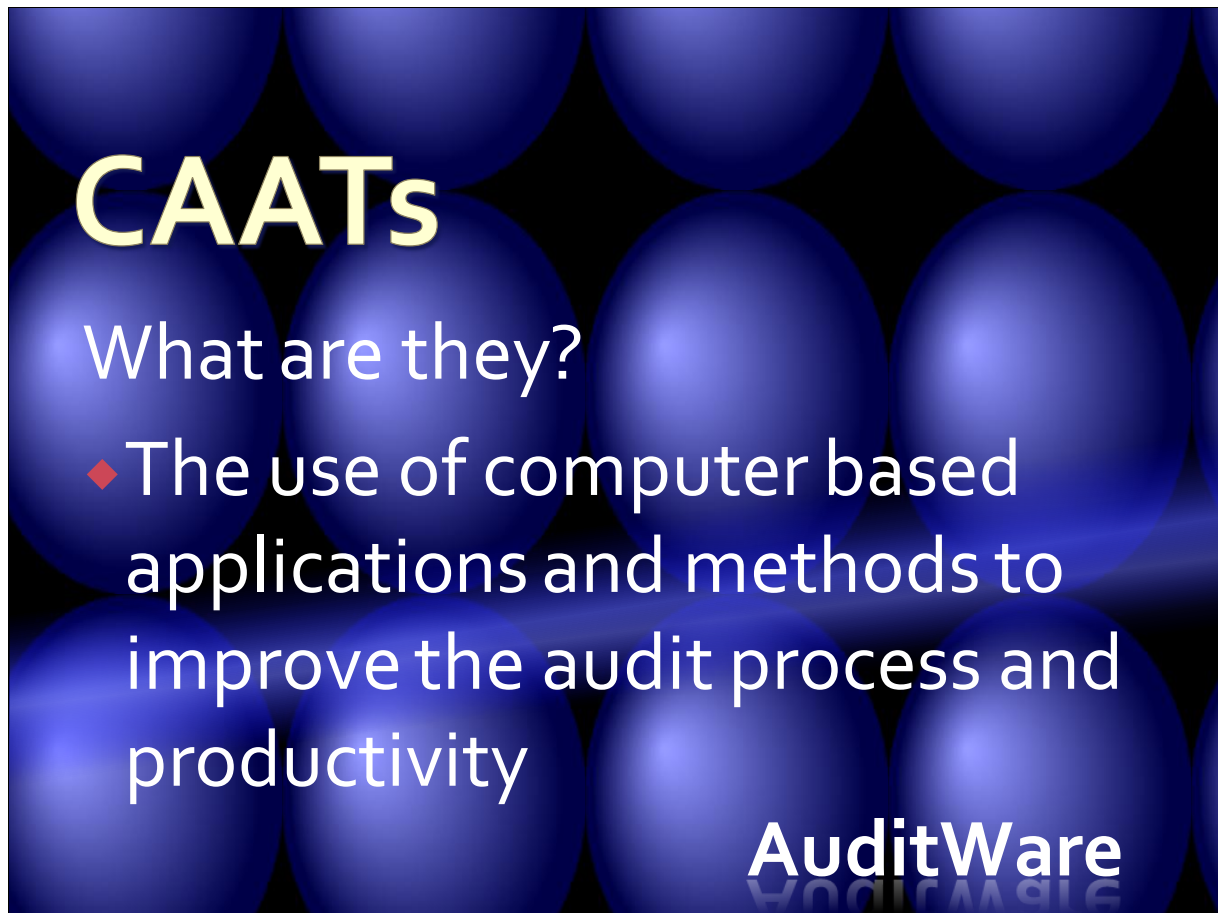


Andrew Sloman
Technical Manager
AuditWare

CAATs

COMPUTER AIDED AUDIT TOOLS &
TECHNIQUES

AuditWare



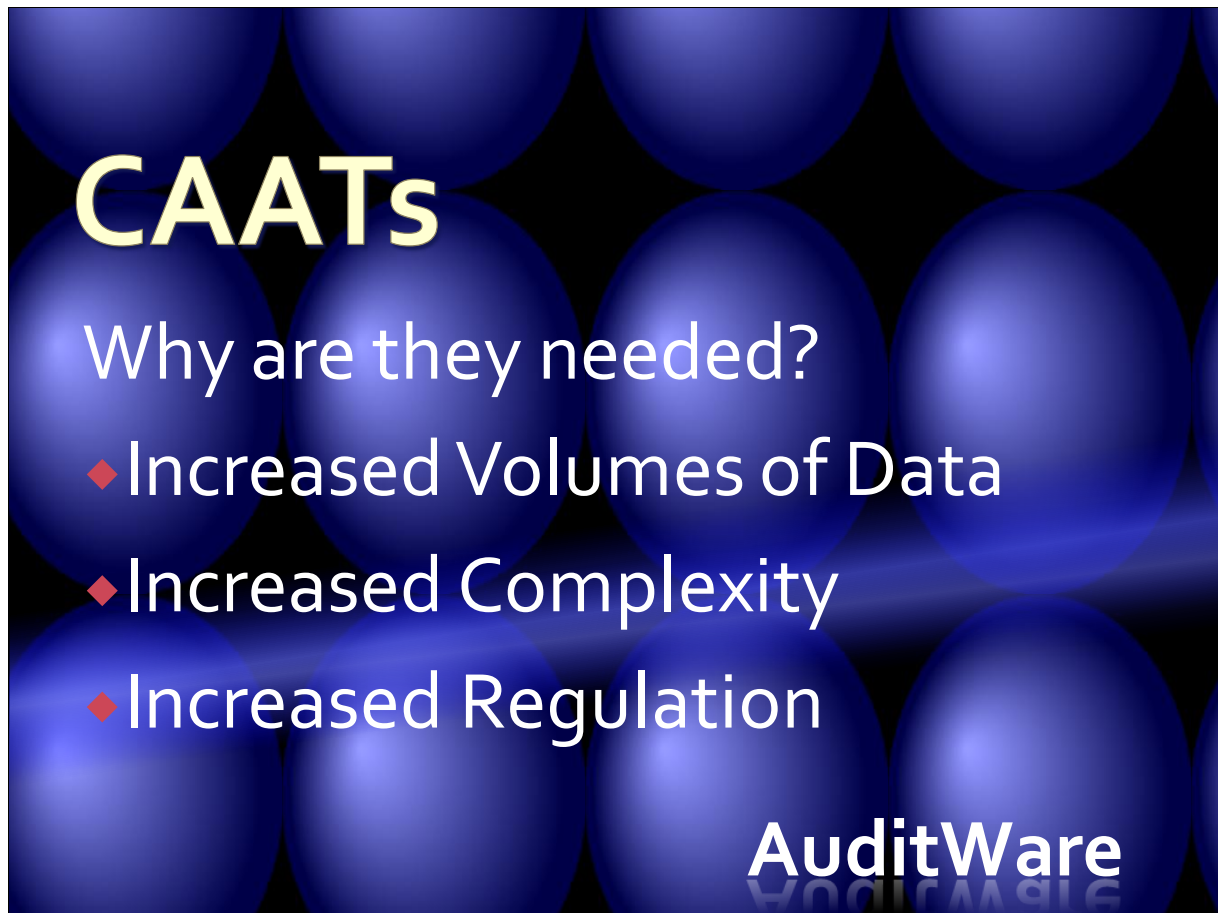
CAATs

What are they?

- ◆ The use of computer based applications and methods to improve the audit process and productivity

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CAATS, like most computer based tools, are 'levers', increasing your ability, not to lift or move heavy objects, but to carry out complex tasks on large amounts of data that would be unfeasible as a 'manual' exercise.

A presentation slide with a background of blue spheres. The text is white and yellow. The title 'CAATs' is in yellow. The subtitle 'Why are they needed?' is in white. The three bullet points are in white with red diamond markers. The 'AuditWare' logo is in white at the bottom right.

CAATs

Why are they needed?

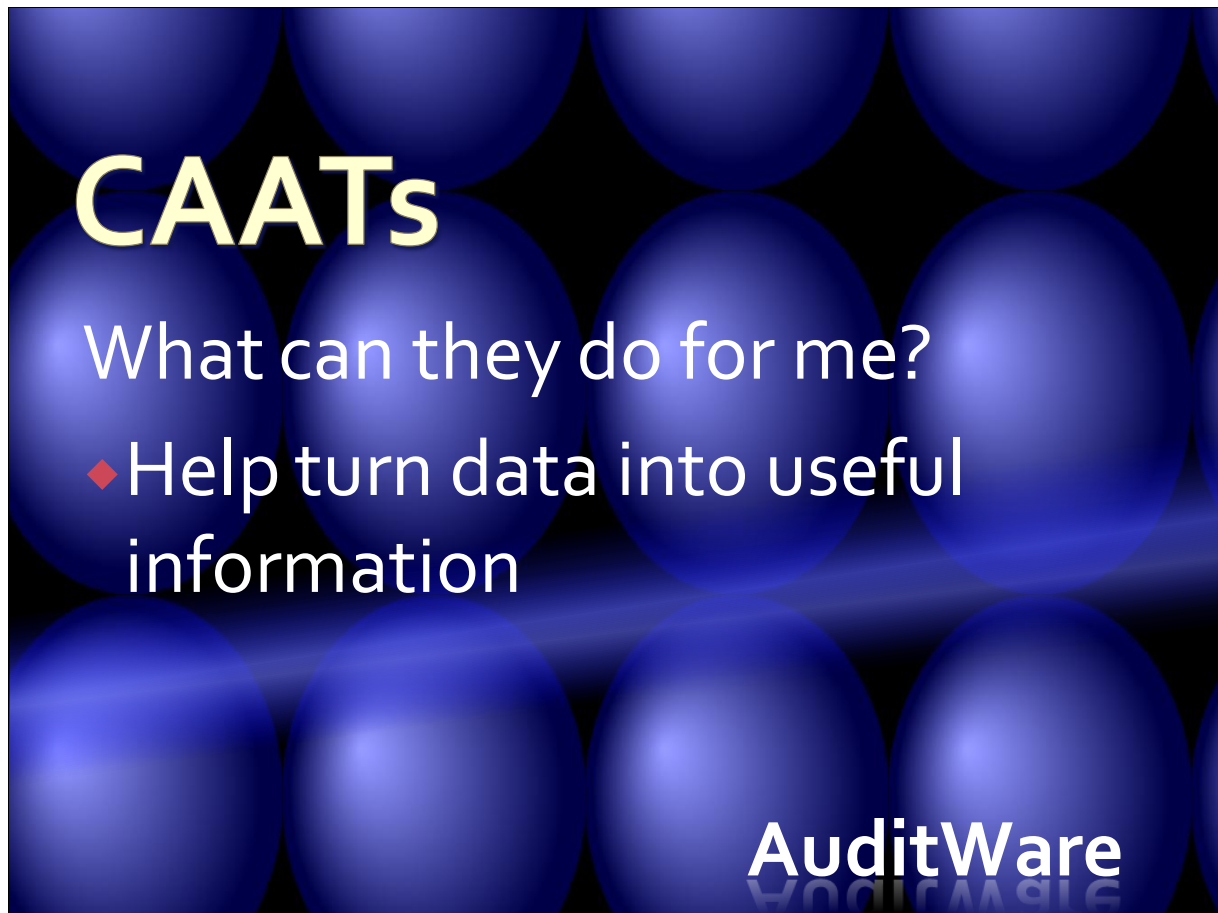
- ◆ Increased Volumes of Data
- ◆ Increased Complexity
- ◆ Increased Regulation

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Computers systems and databases are essential to modern business, the amount of data stored within these systems continues to increase.

The systems, the way the data is stored and the way systems inter-relate becomes more and more complicated.

And in recent times, changes in regulations have meant that having controls within these systems is not enough, the controls must be shown to be working and monitored on a regular basis.



Re-present large volumes of data in a more compact yet meaningful way

Identify Trends

Classify and categorise

Isolate exceptions that need to be investigated

Calculate metrics and performance measures based on original data

Verify calculations against business rules

Profile data

Highlight deficiencies in data

A presentation slide with a dark blue background featuring a grid of lighter blue spheres. The text is white and yellow. The title 'CAATs' is in large yellow font. Below it, the word 'Features' is in white. A list of six features follows, each preceded by a red diamond symbol. The 'AuditWare' logo is in the bottom right corner.

CAATs

Features

- ◆ Independence
- ◆ Integrity
- ◆ Unobtrusive
- ◆ Capacity
- ◆ Easy to use (relatively)

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What features should a useful CAAT have?

Independence – not directly linked to any one business system, incapable of influencing the values held in the core system

Integrity – prevent modification of source data values

Unobtrusive – does not impact on system performance while in use

Capacity – the ability to test sufficient data

Easy to use – the tool must operate intuitively

CAATs

Features

- ◆ Reliable, Repeatable output
- ◆ Built-in Audit Trail
- ◆ Save time and money
- ◆ Work with many data sources

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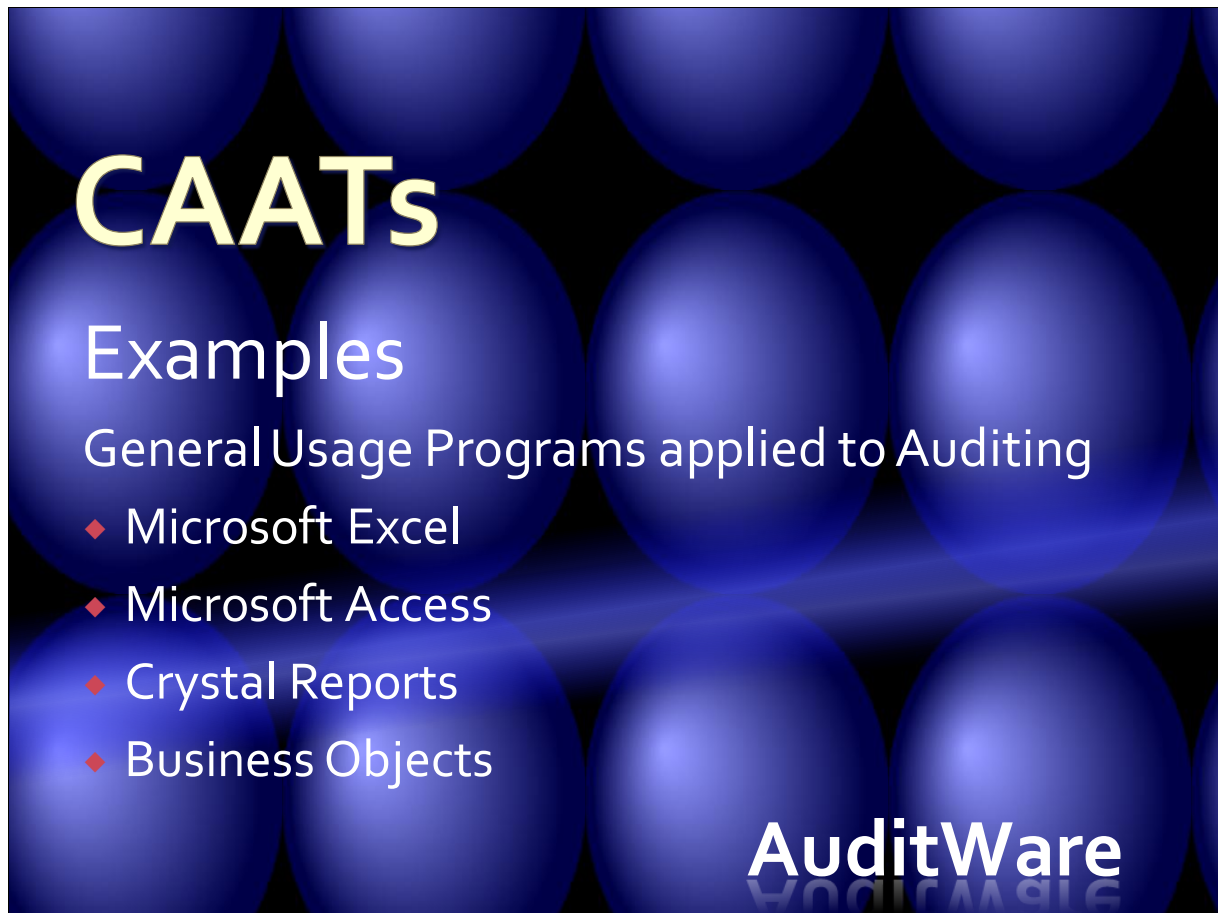
What features should a useful CAAT have?

Reliable, Repeatable output – tests and results must be robust and the information produced must be distributable

Built-in Audit Trail – there must be some form of self documentation

Save time and money

Work with many data sources



CAATs

Examples

General Usage Programs applied to Auditing

- ◆ Microsoft Excel
- ◆ Microsoft Access
- ◆ Crystal Reports
- ◆ Business Objects

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Many people make use of readily available applications that have a much wider range of usage but can also be applied to the auditing of computer data.

CAATs

Examples
Programs built for Data Analysis

- ◆ CaseWare IDEA
- ◆ ACL
- ◆ ActiveData For Excel
- ◆ TopCAATS (Excel based)

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Application created for the sole purpose of interrogating data are also available, IDEA and ACL are the most well known of these.

Both feature a broad range of functionality aimed at giving the user the ability to test and interpret data in a wide variety of ways.

ActiveData and TopCAATS are two Excel based applications, they feature some of the functionality of the 'main players'



CAATs

Examples

Programs built for Specific Analysis Tasks

- ◆ Network Security Auditor
- ◆ SpACE – (Spreadsheet Audit)
- ◆ MICROS-Retail Balance (Sales Audit)

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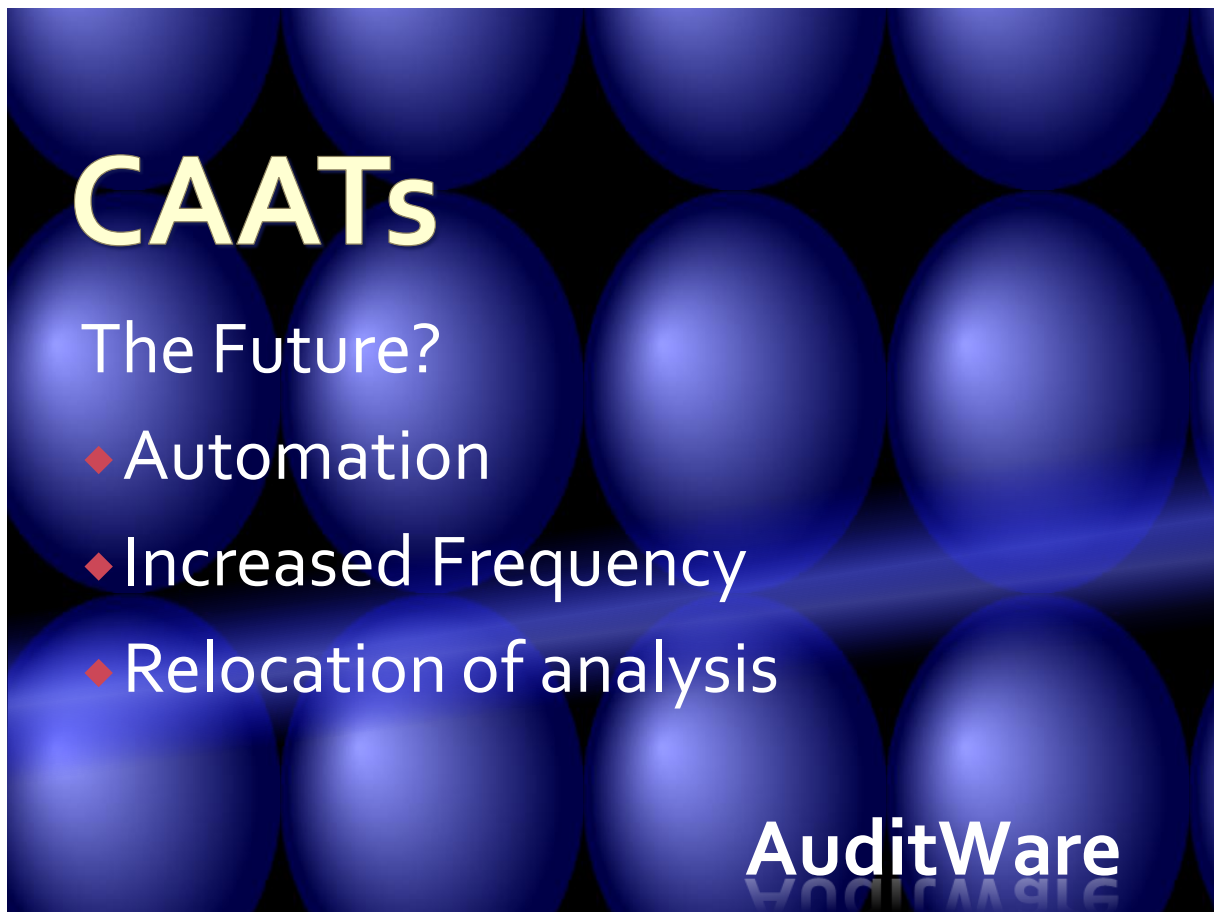
Some programs are designed to perform specific audit tasks or interrogate data from a single system.

CAATs

Demonstration

◆ CaseWare IDEA

AuditWare



CAATs

The Future?

- ◆ Automation
- ◆ Increased Frequency
- ◆ Relocation of analysis

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Apart from the ongoing development of dedicated CAATs, the future direction appears to be automation of data analysis.

With automation comes the opportunity to increase the frequency of examinations and because automation means that the end-user does not necessarily need to be skilled in the use of the software, the analysis work can be relocated into other business units.





CAATs

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