

Techniques for Audit Assisted by Computer

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ABSTRACT

Using techniques of computer assisted audit has gained a growing scale, not only in the cabinets of the audit, but even among customers auditors (particularly in the departments of internal audit). At first glance, they appear to involve costs may unjustified, but in reality they offer a plus - value both customers and auditors, the complete picture that give a system and / or a transaction. In this sense, analyze, for example, annual revenues of an entity, in particular those resulting from payments made by customers. In a typical procedure for financial control, external auditor to obtain final balance of revenue and a detailed list of transactions that took place. Balance final revenue is used to assess analytical, comparing the current situation of revenue with the situation in the previous financial year.

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The form in which they now work any entity audited affects the continuous work of auditors, in that it creates new opportunities and new risks, additional rules regarding safety, reliability and acceptable margins of error. Increasing complexity of systems, especially the computerized accounting systems, type ERP (Enterprise Resource Planning) and volume of transactions recorded at present have led to the replacement of a rate accelerated techniques audit classic "manual", with modern techniques , Assisted by computers known as CAAT (Computer Assisted Audit Techniques).

Techniques of computer assisted audit can be defined as instruments that are basic computer and designed to improve efficiency and effectiveness of the audit, a definition that would be an alternative "techniques used by auditors who use the computer as a tool to collect and analyze data required audit.

Developing information technology and specialization continues auditors have treated two directions for the use of computers:

- as a working tool of the auditor, within its mission by allowing a greater efficiency and effectiveness of the work submitted.

- objective of a mission audit (object) and to analyze the accuracy, completeness and integrity of financial accounting information.

Using original data processed electronically, in the large audit practices, led to the development of an "audit around the computer. In a first step, auditor response was to totally ignore the computer, treating it as a "black box" that provides quick access to documents and accounting records. Its major interest was focused on data and information processed by computer and in any case the internal structure of applications.

Proper technical audit was characterized as auditors select certain data entry, results calculated manually and then compare it with the output generated automatically by computer.

Addressing the computer as a tool of the auditor's tasks is known in the literature as auditing "with" computer. At this time, it is noted in the emergence of large cabinets audit software audit generalized - CAAT tool, which allows comparison of the contents of two files, examine the contents of a file, the determination

of depreciation, calculating the size of the sample tested. However, it should be noted that at this stage no auditor was not interested in "information tool" and the manner in which the data processing.

Today, the development of new information technologies and use increasingly large scale of the computer forced the auditors to treat the computer as the target of audits and audit "through" he implicitly system. What does this new approach? This requires the auditor to enter data into the computer for processing, then check how they are processed data, structure files, databases, paths of communication, etc.. The results are analyzed to determine if users and management organization may be based on accuracy and processing programs.

In these circumstances, it is necessary to specify the techniques that have imposed this approach:

- Entering data online, a process which no longer involves the existence of source documents. The auditor is required to "enter" into the system to determine the safety and accuracy of processing and control, because it can not route through the "source documents - documents exit.

- reduction or even lack of printed output.

- update files in real time, technique through which transactions are taking place immediately. I printed out, showing the contents of such files and provided the auditor may not be correct. While listing the contents of a file, the data could be changed - so that it causes auditor "to access the system to perform the audit.

Integration of these techniques and tools of modern computer assisted audit is a prerequisite for increasing efficiency and effectiveness of audit activities, whether it is an internal or external audit, but not an end in itself. The result of this integration should auditors on an optimal position to "take the pulse" of an organization, as the planning, testing itself and reporting is carried out in parallel and in real time. Even in these conditions, the use of CAAT sites must be planned and addressed only if value added audit procedures manual, or if you become unusable, less economical or less effective.

Analysis of CAAT's availability and compatibility software package with the auditor

of the audited organization (need specific technical configurations that the organization does not possess at the time) are at least two conditions addressed by the auditor before treatment. When using CAAT is ineffective or impractical, you can choose to adopt other facilities or conducting a proper combination of technical audit manual with the assistance of a computer. The standard audit 1009 "Techniques of computer assisted audit" helps auditor reasoning in determining whether their use and recommended in this regard, analysis of the following factors:

- knowledge, specialization and experience in the field of information auditor. It must be aware that the use of CAAT under certain conditions may require knowledge and expertise at a significant level.

- availability CAAT sites and facilities informatics. Cooperation with staff's IT organization could offer processing facilities, help the development of ancillary activities.

- impossibility of implementing the test manual. Numerous financial accounting systems can make various processes, functions for which there is no visible evidence, and in these circumstances, the auditor will be virtually impossible to conduct manual tests. The lack of visible evidence may appear at different times:

- Entry documents may not exist when the sales orders or refund has been received online. Moreover, certain transactions such as the granting of discount sites, the calculation of interest are generated by certain modules program without authorization visible to individual transactions.

- Output reports can not be produced by the system. In addition, a printed report may contain summarized totals, while details are found in other files the application.

- effectiveness and efficiency auditing procedures can be improved by using CAAT sites. In general their use involves testing the entire data volume (100% testing) which leads to increased efficiency at similar cost. The details of transactions or balances and printed reports of unusual items can be analyzed more efficiently by using computer than by manual methods.

- time setting.

Today, in an information era, the need for expression, by the auditor, an opinion grounded in real time, to the detriment of

classical approach, with history. The auditor should assess quality information produced by information systems, the pressures coming, in this respect, both internal management and from outside shareholders who feel the need to be advised to resist the competitive environment.

Using techniques of computer assisted audit has gained a growing scale, not only in the cabinets of the audit, but even among customers auditors (particularly in the departments of internal audit). At first glance, they appear to involve costs may unjustified, but in reality they offer a plus - value both customers and auditors, the complete picture that give a system and / or a transaction. In this sense, analyze, for example, annual revenues of an entity, in particular those resulting from payments made by customers. In a typical procedure for financial control, external auditor to obtain final balance of revenue and a detailed list of transactions that took place. Balance final revenue is used to assess analytical, comparing the current situation of revenue with the situation in the previous financial year. If the variation determined on the basis of certain criteria imposed by the auditor, is reasonable, will select a sample of data and under are sent confirmation letters to customers for testing and accuracy of these transactions, in contrast, if the change is not acceptable to will perform detailed tests, usually through analysis of primary documents to determine if any unusual transactions contributing to the difference distorted. The auditors strengthens its conclusions about the veracity of the amounts included in income, relying in this connection on the control of analytical documents and confirmations sent by customers. Analyzing this case, which is a normal situation in a mission audit show a series of questions that will bring into light the depth of the actions undertaken by the auditor:

1. The analysis provides a level of trust from which the work that is sufficient to form an opinion fair?

2. Auditors have identified all possible variables to the effect that there is nothing unusual transactions in its audited?

3. Auditors have achieved something which auditors do not customers would be able to do alone?

4. External auditors have made a real advantage to customers?

Due to large amount of operations and a high volume of data subject to these tests, use of classical techniques, "textbooks" of the audit would generate "dead time" and often the answer to the questions presented should be no. Entering in the audit techniques of modern, computer-assisted, such as ACL, Caseware IDEA (developed in subheading 4.4) allow the automation of various activities, and analyze 100% of the transactions of the company audited.

CAAT is an important step made by the analysis of financial statements and confirmations to clients, because the classical technique based on a small portion of the transactions and can not always faithfully reflect the actual situation of the entity in the year, with all efforts and the professionalism of auditors. Using these applications, auditors shall form a much clearer picture of the "business" customer because they are able to check large volumes of data to classify them as certain criteria, may issue statistics and forecasts even giving the customer a complex society.

Returning to the example above - income analysis of an entity, the auditor can achieve a diversified range of classifications of revenue (revenue / customer / month or income / product / client) analysis that can reflect on the one hand, the behavior of customers audited organization and the elsewhere can lead to the identification of gaps in the system of sales (policy errors, bad organization of business sales). Outside of class advantage, the auditors can use the benefits of components on a frame. A division of the income segments of \$ 50 and a review of the classification of customers in these segments, it can lead to the conclusion that the auditor, for example, most customers to its audited spend between \$ 250 - \$ 300. This could generate new decisions at management level, the department or to develop new policies to attract more customers, bringing income of about \$ 50 (for example).

The auditors may conduct such tests as the quantities to determine if customers tend to buy in small quantities or large items and the number of transactions per customer to verify that they are loyal customers.

The advantages of the techniques of computer assisted audit are numerous, their use involves testing the entire data volume (100%

testing), the auditing procedures commonly used to emphasize:

- Recalculation totals printed reports of the activities was a manual with a consumption of time and inadequate information rather low; using software audit, this process is done in just a few seconds. Another technique that can be easily and effectively automate the construction of fields is calculated, for example for the establishment expenditure or depreciation in the value of stocks, the results will be compared with the values of customer accounts.

- "Seniority" claims and liabilities can be calculated almost instantly, and can generate further analysis of their classification intervals of "old".

- Analysis exceptions can track numerous types of errors where it is very difficult to walk hand printed reports to detect unusual transactions. Using specialized commands the auditor may consider, for example:

- Unused stocks for a period exceeding three years;

- Fixed assets that have a value of the remaining amortized much higher than the actual value;

- Invoices worth more than 100 million lei, issued by customers and not paid within 120 days.

- data fusion (Allardyce) serves to analyze data from tables or other databases. By merging the two data files, such as costs and prices of stocks on which they were sold, the audit can instantly analyze stocks that were sold at prices lower than cost, resulting in losses.

- Detecting fraud involves the analysis of any suspicious coincidences in the database.

An additional feature of modern computer assisted audit is to detect fraudulent transactions, this analysis assumes duplicate transactions, loss or other anomalies.

Software audit will allow the auditor, for example:

- comparing addresses of employees with those of suppliers to check whether there are employees and vendors (an employee can defraud a company with intense commercial activity, "invention" of a supplier

- looking for duplicate numbers of checks to determine if using copies of checks society;

- identify suppliers who use more than a

mailing address or more identification codes;

- sorting payments depending on the amount.

These tools and techniques of modern auditor can assist in any phase of its mission, being used for:

- Verify the accuracy of processing accounting;

- Testing of security measures in a system;

- Analysis and control applications in the system;

- Hazard identification and assessment of an organization;

- Evaluation of internal control;

- Verifying the integrity of files;

- Analysis of customer information audited by complex queries of the database, extraction, overlapping, aggregation.

In the client test, incorporating modules audit viewing and selecting the entry of transactions and those generated during processing based on predefined criteria auditor for a subsequent bye.

In literature have highlighted the following modules:

- SCARF (System Control Audit Review File) - method allows auditors to check the reasonableness test incorporated in an application (examines the internal control system built) and carry a copy of invalid transactions that do not fall within a range expected in a separate file for further consideration.

- SARF (Sample Audit Review File) - SCARF method is similar, except that transactions are selected randomly, without taking account of the fact that they fit or not within the limits set by the auditor tests.

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