THE FUTURE OF ERP

Will AI Replace the Auditor?

Shaylin: From an auditor's perspective, it's the understanding of agents and AI within your integrated framework, your level of automation, and having the ability to understand that well and draw conclusions while keeping a human at the center. That, for me, is the future of ERP.

Richard: Welcome to The Future of ERP, a podcast where we discuss hot topics, best practices, and the latest innovations in today's global business. I'm Richard Howells, and as ever, I'm joined by my wonderful cohost, Oyku.

Oyku: Hello, everyone. I'm Oyku Ilgar, a marketer, blogger, and podcaster in the ERP and supply chain area at SAP. Today's topic tackles a question that's been gaining a lot of attention: Will AI replace the auditor? To explore this, we are joined by Shaylin Moodley. Shaylin, welcome to the show. Could you please introduce yourself?

Shaylin: Sure. Thanks, Richard. Thanks, Oyku. I'm Shaylin. I'm a director with one of the Big Four firms, and I look after a range of Fortune 250 clients in the UK from an external audit perspective, particularly IT, and similarly from a controls advisory perspective in their transformation programs.

Richard: Maybe we'll address the elephant in the room and ask the big question. From your perspective as an auditor, do you think AI could eventually replace auditors—and yourself in your job?

Shaylin: The big, bold answer is no. There are a number of reasons for that. AI is fantastic, definitely from an audit perspective, but one thing auditors are always very conscious of is judgment. There will always be an apprehension to give away judgment from an auditor. So the short and simple answer is no, it will not. But there's a lot of benefit to be obtained in the near term and long term.

Oyku: How do you think about trust when it comes to this? Do people really trust AI to handle auditing?

Shaylin: There is an element of trust associated with leveraging AI in audits. I'll give you two examples. In the external audit world, we trust—and would like to trust—AI to handle a lot of mundane tasks. Examples include user access reviews and similar activities. Tasks that auditors typically perform to analyze extracts, views, opinions, and judgments can be supported by AI.

At the same time, unless you can articulate why you've come to a conclusion without AI, you're in a difficult position. So with AI, you want to leverage it, but you must understand how it has reached its decisions. The closer you are to it, the better. It reduces mundane work, but you still need to stay closely involved.

On the other side, from a transformation perspective, AI can help design control frameworks. For example, you can run a workshop, have AI transcribe and analyze the discussion, and identify risks and controls. After a short break, it can produce a framework and highlight areas not yet discussed.

Richard: Just as a follow-up, do you record sessions and use AI to summarize them?

Shaylin: Essentially, yes. It summarizes, provides insights, and prompts further discussion points. It can also identify risks or controls that were mentioned but not explicitly recognized. It uses leading-practice libraries combined with the conversation to ask, "Have you considered this?"

It also connects business processes with systems, helping identify IT general controls needed for systems involved. So it's not just transcription—it supports structured thinking.

Richard: That makes sense. Many functions use AI to highlight gaps and enable better judgment. How do you expect AI to change the auditor's role in the future?

Shaylin: It's already being used effectively. The main limitation is regulatory uncertainty. Auditors want to use AI operationally and in control testing, but regulation hasn't caught up.

When you use AI, you need to understand the decisions it makes to avoid issues like hallucination. So auditors stay close to it. AI is currently used within existing guardrails, and broader adoption will depend on regulatory development.

Richard: AI is also being used by the companies being audited. Could that increase auditors' workload?

Shaylin: Yes, but it's not entirely new. Automation has always required validation. With traditional systems, auditors could understand configurations. With AI, the challenge is that it can make its own decisions.

For example, with Firefighter reviews, you could use AI to evaluate logs, monitor users in real time, or operate autonomously. The key question remains: how do you ensure that AI produces reliable evidence so auditors can reach conclusions?

Oyku: There are concerns about entry-level jobs being reduced. How will future auditors develop professional judgment?

Shaylin: Traditionally, auditors built judgment through hands-on tasks. Now, younger professionals are more proficient with AI and can reach conclusions faster.

The model won't change significantly, but there will be more emphasis on judgment. Training will evolve to ensure auditors understand AI and avoid risks like hallucination.

Richard: Do you think we'll need fewer auditors in the future?

Shaylin: Audit time may decrease, but complexity will increase. Judgment will remain human-centric. AI improves efficiency but doesn't replace judgment.

There's also a need to deeply understand how AI works before establishing assurance models and benchmarking performance over time. This will evolve over the next few years.

Richard: What key questions should we have asked?

Shaylin: Two areas: my personal use of AI and my view on adoption in controls.

Richard: Let's hear your thoughts.

Shaylin: Initially, I was hesitant to use AI, seeing it as a "glorified Google." But I found it more effective when used conversationally. I engage with it interactively—testing ideas back and forth until we reach a conclusion.

It removes mundane work while challenging my thinking. It becomes a sounding board, helping refine risk and control assessments.

Richard: So your advice is to try it and learn through experience?

Shaylin: Exactly. Use it conversationally—not just as an output generator. Collaborate with it to reach conclusions you trust.

Richard: And what about adoption?

Shaylin: AI is widely used day to day, especially for faster insights in audits. However, full adoption in control operations is limited due to regulatory concerns.

Organizations are testing use cases, but widespread operational reliance will take time. Trust and confidence in both the data and the tools are essential.

We're moving from traditional automation to automation combined with autonomous decision-making. That's a fundamental shift. Adoption will continue to evolve gradually.

Oyku: The human will stay in the loop, right?

Richard: Someone always needs to be accountable.

Shaylin: Exactly. When a control fails, someone must be responsible. You can't assign accountability to AI.

Unless you can explain how AI reached a conclusion, you won't be comfortable relying on it.

Richard: Final question—what's the future of ERP from an auditor's perspective?

Shaylin: It will be more automated. For example, SAP already enables 60–65% automation in controls. With AI, that could increase to 75–85%.

This will require stronger integration in control frameworks and better governance of emerging risks.

From an auditor's perspective, it's about understanding AI and agents within integrated frameworks and maintaining human judgment at the center. That, for me, is the future of ERP.

Richard: Great summary. Shaylin, thanks for a fascinating conversation.

Shaylin: Thank you—great speaking with you both.

Richard: Thanks to everyone listening. Please mark us as a favorite to stay updated on future episodes. Until next time, from Shaylin, Oyku, and me, thanks for discussing the future of ERP.