's my number one priority to equip our, again, 95,000 professionals around the world with confidence, with capability to go through that transformational phase of AI, generative AI. And I would say that is number one. But it is not just for the sake of it. It is certainly to achieve what we are always looking out to, that is to deliver a high quality audit to our clients to ensure trust in the financials in them, in the capital markets.

Sebastian Stockle..... 00:03:43

And that of course, through this continuous innovation that we are going through.

Speaker C 00:03:50

Okay, thank you.

Emma Carroll..... 00:03:51

And just to set a strong foundation for our conversation before we move on to all that exciting stuff, how would you define audit today and where are we heading?

Sebastian Stockle..... 00:04:03

Well, the audit of today is as important as it has ever been. We are here to generate trust. Trust in the financial information of the entity, trust in the non financial sustainability ESG related information of the entity, trust to all the stakeholders of the entity, the capital markets for public entities, the owners of private entities. And that is our main mission. And that is unchanged. However, what is changing is of course, the environment in which we operate. That is the economy, that is the geopolitical landscape that is certainly changing, regulatory landscape, and certainly also the technology landscape.

Sebastian Stockle..... 00:04:50

And under all of these factors of influence, being an auditor, being an audit firm, and delivering trust to the businesses we are auditing and their stakeholders is a critical importance.

Speaker C 00:05:03

Okay, thank you very much.

Emma Carroll..... 00:05:05

And you've given us a run through of some of the real macro trends there. I'm wondering about clients as well. What are clients asking for? That's different. And how do they want the audit process to change?

Sebastian Stockle..... 00:05:18

Yeah, sure. Look, I think many clients have seen audits in the past as a burden, right? An outside party that is regulatory required to come in, essentially crawl through the organization's information and provide an opinion at the end that has or has not a certain amount of value, but it certainly has been perceived more as a burden. And you know, the application of techniques as auditors that would rely on sampling, on selective inspections perhaps didn't really contribute to it being perceived as more than a burden because we simply looked at transactions and matters that may or may not have been as important to the entity. And so I would say the expectation of companies has evolved quite dramatically also in my domain under the impact of the technology transformation. And I would say the expectation is.

Speaker D 00:06:24

Certainly more than just the opinion at.

Sebastian Stockle..... 00:06:26

The year End it is to provide insights to help the organization to evolve their control and compliance system to ensure that they see information beyond the purview of their specific boundaries of their business, have the ability to compare and contrast themselves in the marketplace. Us as a Big four we see so much across the entire spectrum of companies and business models and industries around the world that we can provide that outside in perspective, but also an inside out perspective at the same time. There's certainly an expectation to focus the conversation between us and the management on topics of real importance, areas of real risk, and move away from a random selection of transactions and matters test 100% of the population of transactions, generate greater assurance. So I would say there's a lot in this space that is certainly also provoked by technology.

Speaker C 00:07:34

Okay, thank you.

Emma Carroll..... 00:07:34

And you were talking about addressing the topics of interest to the clients. Are those the kind of things they would ask you about beforehand or would it purely be things you discover as you go through the audit process?

Sebastian Stockle..... 00:07:46

I think it's both. So we always want to be receptive to the company's priorities. There is certain imperatives of the business models. There are key audit matters that are relevant to be addressed, but also of course, throughout the execution of the audit, we would in most cases now, and also thanks to the intelligent use of vacations and and technologies, identify matters that have a relevance that may not be known to the company before. And that is the, I would say, value add that comes with the audit that is definitely different to the past.

Speaker C 00:08:27

Okay, thank you.

Emma Carroll..... 00:08:28

And you've hinted a lot about technology here, so let's delve into that. It'd be great to hear a little bit about how audits are being delivered today, but how technology is changing that.

Sebastian Stockle..... 00:08:39

I would say today is already a dramatic change from 10 years ago or 15 years ago.

Speaker D 00:08:45

Right.

Sebastian Stockle..... 00:08:46

So many audits today, certainly the audits that KPMG is doing for the most part are delivered with a significant amount of technology use. I give you a few examples. First though, it really depends on the maturity of the entity. As such, if the company itself is not very technologically advanced, if data is dispersed, if data is not consolidated, if systems are heterogeneous, then certainly our ability to apply a digital audit is limited.

Speaker D 00:09:22

Right?

Sebastian Stockle..... 00:09:22

But if organizations have invested themselves into standardizing and centralizing systems, processes and controls, establishing shared service centers, then our audit is also very digital, very central. And in that case we are not sampling revenue transactions anymore. We are applying 100% anomaly detection based AI based approach that looks at all transactions and points the auditors to the few ones that are true outliers, that are true exceptions where we need to focus the auditor's attention.

Speaker C 00:09:59

Okay, thank you.

Emma Carroll..... 00:10:00

And what about the different models between, for instance, offshoring, centralized models of audit? Anything you would pull out there that's changing?

Sebastian Stockle..... 00:10:09

Yeah, 100%. So it's not just the technology. There are certainly other factors that are evolving as much, and I'm perhaps biased and gravitating a bit to technology in all of these matters. So, yeah, certainly centralization, as I also just spoke about the client side and their ability to standardize and centralize is applicable to us as auditors. So we carry out more of our audit work from centers of competence where we bring specialists together, specialists about data, specialists about certain accounting and auditing topics. And this is an important mean to delivering a different audit experience than Perhaps it was 10 or so years ago. However, in many ways, I would say also there technology leapfrogs some of that now.

Sebastian Stockle..... 00:11:00

And the importance of centralization is certainly affected to some degree by ability of automation or through automation. And that's a change that we are seeing. If I look at, you know, other factors that are very relevant, we can take regulation, for example, of course, the importance of sustainability and sustainability reporting was not there a decade or so ago, at least for most jurisdictions. So regulation will continue in one way or another over area such as that. And us as auditors, we are required to not only

address the regulatory aspects in this field, but then help again the companies doing the reporting in the right way and providing our competence in the space.

Speaker C 00:11:53

Okay, thank you.

Emma Carroll..... 00:11:54

And you've talked a little bit about. Well, you talk quite a bit about AI, but I'd love to delve into that in more detail now. So what impact is AI having on the audit process? And, you know, what's already happened? What do you think will happen in, say, short timescale, maybe even the next 12 months?

Sebastian Stockle..... 00:12:11

Yeah. So first and foremost, let me maybe define AI for a little bit. So artificial intelligence is a family of technologies, right. It's like an umbrella term. And within that there are multiple facets. There is something, what we call natural language processing, the ability to read words and analyze words and text, just like other techniques can mathematically analyze numbers. Then there's machine learning, which is again an umbrella term in which certain facets are focused to using observations from the past to train models to make a prediction.

Sebastian Stockle..... 00:12:53

We call that supervised machine learning. And then there's a variant that's not needing observations from the past, but looking just simply at A certain data set at a moment in time and performing a cluster analysis, for example. That's called unsupervised machine learning. And now very new. Over the last 10 years or so, neural networks have been established as a very powerful, very large way of training models through machine. And that is what has led to the large language models we are all now understanding exist behind ChatGPT and generative AI as such. And that's kind of the field of artificial intelligence. And we had KPMG and audit.

Sebastian Stockle..... 00:13:37

We've been using the bigger part of AI for probably the last 10, 12 years in different ways. For example, classical techniques of machine learning, learning on neural networks to

read invoices, turn text from invoices into data with which we can work. Take an image of an invoice, for example, that has been scanned to make it machine readable.

Speaker D 00:14:03

Right.

Sebastian Stockle..... 00:14:04

That's what a neural network can help us with. That's something we don't do just since yesterday. That's not really what. What only has been introduced through generative AI. Now, another example are these cluster analysis. I spoke about unsupervised machine learning. We're using that also for many years already to look at entire populations of transactions, to spot those clusters or groups of transactions where potential outliers exist.

Sebastian Stockle..... 00:14:32

And we do that by separating essentially the normal from the not normal, the usual from the unusual. And that's basic machine learning. And now, of course, over the last two, three years, we have been gravitating very strongly towards large language models which are kind of the pinnacle of AI. They are very powerful models. And yet we also see some downsides that come with it. Like they hallucinate at times, they are not necessarily always repeatable. You put one prompt and it perhaps gives you a different answer at a different day for the same prompt. And so we have to cope with these circumstances differently to what we perhaps would have done in the past.

Sebastian Stockle..... 00:15:18

However, they yield also a significant amount of increased value. For example, we can much more naturally interact with an AI. Now, a large language model allows us to ask a question in a natural language fashion and then provide an answer to it, whether through its own knowledge or by reaching into underlying data sources, our proprietary accounting and auditing knowledge, for example. So those are just a few examples of AI that is here today. And I can speak more about the future.

Emma Carroll..... 00:15:51

Yeah, go on, tell me a little bit more about the future. What do you expect in the AI wise? Maybe in the next 12 months or so?

Sebastian Stockle..... 00:15:58

Yeah, absolutely. So there's a lot of buzz about a Term that's called agentic AI. And I don't know if that's a proper English word. You know, I'm German, so I'm not taking it too.

Emma Carroll..... 00:16:09

Yeah, we use that one too.

Sebastian Stockle..... 00:16:10

Anyways, but it's, it's, it's using AI to enable agents. And what are agents? Agents are essentially small programs that use the power of a large language model behind the scenes. So as a, as an auditor, as a human being, we don't have to put a prompt in to get this agent to do something for us. It's literally the click of a button. So for example, we can click a button and behind the scenes an AI agent will extract out of a large contract terms and conditions, performs a recalculation of the revenue on the basis of the terms and conditions in this contract, checks it back against the journal entries posted in the channel ledger, and ultimately documents a difference in a work paper. So that's a series of activities that are being performed by a series of agents working in concert with each other without a human having to write a prompt, really literally clicking a button.

Sebastian Stockle..... 00:17:11

That's a very significant development and advancement of the use of AI. And actually KPMG just launched a press release around this in the market. So it is really new. So that's something we will see happening over the next three to six months or so. And another very significant development in AI is related to what is called research and reasoning models. So the large language models over the last two years have been very good by asks one question with a specific task and performing giving a response to it. The reasoning models or research models that are surfacing now, many of you will have heard about Deep Seq or OpenAI03 mini. Those are some of the latest models that have come out in the market.

Sebastian Stockle..... 00:18:02

They don't need to be prescribed with a specific task in very granular level. Instead you can provide a much more holistic problem statement and they provide an answer more like a PhD, like a researcher putting a lot of reasoning into it. And that's certainly a new way of using AI and will once again change the way we have been seeing the use of AI over the last two years. So those are for me the two big macro trends, the research reasoning models and then the AI agents off to the site.

Emma Carroll..... 00:18:36

Okay, and some really interesting data we had from one of our surveys recently was when we asked clients how they'd feel about AI being used within audit and 92% said that they would feel they would actually trust and audit more if it involved AI. Tools as part of the process. So almost seems like they trust the AI more than they trust the people. I love your reflections on that data and what you think it's telling us.

Sebastian Stockle..... 00:19:02

Yeah, it's a fascinating conversation and it's almost philosophical. On one hand, we have obviously all the opportunity that comes with using these technologies. On the other hand, we have also the risk I spoke about the risk of hallucination, the risk of not being able to get the same answer to the same question every time you ask the AI question. And then the bigger question is what I would call bias. So has the AI been trained in a certain way that it would bias towards a certain output, towards a certain response to a question? That's, that's a big topic we are discussing. And it stands against the human bias because humans also have bias.

Sebastian Stockle..... 00:19:51

Humans all the way also make mistakes.

Speaker D 00:19:53

Right.

Sebastian Stockle..... 00:19:54

And so what we typically try to do is we try to measure essentially the, the quality of using the AI, its accuracy against. What would we accept as auditors, if we ask, you know, our audit teams, essentially the humans, to perform the same task and does the AI reasonably stack up to it in terms of the levels of accuracy, what we would expect? And that's, that's for us, a way to essentially address the question of reliability. And I think that's also speaking to the metric you have referenced. Many, many of our clients see the same way.

Speaker D 00:20:32

Right.

Sebastian Stockle..... 00:20:32

For certain tasks, there's a high reliability because the AI output is very good. And for other tasks, it may not be good enough yet. But in combination concert with the human, it then again makes the threshold of delivering that highest quality.

Emma Carroll..... 00:20:50

Yeah, because perhaps some clients actually think that something delivered by a machine would be 100% reliable. But as you've just explained to us, that isn't necessarily the case anyway. So maybe it's. Some of it's a misconception.

Sebastian Stockle..... 00:21:03

Correct. And it's same for the human. It's about making sure that it meets the expectations. And give you an example, I go back to using AI to test entire populations of transactions. So, as you know, in the past we would, for example, have applied a monetary unit sampling approach to doing all the test work. And that approach is accepted by the auditing standards. It's statistically appropriate.

Sebastian Stockle..... 00:21:30

And that approach would perhaps select 100 transactions out of 100 million. So while acceptable, is that really the level of quality we would expect? No, clearly not. And that's also referred to in the metric you've been referencing. Conversely, now we simply run our algorithms across those 100 million transactions, every transaction is being analyzed and only the few that really stand out, that really don't meet the criteria under

which the algorithms are analyzing the data, those the humans are focusing on. In essence, that means less burden on the client because there's a lot less of interaction. When there's interaction, it's on topics of real relevance. Transactions that are true outliers and exceptions the clients would want us to look at, we want to look at.

Sebastian Stockle..... 00:22:23

And that's where the trusted kind of advantage of an auditor comes in, to now be able to scrutinize and perhaps challenge some of the transactions that have been occurring, but not unnecessarily and not randomly selected under a statistical approach of the past.

Emma Carroll..... 00:22:44

And Sebastian, it'd be great to bring this conversation even more to life and I was hoping we could chat about Clara. So KPMG's platform, can, can you tell us a bit about that and maybe what the audit process looks like?

Sebastian Stockle..... 00:22:58

Yeah, absolutely. So we are, we are so happy because we have been able to deploy KPMG Clara, our global smart audit platform, on all our audits. So no matter where on the planet, whether it's a large audit, a small audit of a big company, small company in any industry, with any business model, under any accounting system standard, on any auditing standard, it's all done on Clara.

Speaker D 00:23:23

Right.

Sebastian Stockle..... 00:23:23

And because it is, it allows us to apply a very consistent way of, of doing that audit end to end, from planning it through orchestrating it across big organizations that spend the entire world, to performing the actual audit work, from risk assessment to responding to those risks and then ultimately reporting. That's all happening in one platform. And because that platform is a state of the art technology or really built on Microsoft's Azure platform, we are able to now very, with a high degree of agility, integrate AI and smart capabilities at every step of the cycle. If that makes sense.

Emma Carroll..... 00:24:04

Yeah, definitely. And if I'm a client and you're auditing me, how would my experience be different now?

Sebastian Stockle..... 00:24:11

Yeah. So you would perceive our audit in multiple ways. One I spoke about, we would test 100% of your population. At the same time, we would come with much less follow up questions to you than in the past. So less burden.

Speaker D 00:24:28

Right.

Sebastian Stockle..... 00:24:29

Second, there's a lot of insights that come with it because we see so much data of you, the company we are auditing across its entire global footprint, but also the peers that we are auditing and we can provide this outside in perspective on how we see certain trends evolving, how we see certain patterns of risk evolving. And that is real value. And lastly, it's all about sharing the transparency and progress of the audit with the company. So we provide essentially a window into kpmg Clara, that allows the organizations to see where's the audit at, what's coming next. Is there any issue I should be aware of? And that goes a long way to this trust relationship and a very transparent audit.

Emma Carroll..... 00:25:29

How often would I interact with Clara and how often would I interact with a person? Is there a sort of standard way of looking at that?

Sebastian Stockle..... 00:25:38

I don't think there's a standard way. It really depends so much on the individual company. In the situation I spoke early on about, we have companies that are highly digitally mature and highly central.

Speaker D 00:25:52

Right.

Sebastian Stockle..... 00:25:52

It's, it's one way if you are in a situation like this versus where perhaps you, you're more decentralized and perhaps also more heterogeneous from, from a digital landscape. So, so those play massively into the amount of digital audit you would also experience. But then of course it's always important that humans talk to each other in an audit context. It's critically important. There's a significant amount of personal interaction necessary and at the same time certainly the degree of accessing Clara, to obtain information, to access certain dashboards, inform yourself as companies management that that's all possible and depends a bit on the situation.

Emma Carroll..... 00:26:43

Brilliant.

Speaker C 00:26:43

Thank you.

Emma Carroll..... 00:26:44

And you talked about clients that have a really strong data foundation and, and how that makes the data audit a lot more efficient. And I'm wondering is there any way to kind of put a figure on how much more efficient that would make an order, even perhaps a percentage of how much faster or something like that? Do you have any feel for that?

Sebastian Stockle..... 00:27:03

Yeah, of course. So can give you some concrete examples. So if a client of ours has a single ERP system where all business units, all processes run through with a single shared service center, then for that system you would do one IT audit.

Speaker D 00:27:21

Right.

Sebastian Stockle..... 00:27:21

There's one way of analyzing data from that system. But if you have 10, that effort is 10 times. It's literally not avoidable. So we would have to do 10 IT audits and we would have to get data from these 10 systems. So there's a very linear way of comparing the effort that stands behind it being dependent on the digital maturity, the level of consolidation in the company itself.

Speaker C 00:27:51

Thank you.

Emma Carroll..... 00:27:52

And you talked about creating more value from the audit process for clients. Is there anything else you'd've given us some good examples. I wonder if there's anything else you'd pull out in Terms of value that's created. That's different from Clara.

Sebastian Stockle..... 00:28:05

Yeah, so. So something we do in pretty much every audit is we look at the complexity of processes and bookkeepings in the individual business units and we can compare them with each other. So we can tell management very specifically, in one of your business units, your processes run very automatically.

Speaker D 00:28:23

Right.

Sebastian Stockle..... 00:28:24

The way you receive orders, the way you, you deliver goods, the way you record your invoice, the way you bill your customers or pay, pay your vendors. You do this in a highly digital way versus you may not. And that's a very nice way for us to do almost like a company wide benchmarking. And that's a, that's a great insight we share. And we can even extend that to an industry wide benchmark whereby we say for your entire peer

group, your digital process maturity is very high, or perhaps it's not as high as other others in your peer group. It's a good example. A similar example would be for ESG reporting.

Sebastian Stockle..... 00:29:12

We can today look at entire sustainability reports and analyze them. And one way of analyzing a sustainability report is to look at how the company's disclosing about their achievements in the sustainability space. Some of their disclosures may be very positive. Is there perhaps a risk of greenwashing? Some of the disclosures may be a bit too conservative. Is that how they want to be portrayed in the marketplace? And we can simply compare and contrast here again across an entire peer group and provide management with that insight to then calibrate their reporting the way they want to be portrayed. Right.

Sebastian Stockle..... 00:29:52

And certainly, of course, under the umbrella of the ESG assurance work we would be doing under a certain framework.

Emma Carroll..... 00:30:01

There's some really, really fascinating stuff there. And I'm wondering how you kind of balance the independence requirements of auditing with that, that extra value insight that's coming out, this, what feels like a new generation of auditing. Any thoughts that there.

Sebastian Stockle..... 00:30:17

Well, it's a very clear rule.

Speaker D 00:30:19

Right.

Sebastian Stockle..... 00:30:19

So we are independent auditors, so we are certainly not concerned with implementing changes into client environments, changing processes or controls. That's not something we can do when we are the auditor. We can do that when we are not auditing, of course. And so it is simply sharing the results of our audit work. Right. And, and that is absolutely within our ability.

Emma Carroll..... 00:30:48

And what about risk? Is risk being dealt with in a different way in the new platform like risk management and assessing risk of the business? Whether there's anything different there?

Sebastian Stockle..... 00:30:59

Okay, so yeah, if you mean risk assessment as such, that's certainly a key Cornerstone of the audit process and risk assessment nowadays is really very largely driven by data and information that is being surfaced into our Clara platform. So when we assess risks, we would also here start on day one essentially with data from the entity, would look at trends at certain ratios at information within the entity transactions again and we also look at information from outside of the entity which we obtain, obtain through some of our AI agents to point back to some of these examples to understand what is the environment in which the entity is operating, right? What are perhaps business risks from the outside market risks, regulatory risks, competitor risks and the like. And all of that information is triangled essentially within the Clara platform, made available to our auditors and audit teams to be very well informed. Data informed on day one to make sure, sure they determine the right levels of risk for, for the right risks. And only then the subsequent audit work is happening.

Emma Carroll..... 00:32:12

And what are you most excited about, about this new way of auditing that. We haven't talked about that yet. Anything else you would pull out?

Sebastian Stockle..... 00:32:19

Well, I think, you know, I'm, I'm personally very excited by the, the introduction of generative AI because it is a true game changer. So over the last 10, 15 years we have been mastering, analyzing structured data, numbers and tables, right. This is something we, we have been able to deal with very effectively. Now Geni over the last two or three

years has enabled us to do the same f structured data. So text, right. Whether it's the disclosure example I gave, whether it's the contract example I gave. So being able to do with unstructured data, what we have been doing with structured data before, very successfully has really been a game changer.

Sebastian Stockle..... 00:33:06

And so now with increased levels of automation agents coming our way, the reasoning and research models that I spoke about, it really leads to a significant transformation as such of the entire ways of auditing. And that's really what excites me most.

Emma Carroll..... 00:33:22

Yeah. And clients asking you for assurance over their uses of AI, is that coming up at all?

Sebastian Stockle..... 00:33:29

Yeah, 100%, absolutely. So we are, I would say still in early phases that organizations have mostly been piloting and prototyping the use of AI. But we are already in a stage where the discussion is, well, if I introduce this AI module in my financial reporting process, how would this be audited?

Speaker D 00:33:52

Right.

Sebastian Stockle..... 00:33:53

And how is it reliable enough for, for me to produce financial statements, for example, that you as an auditor would sign off on? And of course then it becomes a.

Speaker D 00:34:03

System we would audit. Right.

Sebastian Stockle..... 00:34:05

And we have policies and procedures, methodologies to audit systems, whether it's I guess classical financial accounting systems or smarter, more intelligent systems like AI systems. So that's something we do already. And providing additional certifications and assurance over that is really the next stage in compliance with frameworks like the EU AI act, for example. But there's also ISO certifications or certain local country regulations that are coming up and, and clients are asking us to help them in this space as well.

Speaker C 00:34:41

Okay, thank you.

Emma Carroll..... 00:34:42

And Sebastian, we always like to end on one really either practical point or really thought provoking point. And I thought I'd go down the thought provoking points route today. If there was one thing that you think most people have got wrong when they try and imagine the future of audit, what is that one thing?

Sebastian Stockle..... 00:34:59

One perhaps often heard phrase is will there really be the audit with a click of a button? Not, not needing the human being. And I think that's a misconception because it's not only about needing, it's also about wanting. Who just wants to work with a machine? Right. So we after all, are businesses that are led by people. And so there is a desire to, to talk people to people, auditor to management and supervisory bodies.

Sebastian Stockle..... 00:35:35

And certainly the degree of automation will be significantly increasing. Is already significantly increasing. And yet though there is, like in the game of chess, a very, very powerful formula in combining the masterful chess player and the AI. And it's the same in order to. We really think this combination of human and machine is the, the powerful recipe for the future. And, and perhaps that's the misconception that, that I would like to address with, with that analogy.

Emma Carroll..... 00:36:11

That sounds like a very positive place to end. Sebastian, thank you so much for your time today.

Sebastian Stockle..... 00:36:17

You're very welcome. Thanks for having me.