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EFFICIENCY OF INTERNAL AUDIT: LARGE DATA ANALYSIST

Abstract. Internal audit is one of the most effective tools of efficiency growth and the main component of a management system, which is aimed at enhancing stability and achieving the goals set for the organizations.The article reviews the impact of new technologies on the work of internal audit of organizations.

Keywords: effectiveness of internal audit, the analysis of big data, traditional data analysis, technology audit.

As the entities develop and adapt to work in difficult economic conditions, the expectations of interested parties from internal audit also increase. The use of methods and tools for data analysis can radically change how internal audit responds to ever-increasing expectations, including improving its performance, gaining a deeper understanding of business, and improving monitoring approaches.

These advantages can be realized only if internal audit not only uses data analysis methods to automate certain procedures within the framework of conducted inspections, but also fully integrates these methods into the life cycle of internal audit. The ultimate goal is to create an internal audit function that includes critically thinking employees who apply methods and tools of data analysis in all aspects of their activities.

Porter said that technology has always played a major role in the creation of wealth and is today accepted as a key source of competitive advantage [1]. Technology represents the most pervasive force influencing human lives today. It is also identified as a key driver in the evolutionary development of man [2]. Therefore, that is the area where investment in technology development should be concentrated [3].

Zuma Medeiros in his study illustrated how technological capabilities developed in the sector fits into the ‘catch-up’ model exhibited by many latecomer firms and industries in industrialising countries. It has followed a pattern of foreign technology acquisition over several distinct phases during which the leading firms have moved from the ‘reactive’ to the ‘strategic’ category as described in the CAT[4].

Over the past decade, many internal audit services have appreciated the potential of data analysis. For example, three years ago in the PwC study "The Current Status of the Internal Auditor's Profession" from 2013, most managers and directors of internal audit services recognized the importance of using data analysis methods to quantify the identified deficiencies, expand areas covered by audit procedures and gain a deeper understanding of the risks.

Many entities decided to invest in the development of opportunities for applying data analysis within the framework of internal audit work, but the implementation of this decision ended with varying degrees of success. Some entities have made a significant profit from these investments, others have found that their initiative does not develop at the required speed and they experience difficulties in implementing data analysis methods in the audit process and other internal audit processes. Nevertheless, interest in the methods of analyzing data from the profession remains high.

The pressure from stakeholders also creates the need for successful implementation of programs related to the development of the data analysis method use. In the face of changing business environment,