

Evaluating the Quality of System Documentation for the Auditors

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Abstract: To improve the efficiency of resource use and ensure that the resulting information system is truly in accordance with the needs so that it can help the organization achieve its strategic goals, the quality of documents containing information regarding transactions needs to be audited. The method we use in this paper is a literature study. We seek from all kinds of relevant sources of information, such as books, journals, and articles from validated websites. Such as google scholars, emerald publishing, researchgate, and others.

Keywords: Information, asset, improve, Quality.

INTRODUCTION

Information is a very valuable asset for a company, a complex set of data or facts is managed into a report that is useful for the recipient. In a company, information must be managed in such a way that the information is not easily misused by other parties. For this reason, a documentation containing important information must be managed using an integrated system, so that the slightest possibility related to misuse of information can be minimized.

To improve the efficiency of resource use and ensure that the resulting information system is truly in accordance with the needs so that it can help the organization achieve its strategic goals, the quality of documents containing information regarding transactions needs to be audited.

In evaluating or the condition of a company, an auditor needs a list of files that need to be prepared by the client before the audit process begins. The list of documents sent by the auditor is known as an audit checklist.

This study aims to evaluate the quality of the transaction documentation system that contains information for auditors in evaluating the performance or condition of a company, including well-documented transactions.

LITERATURE REVIEW

Audit Quality

According to Alvin A. Arens, Randal J. Elder, Mark S. Beasley, translated by Amir Abadi Jusuf, (2011), the definition of audit quality is: A process to ensure that generally accepted auditing standards are followed in every audit, the KAP follows specific audit quality control procedures that help meet those standards consistently on each assignment. While the definition of Audit Quality

according to Mulyadi, (2014) (2014) is a systematic process to obtain and objectively evaluate evidence regarding statements about economic activities and events, with the aim of determining the level of conformity between these statements and the criteria. established and the delivery of results to interested users. Audit quality means how to detect audits and report material misstatements in the financial statements. The detection aspect is a reflection of the competence of the auditor, while reporting is a reflection of ethics or auditor integrity, especially independence.

Dokumentation or Working Papers

According to Ames, W. C, (1960) the definition of Documentation or Working Papers are the basic product of your audit work; they are a permanent record of your investigation and are the basis for reports to clients and for use of clients in reporting to governmental agencies and others. Paul Otlet (International Economic Conference, 1905) Documentation is a special activity in the form of collecting, processing, storing, re-discovering and distributing documents.

The why of audit working papers is obvious. They form the basis of opinions expressed in reports, and when properly prepared, they are valuable for succeeding engagements for comparative purposes and obtaining information regarding any unusual features of the engagement. They should coordinate and organize the verification of various accounts; they should contain opinions as to the various phases of the audit so as to substantiate the over-all opinion expressed in the report.

What is their content

Working papers should be filed in some logical manner so as to facilitate easy reference and use.

Generally, working papers should contain a general-ledger trial balance, adjusting journal and reclassification entries, excerpts of corporate minutes, results of the investigation of internal accounting control, memorandum of instructions and requirements on the engagement, memorandum of the results of the investigation of events subsequent to the balance-sheet date, a record of the time spent on the engagement, and analyses of accounts properly indexed to the general-ledger trial balance. Each analysis should contain the source of information, the nature of the transactions in the account, your investigation and tests, dates of important transactions, and your conclusion as to the correctness or reasonableness of the account or group of accounts. In stating your conclusion, it is not necessary to state an opinion on each analysis, but a statement such as "no exceptions or unusual items and fluctuations were noted" is acceptable. Working papers should also include a separate folder regarding information of continuing interest, usually referred to as the permanent working-paper file. It should contain information such as excerpts from corporate charters, articles of partnerships, by-laws, long-term leases, agreements, etc.

Use of Papers

As previously mentioned, working papers support opinions expressed in reports to clients for internal purposes and use in reporting to shareholders, Securities and Exchange Commission and others, and provide the information for their preparation. They provide data for the preparation of income tax returns; furnish information for suggestions to clients for improvements in internal and administrative control, practices, and procedures. Often, cost-savings suggestions can be made regarding systems or the need for cost studies. Properly prepared working papers furnish invaluable assistance in succeeding engagements. They are important in event of subsequent testimony before courts of law and, incidentally, they are used by superiors in evaluating your progress, ability, and potentiality.

METHODS

The method we use in this paper is a literature study. We seek from all kinds of relevant sources of information, such as books, journals, and articles from validated websites. Such as google scholars, emerald publishing, researchgate, and others.

The reason we chose literature study as the research method for this paper is because in this paper we try to find the implications of documentation quality on audit quality, and furthermore to prove our opinion that the quality of the documentation system is very useful for auditors in auditing a company. We want to prove that only by reading can we come to solid conclusions that are not only trustworthy but can also be validated.

Of course we will filter the data we use, and we will make sure that the data we use is valid. We will compare and also make a summary of the data that we find valid, the things we will compare are theories, conclusions, and also other things that are relevant to this paper. With that said, we believe that all of you, dear readers, have answered the question of whether the way we researched this paper was valid or not.

RESULT AND DISCUSSION

RESULT

Information Systems Audit Cycle Model & Audit Information System Standards

The IT Auditor's duties are generally in two respects main, namely: 1). Ensure IT implementation have the necessary controls; 2). Ensure control is carried out properly in accordance with expect.

The main activities it carries out are: are: 1). Preparation; 2). Document Review; 3). Preparation of on-site audit activities, 4). Do on-site audit activities; 5. Preparation, approval and distribution of audit reports, 6). Follow-up audit While the final results or outputs of audit activities are: preparing an audit report containing: audit scope, methodology, findings, discrepancies and conclusions.

There are several rules that standardize the audit of information systems, among others:

1. Audit assignments, including: (a). Responsibility (b). Authority and (c). Accountability.
 2. Independence & Objectivity.
 3. Professionalism & Competence.
 4. Planning.
 5. Implementation, which includes: (a). Supervision, (b). Audit Evidence. c). Audit Working Papers.
 6. Reporting.
 7. Follow-up.
- 3.5 Professional Standard Certification.

Professional Standard Certification

CISA Certificate (Certified Information System Auditor) is an international certificate issued by ISACA (Information System Audit and Control Association). ISACA or Information System Audit and Control Association is an association or association whose members consist of Auditors, System Auditors and those who have an interest in on control, audit and information system security.

The ISACA (Information Systems Audit and Control Association) auditing standards suggest

that in addition to conducting fieldwork, the auditor must also prepare a report that includes the purpose of the audit, the nature and depth of the audit carried out.

Information Systems Audit Framework

An information system audit can be described in several stages based on the management framework, information technology and expert systems considerations, all of which refer to the framework for producing an information systems audit report.

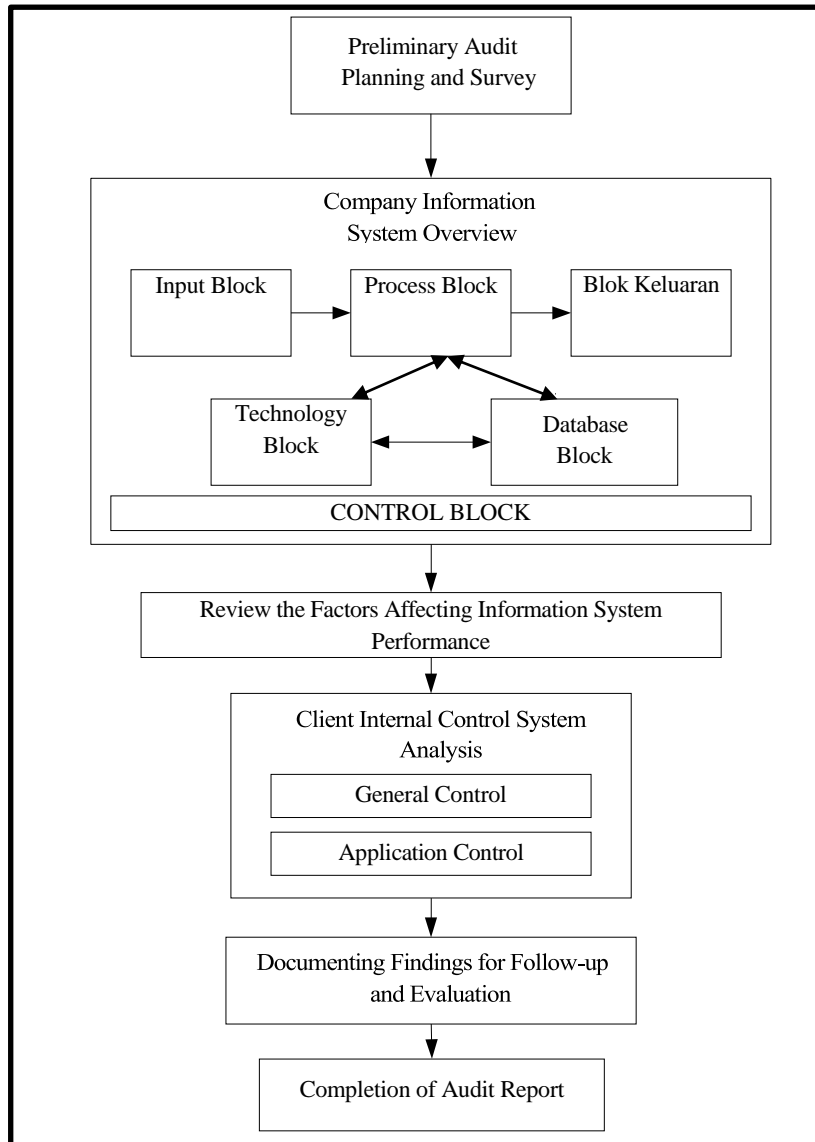


Figure 1: Information System Audit Framework

Planning Working Papers

Working Standard

Working papers are a satisfactory consideration as a means to prepare for an audited information system as well as possible. So far, there has been no stipulation regarding working paper standards

that are regulated either in financial audits or other audits. There is only professional judgment.

A good working paper has at least several standards, including: 1). Complete, contains information, 2). Accurate, contains accuracy in the presentation of calculations, 3). Confidentiality is guaranteed.

Importance of Working Papers

Based on the analysis of the need to carry out the information system inspection function, the position of working papers as a means to facilitate identification in the audit process has the main objectives, namely: assisting the auditor's tasks in the completion phase which provides adequate

assurance that each element being audited is appropriate. according to the desired standard.

Working Paper-Based Audit Procedure

It is important to understand that the use of working papers, is based on the process approach technique used in the audit engagement and is described below:

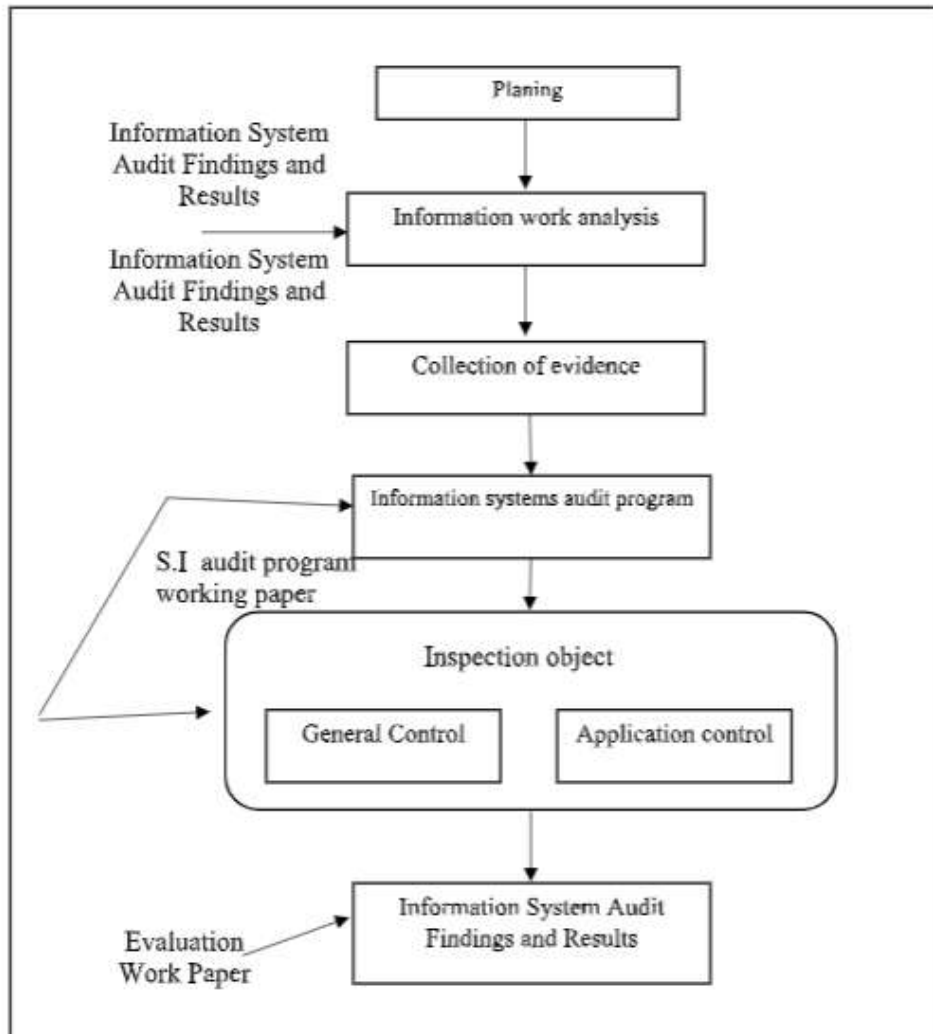


Figure 2: Working Paper-Based IS Audit Process

The information system audit work program based on the object of examination can be described as follows:

1. Examination of General Controls, including:
 Checks on physical access to company computer facilities,
 Examination of the input of computer accounting application programs.
 Examination of application program data sources.
2. Examination of Application Control, including:

- Examination of the procedures for running application programs.
- Inspection of the transaction process.
- Inspection of data files.

Format of Working Paper Related to Information System Development

The working paper described here is a proposal that provides an overview of the description of the audit assignments carried out.

Information Systems Analysis Audit Working Paper				
Checking type: Serial number: Goals:				
No	Activity	Ref	Media/Objec t	Result s
Date	Signature			

Examination Program Audit Working Paper				
Checking type:No Serial number: Goals:				
No	Activity	Ref	Media/Object s	Result s
Date	Signature			

Figure 3: Example of an S.I Audit Audit format

In general, there are three types of information system working papers that can be applied to support audits of companies based on electronic data processing, namely:

Information systems analysis working paper: records the identification of problems and elaboration of information system blocks and focus points that need special attention.

Audit program working paper: records activities in the object of inspection, both administrative general control and application control.

Evaluation Working Paper: records the results obtained based on the findings or facts regarding the activities of the client's information system.

Model Proposed Audit Working Paper Process

There are several things that become the main reference in planning.

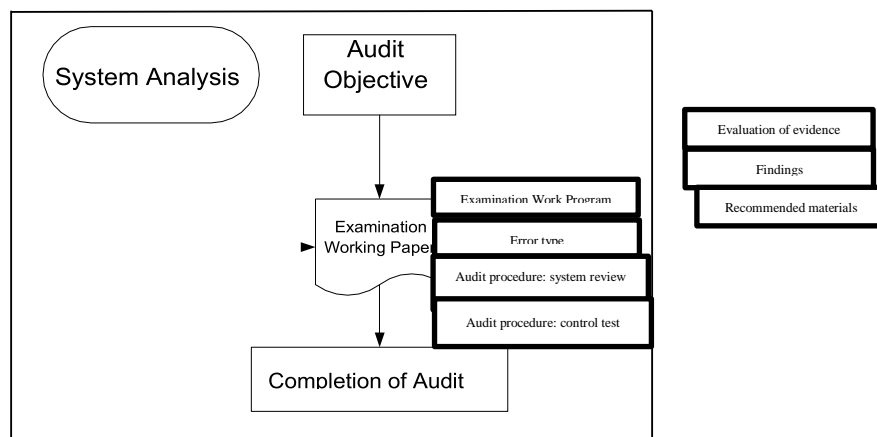


Figure 4: Proposed Model of S.I Audit Working Paper Process

Information System Auditor Report

In accordance with ISACA (Information Systems Audit and Control Association) auditing standards, in addition to carrying out field work, the auditor must also prepare a report that includes the purpose of the audit, the nature and depth of the audit carried out.

In essence, there is no standard structure and content of reports, but they generally include the following: 1). The introduction includes: objectives, scope, duration of the audit and audit procedures. 2). General conclusions of the auditors. 3). Audit results: what was found in the audit where whether the procedures and controls were appropriate to apply or not, 4). Recommendation. 5). Responses from management if needed, and so on.

Exit interview: the last interview between the auditor and management to discuss findings and recommendations for follow-up. At the same time assuring the management team that the audit results are valid.

Relationship between Audit Working Papers and Overall Information System Development

The working paper has provided a description of the methods and results of implementing an information system inspection plan, all of which are oriented towards inputs for future system improvements and are controlling. Furthermore, it can be said that through working papers it is possible to predict how information technology-based company management system procedures can be carried out in order to achieve goals.

Therefore, no information system is absolutely perfect and control is always there under any circumstances. So that the use of audit work papers in the audit process is expected to be a shock therapy for companies to overcome obstacles and disturbances in internal control, so that the company's survival can be maintained with the support of adequate information system applications.

Benefits of Planning Working Papers

Working papers as professional standards in information system audits, at least some tangible results can be obtained, namely:

- Provide an adequate level of confidence in the business process
- Provide input to management on the importance of

Facilitate administrative facilities to record assignment activities that have been carried out (documentation) or in the future.

Provide an accurate basis for calculations accompanied by data regarding current system activities as contained in the relevant working paper.

Create new enthusiasm for novice auditors to better understand and explore techniques and approaches in information systems audit assignments.

CONCLUSION

Evaluation Working Paper: records the results obtained based on the findings or facts regarding the activities of the client's information system.

There are several rules that standardize the audit of information systems, among others:

1. Audit assignments, including:
 - Responsibility
 - Authority and
 - Accountability.
2. Independence & Objectivity.
3. Professionalism & Competence.
4. Planning.
5. Implementation, which includes:
 - Supervision,
 - Audit Evidence.
 - Audit Working Papers.
6. Reporting.
7. Follow-up. 3.5 Professional Standard Certification.

The ISACA (Information Systems Audit and Control Association) auditing standards suggest that in addition to conducting fieldwork, the auditor must also prepare a report that includes the purpose of the audit, the nature and depth of the audit carried out.

A good working paper has at least several standards, including: 1). Complete, contains information, 2). Accurate, contains accuracy in the presentation of calculations, 3). Confidentiality is guaranteed.

The information system audit work program based on the object of examination can be described as follows:

1. Examination of General Controls, including: a). Checks on physical access to company computer facilities, b). Examination of the input of computer accounting application programs. c). Examination of application program data sources.

2. Examination of Application Control, including:
a). Examination of the procedures for running application programs. b). Inspection of the transaction process. c). Inspection of data files.

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