

The Role of Computer Assisted Audit Technique

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Abstract: Audit is an integral part of the modern business environment. Audit develops, from financial audits to other types of audits, such as management, operational, performance, quality, environment, human resources, information technology audits and others. To state the level of conformity, the auditor requires the collection and testing of audit evidence. Audit evidence can be in the form of physical evidence, documentary evidence, testimony evidence, and analyst evidence. The increasing use of information technology/computers in data processing organizations has made changes in the form of audit evidence. If audit evidence as a result of a computer process cannot be seen then it is impractical for the auditor to do manual testing, so that the auditor must consider the use of Computer Assisted Audit Techniques.

Index Terms: Computer Assisted; Audit Technique Role; Computer Assisted Audit Technique.

1 INTRODUCTION

Audit techniques are the ways in which the auditor obtains evidence in comparing the actual situation with the situation that should. Audit techniques are related to audit procedures, where the audit techniques are used in an audit procedure to achieve audit objectives. Auditors will find many environments where data is stored more in electronic media than paper media. The auditor must determine how the company uses information technology systems to initiate, record, process and report transactions in financial statements. Actually there is no difference in the audit concept that applies to complex systems and manual systems, the only difference being specific methods that fit the situation of the existing accounting information system. This understanding is needed in order to get a good internal control understanding in order to plan the audit and determine the nature, timing and expansion of the testing to be carried out. In the audit standard regulates audit procedures in a computer-based information system environment. According to the standard basically auditing auditors do the following tests:

1. Test compliance with applicable procedures (authorization, completeness, accuracy).
2. Substantial test (test of transaction and processing results), and
3. Reprocessing transactions in compliance or substantive testing procedures.

The type and extent of testing does not depend on the size of the company but is determined by the complexity of the existing IT environment, such as the extent of the online system used, the type and significance of financial transactions, as well as the nature of documents/databases, and the programs used. Journal the article is being submitted to and the manuscript identification number. Click the forward arrow in the pop-up tool bar to modify the header or footer on subsequent pages. The use of IT as a device used by companies to produce information as data objects is as follows:

- 1) Changes in the form of information as audit evidence from information that uses paper (visual) into electronic (non-visual) forms stored in computer storage media.
- 2) Changes in the form of audit evidence in turn affect the way to obtain audit evidence and how to evaluate the audit evidence that has been obtained.
- 3) The volume of data stored in a company (multinational), has reached a very large size, which is reaching terra byte capacity, maybe even penta bytes.
- 4) Changes in the audit trail, a mechanism that allows chronological tracking of a transaction from beginning to end or vice versa.

- 5) There is a change in the internal control structure of the company, especially those relating to data processing.

All of the above influences make Computer-Assisted Audit Techniques a must for a Public Accountant Office, if you want to provide the best service to its clients, with quality audit work, on time, and the cost and energy efficiency of auditing.

2 LITERATURE REVIEW

CAAT is every use of information technology as a tool in audit activities. CAAT is defined as the use of devices and techniques for auditing computer applications and retrieving and analyzing data. CAAT is a device and technique used to test (both directly and indirectly) the internal logic of a computer application that is used to process data. If the auditor chooses to use computer-aided audit techniques, then the auditor can choose the approach he uses, namely whether to carry out application testing or perform substantive testing. If the auditor chooses to do an application test, then there are several approaches that can be done including:

1. Data Test

This method uses input data that has been prepared by the auditor and tested the data with a copy of the auditee application auditor software. If there are inappropriate results, this may be an indication of logical deviation or control mechanisms.

2. Integrated Test Facility (ITF)

An automated engineering approach that allows auditors to test the logic flow and control of an application during normal operation.

3. Parallel Simulation (PS)

This approach requires the auditor to create a program that simulates certain main functions of the application being tested.

Many computerized accounting systems in carrying out certain tasks do not produce visible evidence. The absence of evidence that can be seen can occur at various stages of the accounting process — such as:

- a. The input document may not exist if the sales order is entered into the system online. In addition, accounting transactions, such as calculation of price discounts and interest, can be triggered by an unauthorized computer program that can be viewed for each transaction individually.
- b. The system can not produce an audit trail (audit trail) that

can be seen for transactions processed through a computer. Submission of goods and invoices from suppliers can be compared with a computer program. In addition, program control procedures, such as checking customer credit limits, can provide evidence that can be seen only on the basis of irregularities. In this case, there is no evidence that can be seen that all transactions have been processed.

- c. Output reports can not be produced by the system. In addition, a printed report can only contain a total summary while the details that support the report remain in the computer file.

In these circumstances, it is not practical for the auditor to do manual testing. The effectiveness and efficiency of audit procedures through the use of TABK in obtaining and evaluating audit evidence, are as follows:

- a. Some transactions can be tested more effectively for the same level of cost by using a computer to check all or more transactions compared to if done manually.
- b. In the application of analytical procedures, transactions or account balances can be reviewed and printed on reports for unusual items in a more efficient way by using a computer when compared to the manual method.
- c. The use of the TABK can make additional substantive testing procedures more efficient than if the auditor places trust in the control and testing of the relevant controls.

Computer Assisted Audit Technique is the implementation of taking audit evidence material using a computer, an audit is carried out using a computer or software to support the implementation of the examination. Audit techniques are methods used by auditors to collect audit evidence. According to Arens in his book *Auditing and Insurance Services*, 9th Edition, there are seven audit techniques, namely testing physical (physical examination), confirmation (confirmation), documentation (documentation), analytical (analytical procedures), interviews with clients (inquiries of the client), counting performance, and observation. TABK or CAAT is only a computer user in conducting an audit. In auditing financial statements with TABK, audits are carried out on a computer-based accounting system, which is the real scope, which is to provide an opinion or fairness and conformity with the accounting system with financial accounting standards. CAATs' approaches include: generalized software audit, file review audit control system (SCARF), snapshot, ITF, PTF and so on. Computer-assisted audits can use software packages (software packages) and general audit software, as well as application software (user designed) or even by utilizing application packages from Microsoft, such as Excel. Computer-assisted audit approach is a very useful audit method for substantive testing or company files/data/records. Computer-assisted audit techniques involve computers or audit software to help test and evaluate company files/data relatively easily compared to testing of programs and data processing procedures. Examination of program or system requires certain auditor expertise in information technology.

3 DISCUSSION

Many computerized accounting systems in carrying out certain tasks do not produce visible evidence. The absence of evidence that can be seen can occur at various stages of the accounting process — such as:

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- b. The system can not produce an audit trail that can be seen for transactions processed through a computer. Submission of goods and invoices from suppliers can be compared with a computer program. In addition, program control procedures, such as checking customer credit limits, can provide evidence that can be seen only on the basis of irregularities. In this case, there is no evidence that can be seen that all transactions have been processed.
- c. Output reports can not be produced by the system. In addition, a printed report can only contain a total summary while the details that support the report remain in the computer file.

In these circumstances, it is not practical for the auditor to do manual testing. The effectiveness and efficiency of audit procedures through the use of CAAT in obtaining and evaluating audit evidence, are as follows:

- a. Some transactions can be tested more effectively for the same level of cost by using a computer to check all or more transactions compared to if done manually.
- b. In the application of analytical procedures, the account transaction or balance can be reviewed and printed on the report for unusual items in a more efficient way by using a computer when compared to the manual method.
- c. The use of CAAT can make additional substantive testing procedures more efficient than if the auditor places trust in the control and testing of the relevant controls.

Some computer programs, called Computer Audit Software (CAS) or Generalized Audit Software (GAS), have been created specifically for auditors. Generalized Audit Software (GAS) consists of a series of computer program routines that can read computer files, select the desired information, perform repeated calculations, and print reports in the specified Auditor format. Generalized Audit Software (GAS) function: Pull or call data from file structure, media files, company record layout that is being audited. Data is pulled, edited and transferred to the audit file. Calculate with data. By carrying out the addition, subtraction, multiplication and division operations. For example verification of the correctness of footing in the diary and multiplication in the sales factor. Carry out benchmarking with data. By using logical operators. For example comparing the customer's credit limit compared to the customer's estimated balance, where each estimated balance that exceeds the credit limit is recorded for follow-up. Summarize data. To provide a basis for comparison. For example a detailed payroll can be summarized to be compared with the salary report. Analyze data to provide a basis for assessing trends or judgments. For example, individual trade receivables can generally be sorted as a basis for assessing their billing possibilities. Reorder data with sorting and merging operations. For example, the total quantity of sales of various products sold by companies can be sorted in order to facilitate analysis. Obtain statistical data from a row of data. For example, last month's mean and median sales can be calculated to help with analysis. Print output. Like

reports, analyzes and forms. For example, the confirmation form and envelope request. Procedures for each GAS application: The procedure for using the GAS package starts from determining the purpose of planning audit objectives and work programs for a particular application. Then the auditor includes details about the application on the specification form that was printed beforehand. This specification is needed to notify the computer system about the characteristics of the file where the application data is stored, the various functions and processing steps that must be carried out by the software and the contents and format of the output. Then the auditor gets the master file and the company's transaction file for the application and checks the authenticity. This check generally consists of collecting the total key data field controllers and reconciling this total to match the total ledger estimates. At the agreed time, the auditor submits these specifications to be processed by the client computer system. These specifications can be processed through forms that can be scanned automatically or other magnetic media. Auditors can also use GAS packages stored on magnetic tape, magnetic disks. The auditor observes closely the processing of all computer operations. If the inspection is complete the auditor immediately takes over all the output and also the GAS package and specifications. ACL is one type of audit software that belongs to the Generalized Audit Software (GAS) category. ACL can only be used to collect and evaluate evidence generated from corporate transaction processing so that ACL is more likely to be used to assess post transactions rather than current transactions. With ACL, auditors will save time, effort and costs in conducting audits in the field. The volume of data to be analyzed becomes larger and the results of data processing are relatively more accurate.

3 Computer-aided audit techniques approach!

1. Auditing around the computer

Auditing around the computer, the auditor can step into the formulation of opinions by only reviewing the control structure and carrying out transaction testing and verification procedures for estimating balances in the same way as in a non-PDE system.

2. Auditing through the computer

Auditors use computers to test the functions and controls that are in the computer and records generated by the computer. The size of the role of the computer in the audit depends on the complexity of the company's computer system being audited.

3. Auditing with computer

Audits are carried out using computers and software to automate the procedures of the auditors. This approach can use several computer Assisted Audit Techniques as follows: Audit File Review Control System (SCARF), snapshot (fast shooting). audit with the computer has a broad understanding, namely audit activities using computers as a tool. Computer assistance can be used for typing/compiling reports, preparing schedules, tables/matrices, charting, sample selection, and testing/testing with computers (collection and evaluation of audit evidence; test of controls and substantive tests).

Audit with the computer can be done in audit around or through the computer. Auditing around the computer and auditing

through the computer can also be done without computer assistance. In auditing around the computer, it is done by examining the computerized system as a black box ("black box"). In auditing through the computer the auditor also checks the computerized system (programs and files). In the examination, the auditor can do it with the help of a computer, but it is also biased with the help of a computer.

4 CONCLUSION

Computer Assisted Audit Techniques (CAATs) are the auditor's understanding of the examination of a computer-based accounting system by utilizing all the capabilities possessed by a computer that will improve the efficiency and effectiveness of auditors in carrying out audits. ACL software is a specialized software audit designed to perform electronic data analysis and help prepare audit reports easily and interactively. The existence of electronic data as audit evidence is a necessity. This is a consequence of the increasingly pervasive use of computers (information technology) in data processing organizations, both business and government agencies. Whatever the type of audit and whoever the auditors seem to be, they will always deal (deal) with computer-based information systems and electronic data evidence. So the role of CAAT in this context is clear to facilitate the achievement of audit objectives. The interesting thing to observe from the analysis of various audit standards reviewed in this paper, is that SPAP (IAI, 2001) has provided the most complete guide on the relationship between the existence of computers in organizational data processing. There are several benefits of auditing using software, including the following: The GAS software is mostly an independent system and the file used is a type of read-only copy (can only be read, but cannot be changed) so that it can prevent data damage due to editing or deletion. GAS is software used to implement DEA techniques. This GAS can be software that is designed to assist audit functions (eg IDEA, ACL), database management (eg MS-Access), query languages (eg SQL) or worksheet software (spreadsheet software) (Darono, 2007). Hunton et. al (2004) explicitly distinguishes DEA from distinguishing its position as a technique from GAS as an audit tool. Provide documentation of each test carried out in the software that can be used as supplementary documentation in the audit work paper. Cost and energy savings (efficiency) in audits, especially audits of large companies with very large audit samples, can be completed in a short time because most of these software have unlimited ability to read source data. Providing added value and improving audit quality, because GAS software generally has the ability to detect fraud by conducting analytical testing, namely testing of financial information made by studying reasonable relationships between financial and non-financial data to estimate whether the balance of accounts that occur is reasonable or not, such as Benford's law's ratio, trend, and testing. Even though it has been described above that CAAT is a modern audit technique with various advantages compared to manual auditing, it remains to be admitted that auditing with this technique still has limitations. These limitations include the absence of "silver bullets" in developing expertise in mastering GAS software for audit staff. These software generally have to be studied for a long time, so that a KAP that wants its staff to be proficient in mastering GAS software must "invest" a large enough amount of funds to equip them with a series of trainings using this software. In some cases, these trainings became useless

because they were not directly practiced in the audit. This is because to be proficient, these software require the development and maintenance of expertise continuously.

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