Accounting Examination Based On Information Technology

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Abstract: Information Technology audit itself is a combination of various kinds of knowledge, including: Traditional Audit, Management of Information Systems, Accounting Information Systems, Computer Science, and Behavioral Science. Basically, IT Audit can be divided into two categories, namely Application Control and General Control. General control objectives further guarantee the integrity of the data contained in computer systems and at the same time ensure the integrity of the program or application used to process data. Meanwhile, the purpose of controlling the application is intended to ensure that the data is correctly input into the application, processed correctly, and that there are adequate controls on the output produced. In audits of applications, typically, checks on general controls are also carried out given that general controls contribute to the effectiveness of application controls. In practice, the stages in IT audits are not different from audits in general. The planning stage, as an introduction, is absolutely necessary so that the auditor knows the object to be examined properly. In addition, of course, auditors can ensure that qualified resources are already owned, in this case experienced aspects of HR and also references to best practices.

Index Terms: Accounting Examination, Information Technology, Based, Accounting Information Systems, Infrastructure, Internal Control.

1 INTRODUCTION

In the era of globalization technology advances are very rapid, this is very added value for companies to be able to fight and make improvements. With the development of technology makes it easier for a company to develop its business for the personal interests of the company and to meet the interests of stakeholders. all operations and business activities of the company as well as being able to provide quality information for interested parties from both internal and external companies. Control of company activities can be in the form of recording or documentation of company operations with a wide enough scope to fulfill information for company personalities and stakeholders. To answer these problems, the Accounting Information System is needed in meeting the needs of the company in general. Accounting information system comes from three syllables, namely the System shows the involvement of input, process and output. Information is the output of the system that is used to make certain decisions. Meanwhile, according to Paul Grady (1965. Item 2) "Accounting for systems of originating, authenticating, recording, classifying processing, summarizing, analyzing, interpreting, and supplying of dependents and significant information covering transactions and events which are, in part at lest, of a financial character, required for management and other responsibilities. Accounting information systems do not only connect the input output process, but accounting information systems can also be concluded as activities, data, documents and technology that are designed to collect and process data so that they can provide or present information to decision makers. In providing quality information several components of accounting information systems that must be well integrated include: Resources that run an Accounting Information System data, collected from various activities, events about business processes, and transactions. This data collection can be in the form of media forms or documents Procedure, including an explanation in the form of activity and document flow.

Internal control

Software and information technology infrastructure. This information technology includes computers, storage devices and data processing, networks, data and information transmission devices. Information technology infrastructure is the infrastructure used by organizations to support the delivery of information, whatever its form, and not only in the form of internet networks Accountants must understand the process of data processing up to the presentation of financial statements and can guarantee that the information is quality by understanding how the system that produces the information is designed, implemented, presented and used, how financial information and financial statements are presented and how information is used to make decisions. The Internal Auditor checks and tracks activities based on the system flow. The external auditor determines the audit risk based on substantive testing to be able to gather evidence and conduct testing, the auditor must understand the auditee’s accounting system. Desiner accounting information systems also need to involve accountants who can evaluate the feasibility of the design. A good Accounting Information System will provide several benefits for its users to: Providing information for the purposes of presenting financial statements and their supporters.

Providing information for planning

Ensure that the flow of activity, data flow and documents can be tracked, controlled and organized. Helping to handle routine transactions due to transactions that routinely require routine documentation to be more effective and efficient. Implement internal controls and help evaluate them. Helping smoothness in an audit process in determining auditor opinion. Support the decision making process so that decisions made can be better. Increasing the trust of prospective investors, prospective creditors, investors, creditors, customers and interested parties. These benefits can be optimized if the Accounting Information System is well designed and considers the objectives of the quality of financial information and is supported by good internal control. With the existence of a quality and up to date Accounting Information System, it will help users to provide or present financial reports that are more reliable.

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2 LITERATURE REVIEW

2.1 Computerized Accounting System
Computerized accounting system is an impact of the development of science and technology, where manual accounting records are now replaced by computers, this certainly has a positive and negative impact on companies and human resources, namely accounting work becomes easier and faster and can minimize errors in preparing financial statements, on the other hand it has a negative impact, namely the reduction of labor With the advancement of technology in the business world continuously, Accounting Information Systems that are done manually can now be done with the help of computers, namely computer-based Accounting Information Systems. The process in accounting manually and computer-based is not much different, which distinguishes in computer-based Information Systems can be done with just one entry (input) data or transactions, this in the ledger will change and can directly change the Financial Report as well. American accounting associations define auditing as follows: Auditing is a systematic process for objectively obtaining and evaluating evidence regarding statements of actions and economic value transactions, to ensure the level of conformity between the statement and the criteria set, and communicating the results to interested users. Auditing requires a step-by-step approach that is formed by careful planning and careful selection and implementation of appropriate techniques. The involvement of the audit is to collect, review, and document audit evidence.

2.2 Audit Computer
Audit of computer in information technology-based systems has a broad scope. There are several stages of the audit that must be carried out in carrying out an overall information technology-based system audit. The stages of the audit carried out include the preliminary survey stage, the evaluation phase of the system control (information system audit), the compliance testing phase and the substantive testing phase and the final preparation of the report (Wilkinson, 2006). Whereas, according to Romney and Steinbart (2015: 337), defining information system audits as: “An examination of the general and application controls of an IS to assess its compliance with safeguarding assets.” Audit is the process of obtaining and evaluating evidence regarding assertions about economic actions and events in order to determine how well they fit the established criteria. From the definition, four main steps are obtained in the audit process (Romney and Steinbart, 2015: 339), including:

1) Audit Planning.
Organizing what needs to be done, how and who will do the audit. This is done by first identifying the risk, then it is sufficient to understand the scope and purpose of the audit and what will be asked to do the audit. Most audit work will focus on areas with the highest number of risks. There are three types of audit risk, namely:
- Inherent risk: risk of control problems in the absence of internal controls.
- Risk control: the risk of material misstatement that will pass through the internal control structure.
- Detect risk: the risk that the auditor and the procedure will not detect material misstatements or errors.

2) Collection of evidence can be done in various ways:
- Observation
- Reviewing documentation
- Interviews, discussions and questionnaires
- Physical examination (for example, total inventory)
- Confirm with third parties
- Reperforming calculations (for example, estimates such as depreciation or calculation of bad debt burden)
- Supporting vouching documents (for example, sales of customer orders, shipping documents, sales invoices, customer payments)
- Analytical reviews (checking trends and patterns both within their organization and industry)

3) Proof evaluation involves the auditor concluding that the evidence supports or does not support the statement.

4) Communication of results in the form of written reports and often including recommendations to management.

Information system auditing uses a risk-based framework that allows the auditor to review and evaluate internal controls that protect the system to meet each of these objectives (Romney and Steinbart, 2015: 340). A risk-based framework can be applied to the purpose of an information system audit in four framework areas, namely:
- Identify fraud and errors (threats) that can occur that threaten each goal
- Identification of control procedures (preventing, detecting, correcting threats)
- Evaluation of control procedures
  - Review to see if there are controls and in what parts
  - Test the controls to see if they work as intended
- Determine the effect of controlling weakness
  - Compensation control

Following are some audit techniques that are usually used by auditors simultaneously for testing programs (Romney and Steinbart, 2015: 347), including:

a. Integrated Test Facility (ITF), inserting dummy entities in enterprise systems, processing test transactions to update them will not affect actual records.
  - Using fictitious input
b. Snapshot Technique, marks transactions with special codes, records and records their master files before and after processing, and saves data to then verify that all processing steps are executed properly.
  - The master file before and after the update is stored for special marked transactions
c. System Control Audit Review File (SCARF), uses an embedded audit module to continuously monitor transactions, collect data about transactions with special audit significance, and store data to then identify and investigate questionable transactions.
  - Continuous monitoring and storage of transactions that meet pre-specifications
d. Audit Hooks, audit routines that notify the auditor of the questioned transaction.
  - Notify the auditor of doubtful transactions.
3 DISCUSSION
Information technology-based SI audits can be classified into types or types of checks:

a) Audit of financial statements (general audit on financial) In this case an audit of aspects of information technology in an information system. Information technology-based accounting is carried out in the context of financial audits.

b) Information system audit (SI) as a separate activity, separate from finance. Actually an SI audit is essentially one of the forms of operational audits, but now it is better known as a separate type of audit unit whose main purpose is more to improve IT governance. IT audit is very necessary because accountants who conduct financial statement audits must understand and test the system and its internal control, and in order to examine accounting data (substantive test). In addition to these reasons, IT audits are increasingly needed in connection with the higher risks in the field of information technology-based systems, which include:

- Risk of improper use of technology (inappropriate)
- Chain errors or rapid repetition of system errors on computer-based systems
- Logic processing is wrong (can cause serious errors).
- Inability to translate needs (inappropriate system).
- Concentration of responsibilities, including the concentration of data in one location or IT people (especially database administrators).
- Damage to communication systems that can result in processes or data.
- Input data or information may be inaccurate, not up to date, fake.
- Inability to control technology.
- The practice of safeguarding information systems that are ineffective, inadequate or may not even be well planned.
- Misuse or incorrect operation or use of data.
- Uncontrolled system access.

Audit of Financial Statements
This financial report audit (general audit on financial statement audit) is conducted to determine the fairness of the financial statements presented by the company (in accordance with financial accounting standards and there is no materialistic misstatement). This audit includes the general audit. If the company’s accounting system is a computer / information technology-based system, it is necessary to audit the accounting (computerized) application system or information technology component (hardware, software, network, infrastructures, and even dataware or data in the database of accounting information systems Examination of IT specifically to understand/test the client's internal control structure (as required in the standards of inspection of public accountants) and in the context of substantive testing (for transactions and account balances). Financial report audit/audit consists of two stages, namely (a) control audit (test of controls), namely checking whether computer processes and programs are correct, examining whether system control is adequate, and whether application control is good enough. Whereas the next examination (b) is an audit of substantive data to access accounting data contained in computer files/media, for example, sales, receivables, and so on.

4 CONCLUSION
By processing transactions that already use computers, namely Computer-Based Accounting Information Systems. The accounting process carried out for processing transactions/data, enough users/users only by inputting data/transactions, so that the data will automatically be integrated and can make up to date Financial Report information. With the existence of a Computer-Based Accounting Information System Audit, the BOSS (Branch Operation Support System) runs smoothly so that the presentation of Financial Statements meets established criteria such as: relevant, reliable, understandable, testable, neutral, timely, comparative and complete. Thus in the presentation of the Financial Report, it can be up to date information and also as a basis for decision making.

ACKNOWLEDGMENT
The authors wish to thank to Padjadjaran University, Bandung Indonesia and Binus University, Jakarta, Indonesia.

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