

Leveraging *data analytics and Gen AI* to revolutionize audits

Capgemini GIA develops a new chatbot to automate the auditing process, enhance data-driven decision-making, and offer a scalable solution

Streamlining the auditing process

The growth in importance of corporate governance has made internal auditing increasingly complex and data driven. Capgemini Group Internal Audit (GIA) is at the forefront of this transformation, harnessing the power of data analytics and AI to enhance audit efficiency, accuracy, and strategic value.

Traditionally, data pulls and analyses for audits have been manual processes, often conducted at the unit or country level, or requested directly by the auditee. This approach was not only time-consuming but also prone to errors and inconsistencies. Recognizing the need for a more streamlined and efficient system, GIA set out to determine how leveraging data analytics and AI could improve this process, all while focusing on quick wins and mid-term benefits.

Client: Capgemini Group Internal Audit

Region: Global

Industry: IT Services

Client Challenge:

The GIA team wanted to develop a new solution that leveraged data analytics and Gen AI to improve efficiency, accuracy, and speed.

Solution:

GIA integrated Gen AI into the audit process by developing a chatbot equipped with Natural Language Process capabilities that could handle over 120 targeted tests on demand.

Benefits:

- Boosted document review efficiency
- More effective risk identification
- Improved accuracy and decision-making
- Expanded ability to handle a larger volume of documents



Centralizing data for enhanced audit planning

GIA's first initiative involved understanding where data was centralized for each operational function. By meeting with functional heads at the Group level, GIA gained insights into how data was collected, processed, and stored. This collaborative effort led to the development of 14 operational Power BI dashboards, which were either leveraged or newly created for the GIA team. These dashboards, developed in coordination with data owners, provided auditors with a visual tool to assist in audit approach and planning.

The centralization of data allowed auditors to access critical information swiftly, enabling them to identify trends, patterns, and potential risks more effectively. This shift from manual data pulls to automated, visual dashboards significantly improved the audit preparation process, ensuring that users had the most relevant and up-to-date information at their fingertips.

Streamlining data access for detailed audit reviews

The second stream of GIA's effort focused on obtaining centrally used data to perform detailed audit reviews. This involved exploring various data management solutions, including SAP Business Objects (BO) reports, the creation of data lakes and data cubes, and deploying anomaly detection to identify outliers. The result was the development of over 120 targeted tests that could be executed at the click of a button, providing auditors with instant insights and reducing the time spent on manual data analysis.

By automating these processes, GIA not only increased the efficiency of audit reviews but also ensured consistency and accuracy across different audits. This approach allowed auditors to focus more on strategic analysis and risk assessment, rather than getting bogged down by data collection and initial analysis.

AI and the future of auditing

The integration of AI into the audit process marked a significant milestone for GIA. With a workforce of 350,000 employees and 14 different Group functions, one of the most challenging tasks for auditors was managing and understanding the vast number of Group policies. To address this, GIA centralized over 30 policies and developed a Gen AI chatbot powered by Large Language Model. This solution could understand and respond to auditor queries in over 20 languages, providing instant clarification on policies ranging from revenue recognition in France to Group guidelines on travel and entertainment expenses.

The implementation of this chatbot simplified policy management while ensuring that auditors had access to accurate and consistent policy information, regardless of their location or language. This innovation underscored GIA's commitment to enhancing audit quality and efficiency by leveraging innovative technology.

In addition to the chatbot, GIA used Gen AI to implement a document summarization tool that analyzes lengthy documents, particularly client contracts, to identify risky clauses or areas of concern for auditors to examine. This tool leverages advanced AI algorithms to scan and summarize large volumes of text, highlighting key points and potential risks. And the solution adds value to GIA in a variety of ways.

First, it has boosted document review efficiency. Auditors often face the daunting task of reviewing extensive client contracts and other legal documents. The document summarization tool streamlines this process by quickly identifying and summarizing critical information, allowing auditors to focus on high-risk areas without manually sifting through pages of text.

Second, the chatbot helps identify potential risk by detecting problematic clauses, such as ambiguous terms, compliance issues, or potential financial liabilities. By flagging these issues, auditors can proactively address concerns and ensure that all contractual obligations are clearly understood and managed.

Third, AI-driven summarization ensures that the analysis is consistent and free from human error. This consistency is crucial for maintaining high audit standards and providing reliable insights across different documents and contracts.

Fourth, the solution enhances decision-making by making summarized insights readily available, enabling faster and more informed decisions. This improves the overall efficiency of the audit process and helps in timely identification and mitigation of risks.

Finally, the tool can handle large volumes of documents, making it scalable for use across various departments and projects within the Group. This scalability ensures that GIA can maintain high audit quality even as the volume of documents increases.

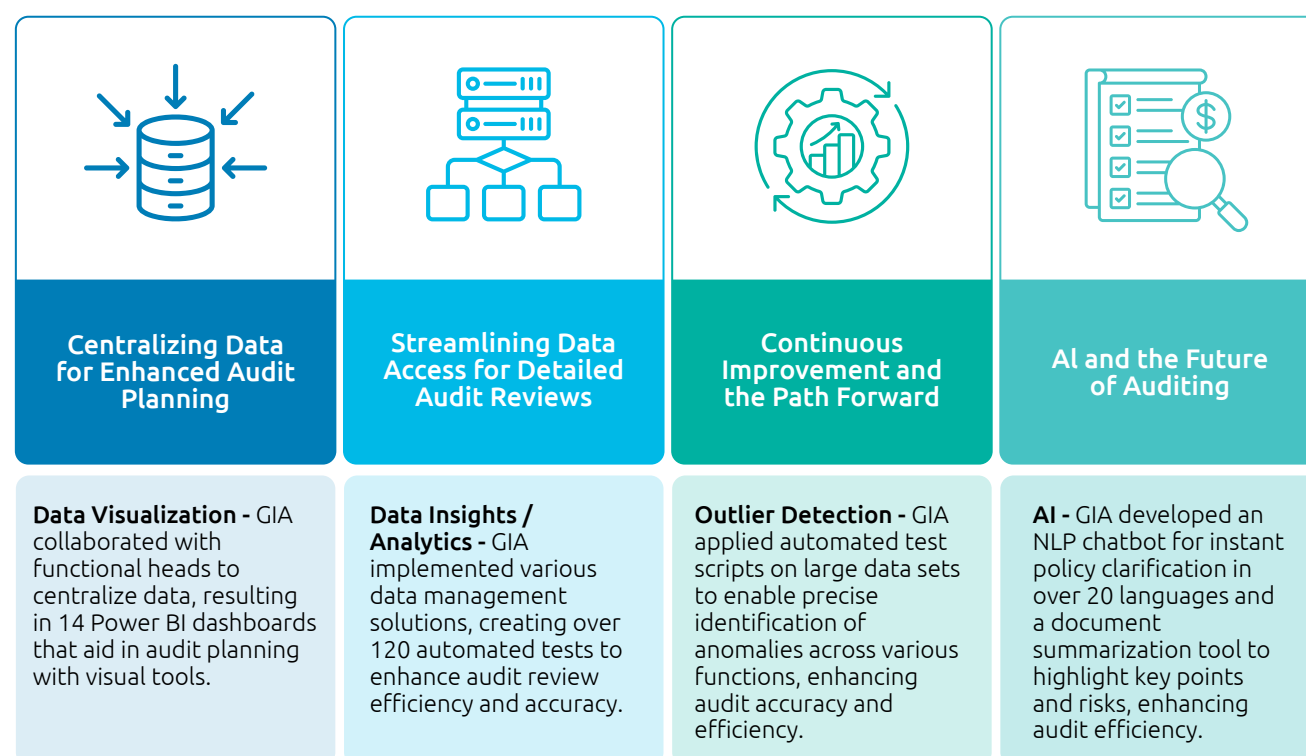
Continuous improvement and the path for ward

The initiatives undertaken by GIA have led to a continuous improvement in audit processes, with new tools and AI solutions being developed to further enhance data mining capabilities. The journey from manual data pulls to automated dashboards and AI-driven chatbots has not only transformed the way audits are conducted but also highlighted the potential for further innovation.

As GIA continues to evolve, the team will explore machine learning algorithms to continue improving its data-mining capabilities, and fully leveraging the promises of Gen AI to increase auditor productivity in areas such as interview summarization, document analysis, and report writing. By staying at the forefront of technological advancements, GIA can ensure that its audit processes remain robust, efficient, and aligned with the dynamic needs of the organization.

Revolutionizing Audits

Leveraging Data Analytics and AI in Capgemini Group Internal Audit (GIA)



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