

Introduction to 'Audit Data Collection'

The ISO project 'Audit Data Collection' aims to resolve the common problems faced by auditors during their collection of data via the standardized technical measures, and to improve the accessibility and transparency of audit data, standardize the collecting mode of audit data, avoid duplicated efforts and effectively save social resources.

The standardization of audit data format at world-wide level will facilitate good auditing practice in many countries and improve internal and public audits, particularly the transparency and efficiency of transnational audits. The auditing industry, including internal, public auditors and auditees, and society as a whole can benefit from it.

Purpose and justification of the standard

Audit is the supervision of auditee's economic activities. By checking the accounts, audit makes objective evaluation on the authenticity, lawfulness and efficiency of auditee's financial revenues and expenditures. There are audit institutions in every country. Generally the audit can be categorized into three types: government audit, independent audit and internal audit. During the process of audit, audit institutions and auditors need to obtain the auditee's accounting data, financial statements and business transactions data such as the record of purchase, sale, storage of inventory, which are generally called audit data.

With the widespread application of E-business, ERP systems, complex and diverse payment methods, the audit data increasingly presents itself as the "Big data" with the characteristics of dynamic, fast-growing, diverse and complex data. Audit under IT environment is not limited to financial statements. Furthermore, electronic accounting vouchers and accounts are increasingly concerned by auditors. And these original transaction data are generally stored in the underlying database of accounting software and ERP software.

However, there are various accounting softwares and ERPs in the market, each of them has its own design, database platform and structure. There are big distinctions in terms of database design and data structure between different softwares, different versions of the same software. Auditors cannot directly get the underlying data in the accounting software of the auditee. Even if they can get the underlying data through some technical measures such as database backup, they still cannot interpret useful information in depth in the dark of unknown data structure.

For an individual accounting software, it is the general practice to develop the interface program for importing the underlying data, automatically identify accounting data and convert into those data format and content with which auditors are familiar. However, this approach has serious faults. There are too many auditing softwares and accounting software in the market with different types and versions. According to a survey, there are 10 kinds of auditing software, 38 kinds of accounting software in China, and each accounting software has several versions. Just assume that each accounting software has 5 versions. If there were no standard data interface, each auditing software must develop $38 * 5 = 190$ interface modules. For 10 auditing softwares, it will have to be

$10 * 38 * 5 = 1900$ interface modules to be developed -- a huge number, and impossible to achieve. If there is a unified interface standard for auditing data, and all accounting softwares follow this

standard to develop the function of data exporting and convert into the data matching the interface standard, only 10 interface modules are enough. By this way the resources will be greatly saved.

In order to deal with this challenge, an ISO standard for Audit data collection is being developed by the ISO Project Committee ISO/PC 295. The aim of ISO/PC 295 is to formulate the international standards for collecting audit data with a view to solving these problems by standardized technical measures when auditors cannot open or interpret data in the auditing process.

Participating countries

All ISO member countries are allowed to participate in the development of ISO standards. The figure below shows which countries participate actively, and which countries act as observers. All these countries have national mirror committees, in which the national input on the drafts is defined. Furthermore, experts from the participating countries are actively involved in the drafting process.

