

System integrity and validation

[Experience](#), [Human Nature](#)



Preface Kudler Fine Foods located in San Diego, California is a specialty food store that is continuing to grow. Due to the company's growth, it is necessary for Kudler to make a better use of technology for all aspects of the business. Currently Kudler process a large amount of data through computer programs which is used between all three locations, but with upcoming expansions, Kudler needs the ability to track all of that information and also be confident that the information is reliable. With that being said, Kudler would benefit greatly from Computer Assisted Auditing Techniques (CAATs).

It is recommended that Kudler use CAATs, because it will assist with streamlining the IT audit process. CAATs are techniques that "are used to increase the efficiency and effectiveness of the audit function" (Hunton, Bryant, & Bagranoff, 2004, pg. 178). Not only will CAATs assist with making Kudler's audits go more smoothly, but it will also assist auditors with obtaining more reliable, relevant, sufficient, and useful information. There are 10 key steps of CAATs that can be implemented that will assist Kudler in creating a framework for their audits. CAATs are divided into two techniques that will be beneficial to Kudler.

The first is validating application integrity. The purpose of this technique is to find whether the source code has been compromised. Verifying the overall integrity of the applications is the second CAATs technique. This technique's objective is to ensure that the data was imported correctly and also to find any irregularities within the data. Due to the fact that the business continues to grow, the use of CAATs will only assist Kudler in its growth. If Kudler goes with the recommendation to incorporate CAATs, it will assist in streamlining

the auditing process. System Integrity and Validation Recommendations were made to Kudler to implement CAATs into the auditing process. This implementation will be beneficial to the company as far as validating and verifying information. The use of audit productivity software would allow an organization to streamline and automate processes. Organizations can take it a step further and use audit productivity software to assist with the design of computer software. The following brief will discuss CAATs and audit productivity software. Computer Assisted Auditing Techniques

Computer Assisted Auditing Techniques (CAATs) can be used to both validate application integrity and to verify data integrity. Data validation determines whether the source code has been compromised. The applications can be validated through test data, parallel simulation, or integrated test facilities. Test data is simply fabricated data entered into the system by the auditor to test the integrity of the system. For example, the auditor may process a payable through the system by creating a vendor and entering an amount to see the process of actually cutting a check from the system.

An integrated test facility (ITF) can test applications as they are used on a daily basis. " The ITF approach integrates the auditor's contrived test data through the client's system along with the normal transaction processing" (Hunton, Bryant, & Bagranoff, 2004, pg. 189). During the ITF process, auditors must ensure that the client's data is not corrupted. All information entered into the system by the auditor should be reversed. Verifying data integrity is ensuring that the data was imported properly and without any irregularities.

There are a number of audit tools that can be used to assist with verify integrity such as extracting data, importing it into ACL, and stratifying. Detecting fraud is important when verifying integrity. Audit Productivity Software Functions Audit productivity software provides computerized audit solutions and allows companies to manage and keep track of audit reports. Audit productivity software has a number of functions such as measuring productivity, resource optimization, data management, and automation. Measuring productivity is simply appraising the performance of the organizations audit reporting.

By using audit productivity software, auditors and clients are able to get the best use of all of their resources. For example, each staff member's time will be used adequately. The auditors' time will be focused on testing the information in the system, instead of spending hours of time sorting through information deciding what to test. The clients can spend their time completing auditor requests. Data management allows auditors and clients to keep track of all of the information entered into the system by the auditors as well as original information entered by clients.

Audit productivity software also allows for automation of the auditing process. Information in multiple systems can be integrated with audit productivity software. Automation can streamline the auditing process for any organization, and as mentioned previously, it can increase productivity of not only the auditor but for the client as well. Using Audit Productivity Software for System Design Using the audit productivity software can be beneficial when designing systems for an organization.

Audit productivity software can assist with minimizing discrepancies between the company software and the actual audit software. The use of audit productivity software provides functionality to the audit process. That same software could be used to help with the design of an organization's software systems. Software such as electronic working papers, groupware, and time and billing software can all be implemented when designing software systems. If groupware is implemented these systems would have the ability to not only share files, but schedules and calendars as well.

Time and billing software is implemented, auditors can better track time spent within that system according to their unique login. Implementation of electronic working papers assists with everything from daily journal entries to financial statements. Using this software to create a framework for the design of new software would only ensure that audits went smoothly. The audit process can go with little to no incidence, if organizations and auditors would use computerized audit techniques, and audit productivity software.

Both the CAATs and the productivity software assist with creating a more automated process. As audit automation increases the time and energy put into the actual audit decreases. Organizations as well as auditors can be more confident that the audit material is reliable and efficient. ? References Apollo Group, Inc. (2011). Kudler Fine Foods. Retrieved from <https://ecampus.phoenix.edu/secure/aapd/cist/vop/Business/Kudler2/internet/index.asp> Bagranoff, N. A. , Simkin, M. G. , & Strand Norman, C. (2008). Core concepts of accounting information systems (10th ed). New York: Wiley & Sons.