

NEWS HIGHLIGHTS

RBI asks banks to enable account number portability

Bitcoin technology faces split, may create clone virtual currency

SBI move may ignite a rate war among PSU, private banks

VMware sets up AirWatch data center in India

Today's View

Audit meets Tech

After decades of reliance on manual statistical methods like random sampling that have more or less failed to achieve precise result, the audit practice has been transforming through modern tech-era. As per **Forbes Insights survey**, 58% respondents believed that technology would have a profound impact on financial audits over the next few years. Further strengthened by **Protiviti's** Audit Capabilities and Needs Survey, stating that auditors at financial services firms ought to brush their technical skills to battle emerging technologies like including cyber security, advanced analytics and artificial intelligence.

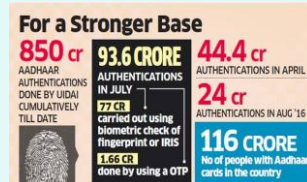
Some of the audit firms have acknowledged and integrated modern technology in their practice. **PricewaterhouseCoopers (PwC)**, for instance, has transformed its revenue recognition audit practice by leveraging big data to look at the entire population of data instead of just looking at extrapolated samples of information, invoices, and cash receipts to build a 360 degree view of receivables. Another member of the 'Big 4' club, **Ernst & Young (EY)**, built its audit platform "Canvas", leveraging ERP systems to manage entire audit work streams, enabling auditors precisely identify and respond to risk factors. Competing firm **Deloitte** adds artificial intelligence to its Argus platform to better analyse audit documents. Additionally, it employs machine learning techniques to identify and extract key accounting information like leasing and derivative contracts, employment agreements and invoices.

In India, the **Institute of Internal Auditors (IIA)** has recognised the importance of Audit Data Analytics techniques to improve fraud detection through generating variance reports. Even regulators like US' **Securities & Exchange Commission (SEC)** have expressed the need to create a technology enabled system to support the regulator to extensively track markets across various venues and systems, providing improved transparency and better access to critical data.

OTHER INTERESTING NEWS

Aadhaar authentications hit record high of 94 crore in July

Aadhaar authentications reached a record high of nearly 94 crore in July, a figure which has doubled from just three months back.



As per data from the Unique Identification Authority of India (UIDAI), 93.6 crore authentications have been conducted in July, compared with 44.4 crore in this April and just 24 crore last August, implying a fourfold jump in a year.

Source- The Economic Times

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Date- 01st August 17

This paradigm shift toward technology is a clear testament that the future of a traditional financial process as manual as audit is undergoing digital transformation, hopefully supporting businesses of the future with quality audit and advisory engagements.

Today's News

RBI plans to extend cyber audit to all banks

The Reserve Bank of India is planning to conduct a cyber-audit of all banks in the country instead of just a few bigger banks as it did in the past, a policy shift that comes in the wake of an increase in cyber-attacks.

The banks which do not have security measures in place as per the RBI standards will be given time to comply, failing which the regulator may initiate action, officials said.

Source- *The Economic Times*

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RBI asks banks to enable account number portability

RBI Deputy Governor S S Mundra has asked banks to work towards account number portability as it will be a far-reaching step towards enhancing competition and improving customer service.

"A scenario was thus emerging wherein customers would be able to silently walk out from one institution to another, in case of any dissatisfaction with the services," RBI said in a release on Monday, quoting Mundra.

Source- *Business Standard*

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Bitcoin technology faces split, may create clone virtual currency

Bitcoin's underlying software code could be split to create a clone called "Bitcoin Cash," potentially providing a windfall for holders of the digital currency.

China-based bitcoin miners have initiated what is known as a "fork" – where blockchain, a public ledger of all bitcoin transactions, splits into two potential paths – that is set to be activated on Aug. 1. A fork, if it goes ahead, would be significant as it could create a new competitor for bitcoin, which remains the oldest and most valuable digital currency.

Source- *Financial Express*

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This News Letter has been prepared with the assistance of Pankaj Tadas and Manish Kulkarni

Sydney is challenging Singapore as the region's fintech startup hub

The number of fintech startups in Australia has increased to 579 companies from less than 100 in 2014, according to a study by KPMG launched today.

Australian fintech investment is strong with \$US675 million invested across 25 deals in 2016 despite an overall global decline in investment in the sector.

The report finds that Sydney is seen as ahead of Hong Kong but slightly behind Singapore when it comes to being a leading global centre for fintech. The report says Sydney could "potentially challenge Singapore".

Source- *Business Insider*

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Snapdeal could dent Flipkart's fight against Amazon

The failure of Flipkart in acquiring Snapdeal is likely to dent the country's largest e-commerce platform's plans to overtake global rival Amazon.

By culling its workforce and focusing solely on business verticals that yield high margins, it is possible that Snapdeal could survive as an independent entity. And competition, especially in categories that can earn money, will put pressure on Flipkart to burn more cash.

Source- *Business Standard*

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SBI move may ignite a rate war among PSU, private banks

India's largest lender State Bank of India cut interest rate on savings bank accounts by 50 basis points to 3.5 per cent on balance of Rs 1 crore and below, after over six years of status quo.

SBI's rate cut could ignite a rate war among the large state-run and private banks, but most mid-sized and small finance banks hungry to gain incremental market share could decide to hold rates.

Source- *The Economic Times*

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Over 3m ATM, debit cards compromised in '16 cyber attacks

Recent revelations about the leakage of Aadhaar data and corresponding transaction data are serious concerns as government is integrating Aadhaar number to various services," the study said.

Experts said a wider net needed to be cast by the Indian banking system and the government to engage cyber security experts from top institutes as advanced layer of protection was missing in most financial institutions.

Source- *The Economic Times*

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India's e-commerce market to touch \$33 billion this fiscal: Government

The e-commerce segment in India is growing and is likely to touch USD 33 billion this fiscal, the Parliament was informed today.

In the 2016-17 fiscal, the online market had grown by 19 per cent, Minister of State for Consumer Affairs C R Chaudhary said in a written reply to the Rajya Sabha. "India's e-commerce market is estimated to be USD 33 billion in the financial year 2017," he said, quoting industry body NASSCOM's latest estimates.

Source- *The Economic Times*

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Ernst & Young Hosts Blockchain Hackathon in India

Global consultancy services firm EY, one of the key members of the Bitcoin Association of Switzerland, has held its first Blockchain Hackathon at the Bombay Stock Exchange in Mumbai, India from July 28 to 30.

The three-day event will focus on the creation of prototype models and the development of solutions for the various problems in society. The company also plans to hold similar events in different offices around the world.

Source- *The Cointelegraph*

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VMware sets up AirWatch data center in India

Cloud infrastructure firm VMware today announced the setting up of its first AirWatch data center in India.

The new data center will deliver industry-leading VMware AirWatch Enterprise Mobility Management (EMM) technology to businesses looking to extend the benefits of mobility to employees. By expanding VMware's business footprint and ability to deliver VMware AirWatch technology to more customers in India and the broader Asia-Pacific region, this lays the foundation for delivering digital workspaces through VMware Workspace ONE.

Source- *The Economic Times*

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Indian M Wallet Market 2017-2022 – Mobikwik and Paytm

The Indian m-wallet industry has reported a tremendous growth in the recent years, and is presenting ample opportunities to the industry players. With favorable demographics and rising awareness, Indian m-wallet market is poised to scale newer acmes. Moreover, introduction of novel m-wallet services, benefits and entry of new players, are further set to boost the markets growth.

The Indian mobile payment industry has been split into three distinct services viz.: m-pos, mobile Banking and m-wallet.

Source- *Daily Commerce News*

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