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Proposal of Continuous Audit Model: Data Integration Framework

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Continuous Audit

- Continuous Audit is a type of audit that produces audit results simultaneously or with a short period of time, following the occurrence of a relevant event
- It gains space with the automation of processes and with the requirement of monitoring the risks of the business.

Continuous Audit

- Make the audit process faster, cheaper, more efficient and more effective;
- Reduce the time needed for audit cycles, providing better response times to control risks and reliability of operations;
- Increase the coverage of audit work without increasing the amount of resources required;
- Enable the conduction of audits daily, monthly or in the interval of time that is deemed appropriate;
- Automate periodic audit testing, improving audit execution time;
- Test 100% of the data population in the audit work and not just a sample;
- Improve audit quality and speed

Problem

- Implementation of continuous auditing is only feasible as a fully automated process and with immediate access to relevant events and their results
- Systems must be permanently connected
- Technological and organizational challenges
- Variety of Software
- Integration of systems
- High Costs due to complexity and access to data
- Custom-made
- Explore and design business data patterns to facilitate data capture for Continuous Audit.

Problem

- Rezaee et al. (2002) point out the standardization of data format as the most complex and challenging aspect for the construction of CA capabilities, which may imply high costs and complexity due to the need to collect information from different systems
- Flowerday et al. (2006) describe that one of the problems affecting continuous auditing solutions is the variety of data formats and records
- Silva (2012) presents as difficulties the availability and the high cost of data access for the implementation of monitoring routines
- What is lacking in the academic and professional literature is a deeper analysis of how to collect, structure and elaborate sampling of critical data for Audit analysis

Problem

- Numerous studies use statistical tests and techniques to identify exceptions.
- The proposed methodologies are efficient in helping auditors to identify anomalies and exceptions.
- The studies do not integrate with each other and do not address the issue of availability and the means of data extraction.

Problem

How to standardize the data of the different systems to implement continuous audit routines?

XBRL

- Created in 1998 based on the xml standard
- XBRL was developed for the preparation and exchange of financial data, providing an XML-based framework for use in the creation, exchange and analysis of financial or accounting statements, specifically for the accounting area, including, but not limited to, financial statements, Audit

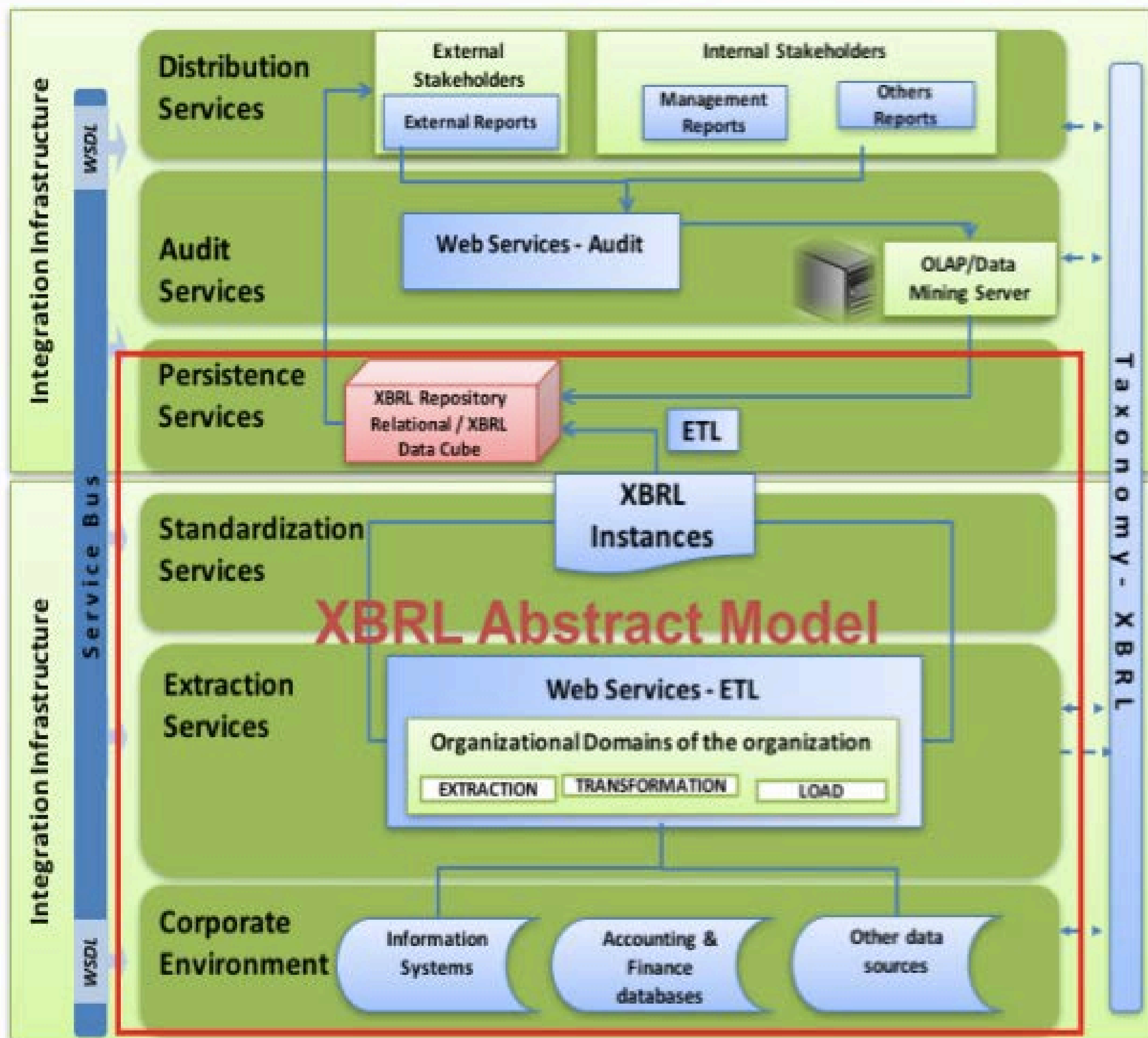
Audit Data Standard

- AICPA encourages the use of advanced analytical data technology and methods in audit processes
- Audit Data Standards, including data standards, data access, audit applications and continuous auditing, have been developed to facilitate the acquisition of data in a standard and to advance the automation process of the audit
- First Manual 2013 including Standard Base;
- General Ledger Standard; Accounts Receivables.

Objectives

- Propose a framework to integrate different systems for continuous auditing based on XBRL and Audit Data Standards.

XBRL/Audit Data Environment



Thank You

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