

Synergy in Action

Empowering auditing with generative AI for
efficient compliance and future ready
practices

23 October 2023



Building a better
working world

Introduction



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EY Africa Assurance
Innovation and Digital Leader

Data as the fuel for trust



Trust

Trust is the **basis** on which the **capital market** functions

As **auditors**, it is our **responsibility** to bring trust to our clients, to the business world & to the society as large

Our role is to help our clients **increase** the levels of **trust** in their own **data**, **processes** & **reporting**

Data

The fuel for trust

Data as the fuel for trust



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Data



Data is the **foundation** for our **trust** services

Nowhere in audit, do we process more **transactions**

110 k

710 bn



We **ingest** and **process** data to provide meaningful **output**

State-of-the-art data ingestion

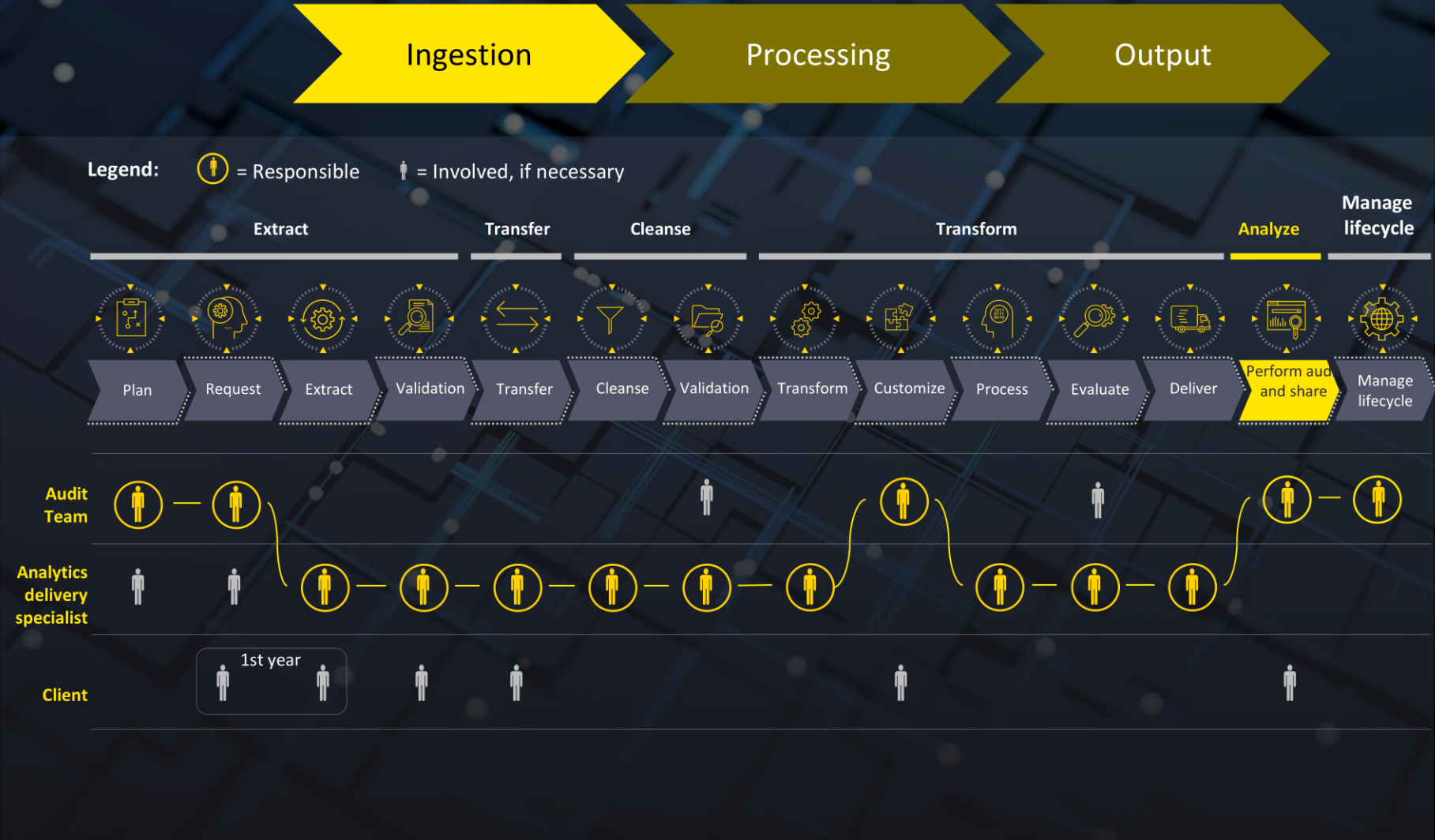


The data analysis process: how does it work?

Our approach involves transforming our data capture process across the global audit to drive increased focus on visibility, efficiency and minimizing risk.

Client ABC benefit

- ✓ Reduces client workload
- ✓ Leveraging of existing investment in systems
- ✓ Focuses audit team on risk based audit vs data gathering



A hand holding a pen points at a laptop screen displaying financial charts and data. The screen shows a line graph with a yellow trend line and various data points. The background is dark with blue and green highlights from the screen.

Artificial Intelligence

Big data
Machine learning
Real time processing
Robotic Process Automation

AI is not hype... It is driving the fastest ever market transformation

Firms are now forced to determine how generative AI will impact their sector, or risk disruption

ChatGPT pushed the market onto a new adoption curve

Google launches PaLM 2, its next-gen large language model

Frederic Lardinois @flardinois / 2:17 PM GMT+2 • May 10, 2023



Microsoft launches Fabric, a new end-to-end data and analytics platform

Frederic Lardinois @flardinois / 5:00 PM GMT+2 • May 23, 2023

G7 leaders confirm need for governance of generative AI technology

Reuters

May 10, 2023 12:29 PM GMT+2 • Updated 12 days ago



Biden Administration Developing National AI Strategy

White House seeks public input on rules for AI tools like ChatGPT

ChatGPT Passes CPA Exam on Second Attempt. Is It Coming For Accounting Jobs?

The latest version of the chatbot passed the CPA exam with a score of 85.1, just weeks after an earlier version had failed

Risk of extinction by AI should be global priority, say experts

Hundreds of tech leaders call for world to treat AI as danger on par with pandemics and nuclear war

OpenAI's Sam Altman Urges A.I. Regulation in Senate Hearing

The tech executive and lawmakers agreed that new A.I. systems must be regulated. Just how that would happen is not yet clear.



What makes it different this time?

Key trends in AI

1

Emergent Abilities found in Extra Large Models

2

Democratization of AI

3

Accelerated Funding in AI

Three key changes that gave rise to this moment ...

1

Emergent Abilities found
in Extra Large Models
Large

2

Democratization of AI

3

Funding in AI

ChatGPT Sprints to One Million Users

Time it took for selected online services
to reach one million users



* one million backers ** one million nights booked *** one million downloads
Source: Company announcements via Business Insider/LinkedIn

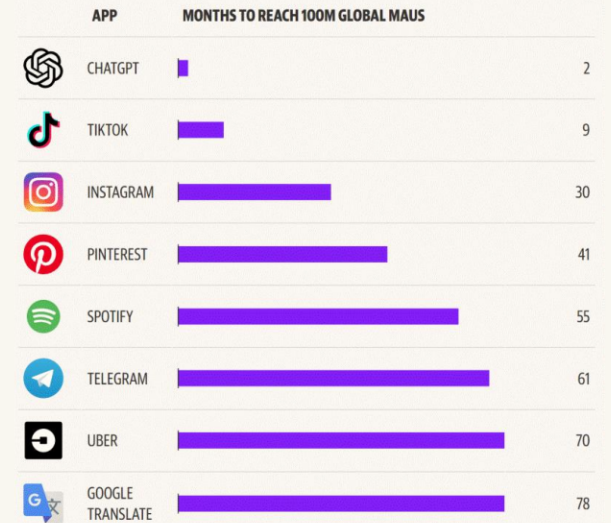


statista

HOW LONG IT TOOK TOP APPS TO HIT 100M MONTHLY USERS

ChatGPT is estimated to have hit 100M users in January, 2 months after
its launch.

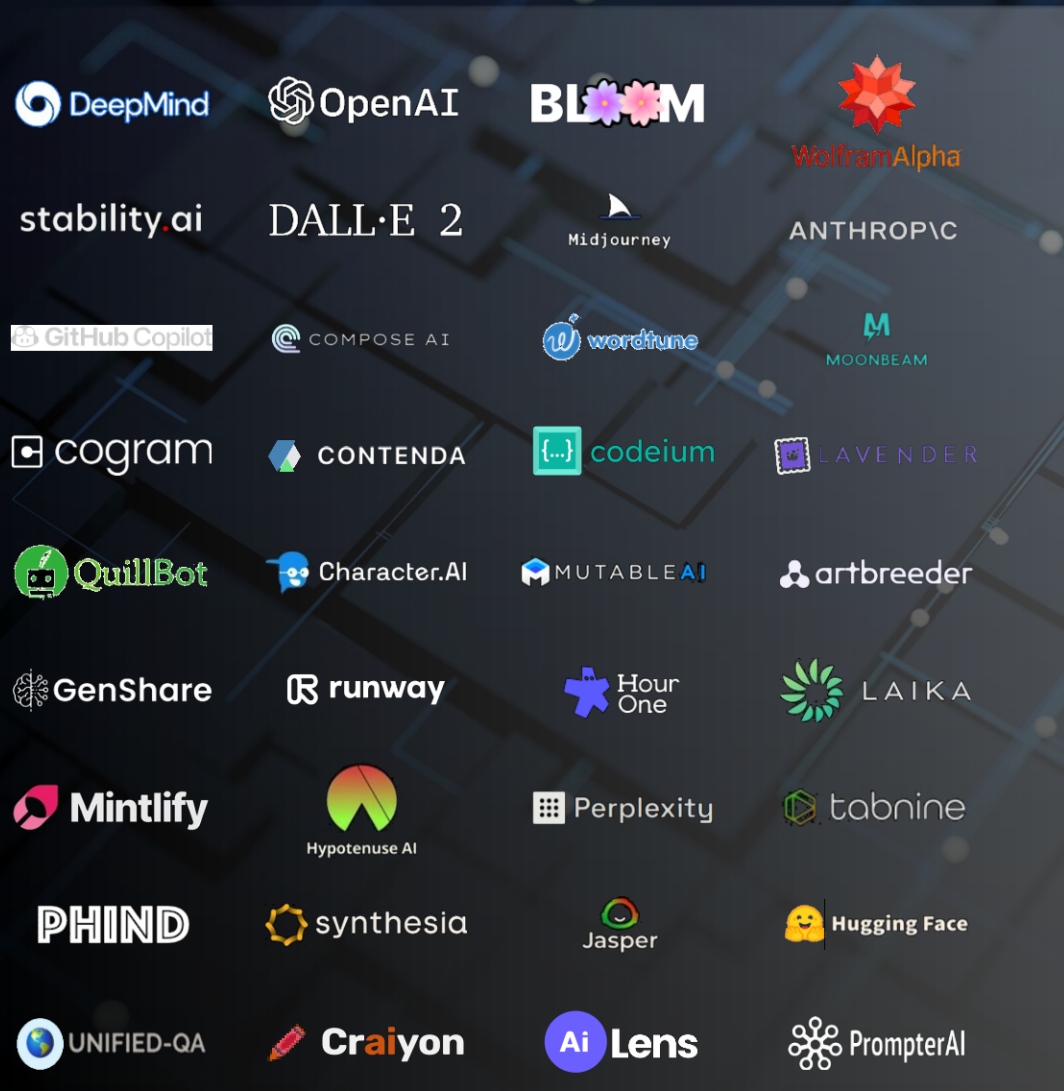
Here's how long it took other top apps to reach that:



SOURCE: UBS

yahoo!
finance

It's not just ChatGPT: Generative AI is Broad, Big, and Growing



Pretrained Language Models



Image Generation



Video Generation



Code Generation



Audio Generation

AI boosts business but presents challenges; leaders must grasp both for successful enterprise adoption ...

Opportunities

As voiced by the surveyed business leaders, the mainstream adoption of AI fuels interest in **transforming business models**.

Findings from EY's CEO survey:

65% CEOs recognize AI's efficiency benefits, an equal 65% stress the imperative of addressing its social and ethical risks

66% say jobs impacted by AI will be counter-balanced by new roles

45% of the surveyed leaders plan significant investments in AI in the next year

Sources: CEO Survey, 2023 | IDC | McKinsey

Findings from other reports reveal:

IDC predicts global spending on AI will surpass US\$300 billion in 2026

2X Business AI adoption doubled since 2017, with an average application performing 3.8 tasks, up from 1.9 in 2018.

77% Increase in AI-related references during investor calls signals a strategic shift among business leaders, according to a Bloomberg report on March 1, 2023.

Challenges

In this tech-powered transformation journey, the C-suite has a fair share of challenges in scaling AI firm-wide.

43% leaders voiced concerns about the trustworthiness of AI and ML

Source: FT

67% CEOs highlight AI & ML integration risks, underlining trust challenges and potential errors

Source: HBR

60% companies consider insufficient talent/ skills within the organization to be a main obstacle in AI adoption.

Source: EY study

Due to some of these potent challenges, the retail sector witnesses a **6% decline in AI adoption**.

Source: BW

We stand at the brink of a transformative technological era, where Generative AI is already leaving its mark ...

Increased efficiency

Microsoft reports **55% less programming** time, MIT cites **44%-time savings** in professional writing tasks.

Increased creativity

57% of consumers anticipate GenAI enhancing creativity, while **34% of GenAI patents** are linked to image generation.

Improved experiences

72% of global consumers foresee GenAI enhancing customer experiences, while **ChatGPT scores in the 90th percentile** on the Bar.

Despite numerous advantages, GenAI presents issues.
How will you strategically navigate and overcome these obstacles?



From deterministic models to probabilistic ones



"a beautiful painting of a friendly smiling neighbour, peering over a garden fence on a sunny summer day"

From deterministic models to probabilistic ones



"a beautiful painting of a friendly smiling **neighbor** peering over a garden fence on a sunny summer day"

EY.ai – Foundational elements

What are the value levers and business outcomes?

EY.ai Value Accelerator



Who: CEOs & Boards

What: A visualizer to identify value creation opportunities in the enterprise that will drive measurable growth.

Includes an outcomes simulator that captures key business dimensions and maps out financial and operational implications

How ready are we for the AI journey ahead?

EY.ai Maturity Model



Who: CXOs & GCSPs

What: A framework for companies to benchmark where they are and what capabilities are required to progress.

Includes assessing maturity of functions and business as well as alignment of AI ambitions with core values of organization.

Will we successfully deliver our AI program?

EY.ai Confidence Index

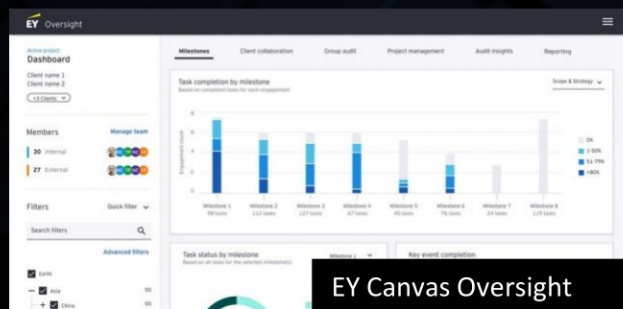
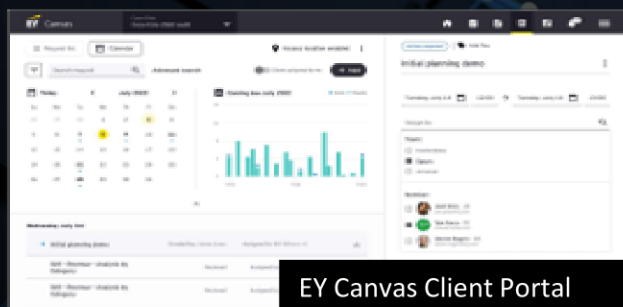


Who: AI Solution leaders, C-suite, Boards

What: A solution-level empirical assessment of the inputs and outputs of the underlying AI model.

Enables confidence in the data, model and processes making up an AI program, driving value capture and confidence in the outcomes

Our technology



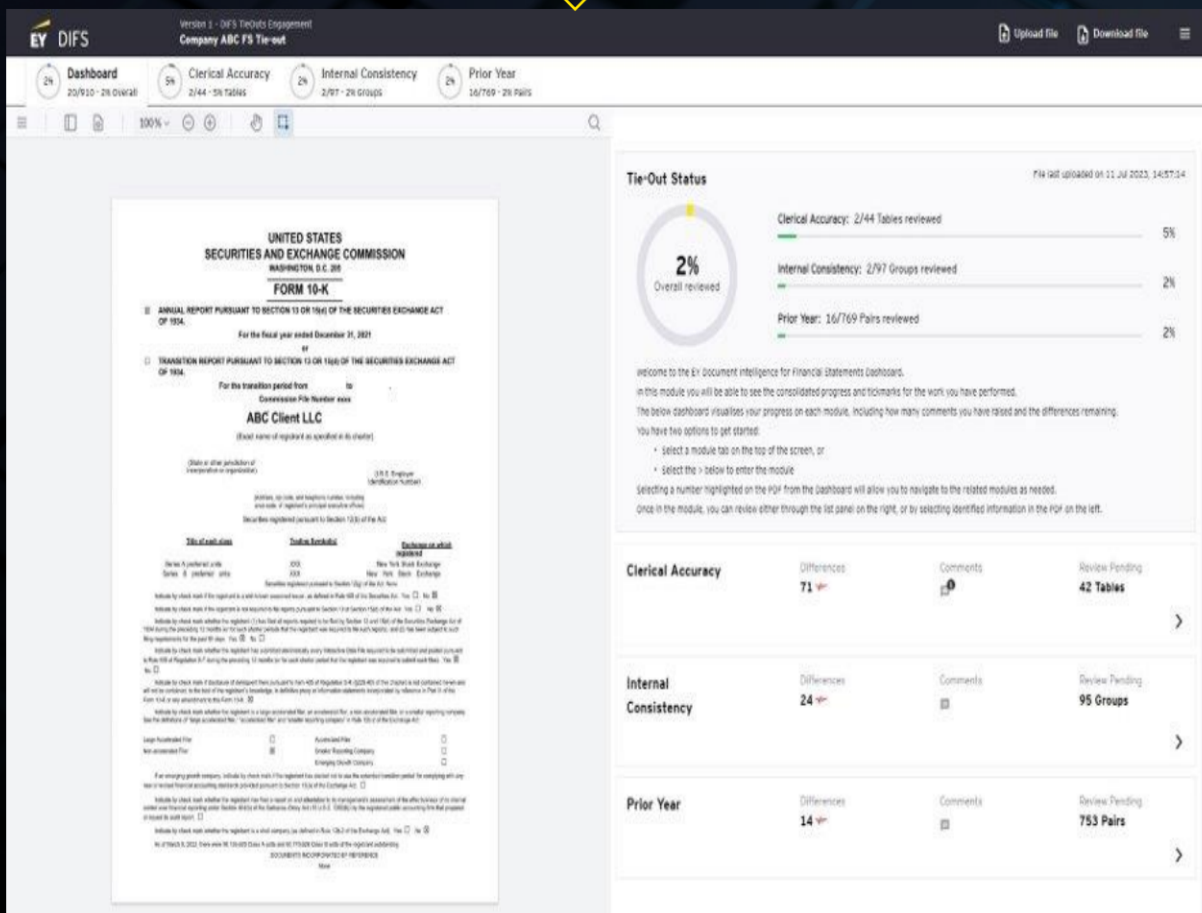
Other significant releases



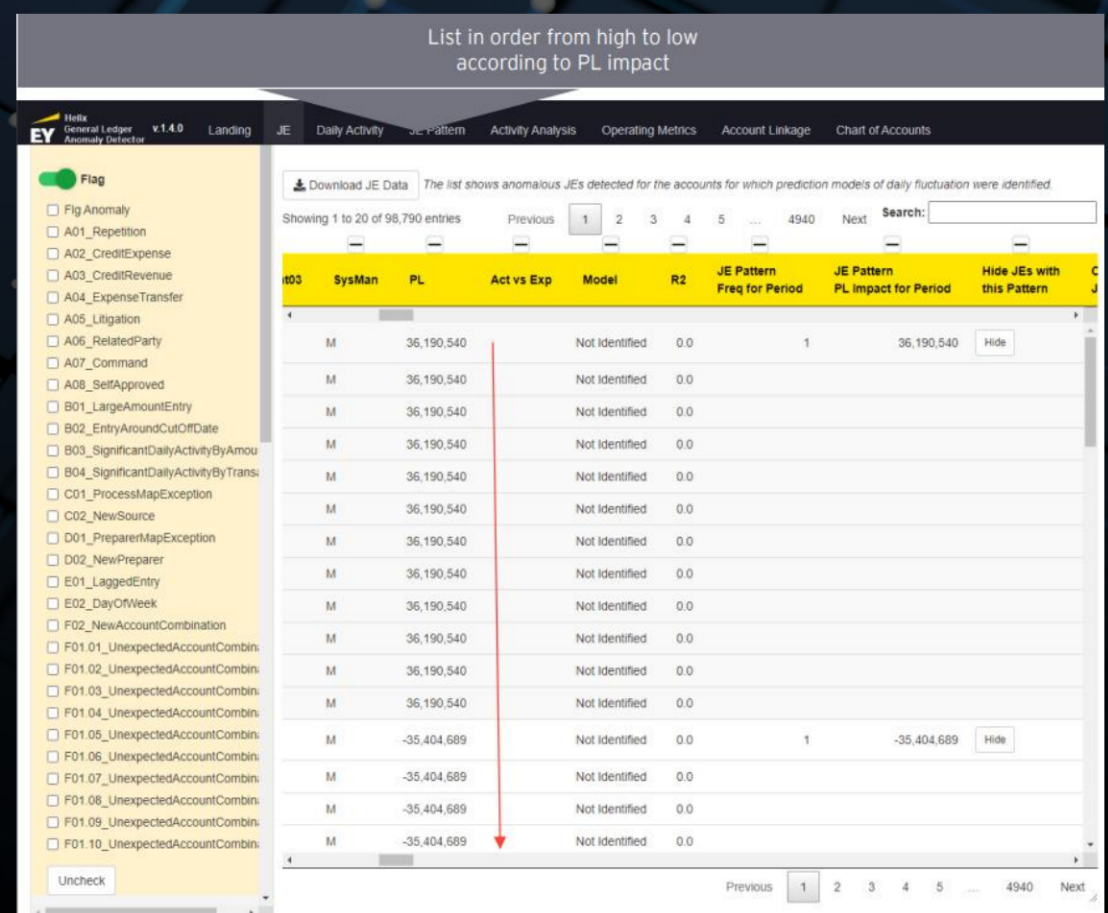


AI Interaction

Document Intelligence for Financial Statements



General Ledger Anomaly Detector



How can Co Pilot be **used** in the market today?

Accounting Industry

- ▶ Automating repetitive tasks
- ▶ Data Analysis
- ▶ Predictive Analytics
- ▶ Cost Reduction

Legal Field

- ▶ Legal research
- ▶ Due Diligence
- ▶ Contract Review and drafting
- ▶ Regulatory Compliance
- ▶ Expertise Matching



IT & Engineering

- ▶ Code Generation
- ▶ Code Documentation
- ▶ Low Code Application Development
- ▶ Debugging

Research & Knowledge Management

- ▶ Knowledge tagging & management
- ▶ Natural language search
- ▶ Metadata Generation (tags, topic, intent)
- ▶ Due diligence
- ▶ Plagiarism detection
- ▶ Summary generation

The EY.ai unifying platform strategically combines expertise in strategy, transformation, risk, assurance, and tax with advanced AI within a comprehensive ecosystem.

EY has invested in EY.ai to build an AI ecosystem and capability

EY.ai*

Bringing human judgement, Intelligent Platforms and Ecosystem for enterprise transformation

People

Multi-disciplinary expertise

Diverse and global expertise

- Strategy, transactions, transformation, risk, assurance and tax
- Industry best practices and domain knowledge

Ecosystem

Holistic insights and research

Connecting an expansive ecosystem, from technology and business to academia

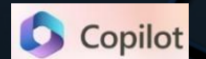


- Think Tanks/Consortia
- AI Advisory Board

Technology

AI-embedded services and solution

EY Fabric



- EY.ai EYQ
- EY Canvas AI
- EY GL Anomaly Detector
- EY Intelligent Payroll Chatbot

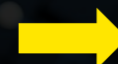
Underpinned by foundational elements



EY.ai Value Accelerator



EY.ai Maturity Model



EY.ai Confidence Index

*EY launched EY.ai with \$1.4B investment.

