

VătuIU Teodora

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The activity of the financial auditors is regulated by International Standards of Revision for financial situations and information, through which the fundamental procedures and principles for this kind of missions are established.

CIEL Audit and Revision application has been conceived as a support for financial auditors and expert accountants in Romania, offering help in the domain of informatics for the audit and accounting revision activities, since it is adapted both to the legal requirements and to the needs of professionals, covering the whole range of financial audit.

Keywords: informatics systems, financial audit, revision

Cod JEL: G: Financial Economics.

1. General considerations regarding the regulation and objectives of the audit mission

The objective of the audit has evolved from the detecting of frauds and errors, a process which implied a detailed verification of all patrimonial operations and accounting recordings, to the expression of an opinion on the image of the patrimony, of the financial situation and of the results obtained by the society. In this sense, one follows how the information recorded in accounting reflects the economic events that take place in a certain period, and the efforts of the auditor are intensified for the identification of possible manipulations of information provided by the financial system, in order to prevent cases of creative accounting or fraud.

The activity of the financial auditors is regulated through the International Standards of Revision of financial situations and information, through which the procedures and fundamental principles of this type of missions are established.

The range of activities performed by a financial auditor consists in general of the following:

- a. mission of limited exams (revisions);
- b. exams on the base of agreed procedures;
- c. measures of compiling financial-accounting information.

The objective of this kind of mission is that of allowing a financial auditor to offer a reasonable degree of safety, if he discerns something that determines him to think that the financial situations are not performed under all the significant aspects according to a frame of financial reporting, if the procedures used don't offer the necessary obligatory probes which are required by the accomplishment of a current financial audit.

The auditor has to plan and perform the mission of revision of financial information by respecting the principle of professional scepticism, admitting that there can be circumstances which can express financial situations or financial-accounting information significantly denaturalised.

For the accomplishment of this audit mission, the auditor had to obtain sufficient and adequate audit probes through investigations and analytical procedures which allow one to formulate objective conclusions.

Through the obtained audit probes, the auditor has to provide a moderate level of insurance, according to which financial-accounting information doesn't contain significant misrepresentations, the opinion expressed by the auditor being a type of "**negative insurance**".

The main aspects followed by a financial auditor are:

- a. the objective and fundamental principles of a limited mission of examination;
- b. the analytical procedures of accomplishment;
- c. the reporting of the results of this kind of mission.

The objective of the mission consists in allowing the auditor to draw the conclusion that, on the basis of the obtained audit probes, no event was discovered in order to make him believe that the financial situations/financial-accounting information have not been established in all the significant aspects according to an accounting referential, which is defined through the notion of "**negative insurance**".

2. Principles and procedures of an audit mission

The financial auditor has to respect, irrespective of the audit mission, the following principles:

- a. independence;
- b. integrity;

- c. objectivity;
- d. professional competence;
- e. confidentiality;
- f. professionalism;
- g. the respecting of professional norms of the organism it is a part of.

According to these professional, fundamental principles, the auditor has to perform the mission of limited exam, under the circumstances in which the mission might not discover significant anomalies in the financial situations or the financial information required to be audited.

During the audit mission, the auditor makes use of the professional reasoning in order to determine the nature and area of the limited exam procedures. Regarding this matter, the following elements can be taken into consideration:

- a. the audit probes obtained during some missions;
- b. knowing the activity of the audited entity;
- c. knowing the activities and significant domains.

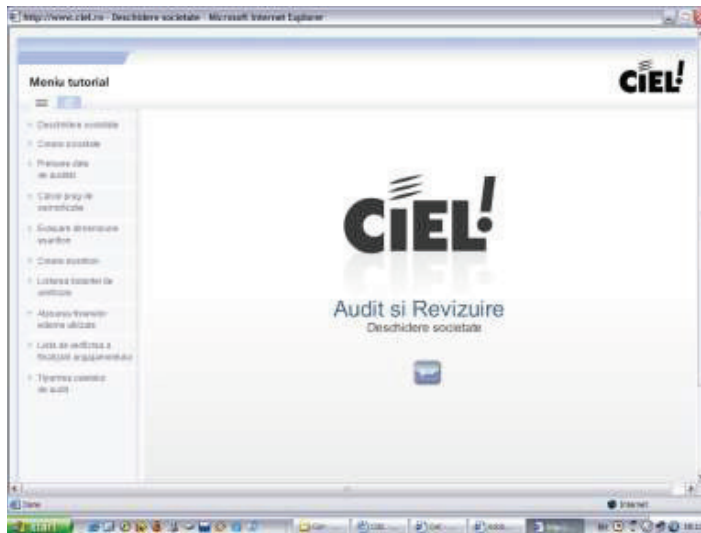
The main procedures of this type of mission are established by the financial auditor according to the complexity of the mission and the professional reasoning of the auditor's person, but the central elements can be structured as follows:

- knowing the activity of the economic entity and the sector it belongs to;
- analyzing the accounting principles, methods and practices used by the entity where this mission is performed;
- analyzing the internal procedures of the entity in what concerns accounting, classification and realisation of synthesis documents and reports specific to this type of mission;
- analyzing the analytical procedures concerning the identification of unusual elements and activities met during the activity of the economic entity.

During this type of mission, the report must give a conclusion under the form of a negative insurance that the situations afferent to this kind of mission don't contain significant errors. Through this conclusion one does not express an opinion, but insurance that the afferent economic-financial situations do not contain significant misrepresentations.

3. Updates brought by CIEL Audit and Revision – 1.2 version, March 2009

A series of informatics applications have been developed, such as the CIEL Audit and Revision application – 1.2 version, March 2009. This application is designed for financial auditors and accounting experts in Romania, offering a strong informatics support for the audit activity and accounting revision, being adapted not only to the requirements of the law, but also to the necessities of specialists in the field.

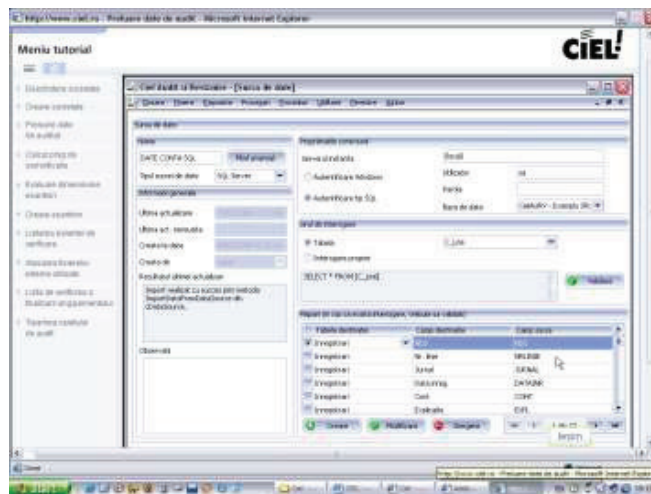


- Top features of the application:
- intuitively and easy to use;
 - does not require implementation;
 - an unlimited number of companies can be administered;

offers the possibility of taking over data from various formats (TXT, Excel, DBR, Access etc, CIEL applications)
 one can work with an unlimited number of recordings in data basis;
 all the obtained reports can be exported in TXT, RTF, PDF, DBF, XLS format;
 the audit risk is automatically calculated and proposed, on the base of indicators, according to minimal norms of audit;
 the application automatically calculates the significance threshold on the basis of the form for risk evaluation;
 proposes the sampling according to the minimal norms of audit;
 calculates work probes on sections – G – corporal and non-corporal immobilizations;
 allows adding new files to the data base;
 works in the network with an unlimited number of work stations and users;
 always updated to the current legislation.

The application is delivered with an „Example” company, in which one can perform tests and exercises. Functionalities:

- allows the use or creation of an unlimited number of companies;
- works in the network with an unlimited number of work stations;
- data can be imported from various sources: TXT, Excel, DBR, Access etc, CIEL applications;
- the possibility of selection/configuration of information from the imported data base;
- an unlimited number of recordings, documents and partners can be imported;
- for the audited firms which have various branches, the data basis for each branch can be imported;
- data coming from different processes can be gathered in a central data base.



One can import:

- the journal on the entire audited exercise, from a single data base or sequentially, -scales, accounts plans, stocks and inventories, accounting recordings, documents and partners;
- stakeholders – the defining of the company’s structure of share holding (rate of participation);
- list of suspicious persons– (coming from the Official Monitor)- allows the identification of suspicious transactions with persons from the respective list;
- series of documents – one or more series of documents can be defined and then one can verify their uniqueness in the accounting recordings;
- list of inactive companies –coming from the Official Monitor

A concerning reports:

- on account of the imported data one can get the analytical and synthetic Scales on the required period for certain currency and budgets;
- financial analyze – along the predefined reports, the user can make his own reports;
- the scales for fixed means – the situation of commissions and immobilizations – Form;
- the stock scales– situation of the stocks – entrance – exit;
- financial situations – Balance, Profit and Loss Account. These situations can be configured -and printed comparatively on maximum two financial exercises;
- verification of suspicious transactions;

-bank Register and Cashbox Register.

Conclusions

Financial audit is a complex activity and there still doesn't exist a consensus with respect to the way in which this problem should be dealt with. Experts mainly use the model offered by international standards, although this is often criticized in literature, the main arguments against it being the simplified way in which it deals with the problem and its incapacity of satisfying all the requests of the auditors.

A solution to this problem was the development of software, which, on the basis of theoretic models, to offer experts easy-to-use solutions and a correct evaluation of risks in financial audit and not only. This thing has led to the overcoming of the subjectivity that characterized most of the audit missions and has set free the auditor in a certain measure from the task of estimating risk only on the basis of his experience and knowledge.

The advantages offered by the presented application are:

-legislative updates and functional improvements are provided for 1 year for no additional price, being part of the Subscription Contract;

-CIEL offers the possibility of updating your applications directly from the Internet through a simple and quick procedure, thus bringing efficiency to the user;

-Any of the CIEL applications can be used, regardless of the user's level of knowledge;

-The network variants of the programmes function on an unlimited number of stations, without any additional price, and the security of data introduced in the application is ensured;

-For each of CIEL application an unlimited number of users can be defined regardless if the variant, and for each user can be defined right, according to their necessities.

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