

Auditing Audit Documentation and Audit Evidence Concept of Audit Documentation

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Audit Documentation

Meaning

Audit Documentation refers to the records prepared and maintained by the auditor that provide evidence of the audit procedures performed, evidence obtained, and conclusions reached during an audit.

It is also known as **Working Papers**.

Audit documentation helps the auditor plan, perform, supervise, and review the audit work effectively.

Definitions

According to **Standards on Auditing (SA) 230 - Audit Documentation**, audit documentation is:

“The record of audit procedures performed, relevant audit evidence obtained, and conclusions the auditor reached.”

Objectives of Audit Documentation

The main objectives are:

1. Provide evidence of auditor's work

- ▶ Shows that the audit was conducted according to auditing standards.

2. Support the auditor's opinion

- ▶ Helps justify the final audit report.

3. Assist in planning and performing the audit

- ▶ Helps auditors understand previous audit procedures.

4. Facilitate supervision and review

- ▶ Senior auditors can review the work of assistants.

5. Provide a record for future reference

- ▶ Useful for subsequent audits.

9. Provide evidence in case of legal disputes

- ▶ Protects the auditor in case of litigation.

Types of Audit Documentation

1. Permanent Audit File

Contains information **useful for many years.**

Examples:

- ▶ Memorandum and Articles of Association
- ▶ Partnership deed
- ▶ Organization structure
- ▶ Accounting policies
- ▶ Long-term contracts

2. Current Audit File

Contains information **related to the current year's audit.**

Examples:

- ▶ Audit program
- ▶ Trial balance
- ▶ Financial statements
- ▶ Audit evidence
- ▶ Working papers

Contents of Audit Documentation

Audit working papers generally include:

- ▶ Audit plan and audit program
- ▶ Notes of internal control system
- ▶ Copies of financial statements
- ▶ Bank confirmations
- ▶ Reconciliation statements
- ▶ Schedules and analysis
- ▶ Correspondence with management
- ▶ Evidence supporting audit conclusions

Characteristics of Good Audit Documentation

Characteristics of Good Audit Documentation

- ▶ Complete
- ▶ Accurate
- ▶ Clear
- ▶ Properly indexed
- ▶ Well organized

Advantages of Audit Documentation

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- ▶ Helps in **efficient audit work**
- ▶ Provides **legal evidence**
- ▶ Improves **quality of audit**
- ▶ Assists **future audits**
- ▶ Helps in **training audit staff**

Limitations

- ▶ Preparation requires **time and cost**
- ▶ Risk of **misuse if confidential data is leaked**

Audit Evidence (Concept related to Audit Documentation)

Meaning

Audit Evidence refers to the **information collected by the auditor to support the audit opinion.**

It includes **documents, records, confirmations, observations, and analytical procedures** used by the auditor.

Definition

According to **SA 500 - Audit Evidence:**

“Audit evidence is information used by the auditor in arriving at the conclusions on which the auditor’s opinion is based.”

Nature of Audit Evidence

Audit evidence must be:

1. **Sufficient** - enough quantity

2. **Appropriate** - relevant and reliable

3. **Sources of Audit Evidence**

4. **Internal Evidence**

- ▶ Generated within the organization
Example: invoices, vouchers, payroll records

5. **External Evidence**

- ▶ Obtained from outside parties
Example: bank confirmations, supplier statements

6. **Mixed Evidence**

- ▶ Prepared internally but verified externally

Types of Audit Evidence

Types of Audit Evidence

1. Documentary Evidence

- ▶ Written records such as invoices and contracts.

2. Physical Evidence

- ▶ Inspection of assets like inventory.

3. Oral Evidence

- ▶ Statements from management or employees.

4. Analytical Evidence

- ▶ Ratio analysis, trend analysis.

5. Electronic Evidence

- ▶ Data from accounting software.

Methods of Obtaining Audit Evidence

Auditors collect evidence through:

- ▶ **Inspection**
- ▶ **Observation**
- ▶ **Inquiry**
- ▶ **Confirmation**
- ▶ **Recalculation**
- ▶ **Reperformance**
- ▶ **Analytical Procedures**

Reliability of Audit Evidence

Evidence is more reliable when:

- ▶ Obtained from **independent external sources**
- ▶ Collected **directly by the auditor**
- ▶ In **documentary form**
- ▶ Generated by a **strong internal control system**
- ▶ **Relationship Between Audit Documentation and Audit Evidence**
- ▶ Audit evidence becomes part of audit documentation.
- ▶ Documentation **records the evidence obtained and conclusions drawn by the auditor.**

Thus:

- ▶ **Evidence = Information collected**
- ▶ **Documentation = Record of that evidence**

ऑडिट डॉक्यूमेंटेशन

अर्थ

ऑडिट डॉक्यूमेंटेशन से तात्पर्य उन दस्तावेजों और रिकॉर्ड से है जिन्हें ऑडिटर ऑडिट के दौरान तैयार और सुरक्षित रखता है।

इनमें ऑडिट की गई प्रक्रियाएँ, प्राप्त साक्ष्य और ऑडिटर द्वारा निकाले गए निष्कर्ष शामिल होते हैं।

इसे वर्किंग पेपर्स (Working Papers) भी कहा जाता है।

परिभाषा

SA 230 (Audit Documentation) के अनुसार:

ऑडिट डॉक्यूमेंटेशन वह रिकॉर्ड है जिसमें ऑडिट प्रक्रियाएँ, प्राप्त ऑडिट साक्ष्य और ऑडिटर के निष्कर्ष दर्ज होते हैं।

ऑडिट डॉक्यूमेंटेशन के उद्देश्य

ऑडिट डॉक्यूमेंटेशन के उद्देश्य

- ▶ ऑडिटर के कार्य का प्रमाण देना
- ▶ ऑडिट रिपोर्ट को समर्थन देना
- ▶ ऑडिट की योजना और निष्पादन में सहायता करना
- ▶ सुपरविजन और रिव्यू में सहायता करना
- ▶ भविष्य के ऑडिट के लिए रिकॉर्ड उपलब्ध कराना
- ▶ कानूनी विवाद की स्थिति में साक्ष्य प्रदान करना

ऑडिट डॉक्यूमेंटेशन के प्रकार

1. स्थायी फाइल (Permanent File)

- ▶ ऐसी जानकारी जो कई वर्षों तक उपयोगी रहती है।

उदाहरण:

- ▶ मेमोरेंडम और आर्टिकल्स ऑफ एसोसिएशन
- ▶ पार्टनरशिप डीड
- ▶ संगठनात्मक संरचना
- ▶ लेखा नीतियाँ

2. चालू फाइल (Current File)

- ▶ वर्तमान वर्ष के ऑडिट से संबंधित दस्तावेज।

उदाहरण:

- ▶ ऑडिट प्रोग्राम
- ▶ ट्रायल बैलेंस
- ▶ वित्तीय विवरण
- ▶ वर्किंग पेपर्स

ऑडिट डॉक्यूमेंटेशन की सामग्री

ऑडिट डॉक्यूमेंटेशन की सामग्री

- ▶ ऑडिट प्लान
- ▶ ऑडिट प्रोग्राम
- ▶ आंतरिक नियंत्रण के नोट्स
- ▶ बैंक कन्फर्मेशन
- ▶ रीकन्सिलिएशन स्टेटमेंट
- ▶ विश्लेषणात्मक विवरण
- ▶ मैनेजमेंट से पत्राचार

अच्छे ऑडिट डॉक्यूमेंटेशन की विशेषताएँ

अच्छे ऑडिट डॉक्यूमेंटेशन की विशेषताएँ

- ▶ पूर्णता (Completeness)
- ▶ सटीकता (Accuracy)
- ▶ स्पष्टता (Clarity)
- ▶ उचित इंडेक्सिंग
- ▶ व्यवस्थित रिकॉर्ड

लाभ, सीमाएँ

लाभ

- ▶ ऑडिट कार्य को कुशल बनाता है
- ▶ कानूनी सुरक्षा देता है
- ▶ ऑडिट की गुणवत्ता बढ़ाता है
- ▶ भविष्य के ऑडिट में सहायक

सीमाएँ

- ▶ समय और लागत अधिक
- ▶ गोपनीय जानकारी के लीक होने का खतरा

ऑडिट साक्ष्य

अर्थ

ऑडिट साक्ष्य वह सूचना और प्रमाण है जिसे ऑडिटर ऑडिट राय देने के लिए एकत्र करता है।

परिभाषा

SA 500 (Audit Evidence) के अनुसार:

ऑडिट साक्ष्य वह सूचना है जिसका उपयोग ऑडिटर अपने निष्कर्ष और राय बनाने के लिए करता है।

ऑडिट साक्ष्य की विशेषताएँ

- ▶ पर्याप्त (Sufficient) - मात्रा पर्याप्त हो
- ▶ उपयुक्त (Appropriate) - प्रासंगिक और विश्वसनीय हो

ऑडिट साक्ष्य के स्रोत

ऑडिट साक्ष्य के स्रोत

1. आंतरिक साक्ष्य (Internal Evidence)

- ▶ संगठन के भीतर से प्राप्त

2. बाहरी साक्ष्य (External Evidence)

- ▶ बाहरी पक्षों से प्राप्त

3. मिश्रित साक्ष्य (Mixed Evidence)

ऑडिट साक्ष्य के प्रकार

- ▶ दस्तावेजी साक्ष्य
- ▶ भौतिक साक्ष्य
- ▶ मौखिक साक्ष्य
- ▶ विश्लेषणात्मक साक्ष्य
- ▶ इलेक्ट्रॉनिक साक्ष्य

ऑडिट साक्ष्य प्राप्त करने की विधियाँ

ऑडिट साक्ष्य प्राप्त करने की विधियाँ

- ▶ निरीक्षण (Inspection)
- ▶ अवलोकन (Observation)
- ▶ पूछताछ (Inquiry)
- ▶ पुष्टि (Confirmation)
- ▶ पुनर्गणना (Recalculation)
- ▶ पुनः प्रदर्शन (Reperformance)
- ▶ विश्लेषणात्मक प्रक्रियाएँ

विश्वसनीयता

साक्ष्य अधिक विश्वसनीय होता है जब:

- ▶ बाहरी स्रोत से प्राप्त हो
- ▶ ऑडिटर द्वारा सीधे प्राप्त किया गया हो
- ▶ लिखित रूप में हो
- ▶ मजबूत आंतरिक नियंत्रण प्रणाली से उत्पन्न हो

Conclusion (निष्कर्ष)

Audit Documentation and Audit Evidence are fundamental components of auditing. Evidence provides the **basis of audit opinion**, while documentation **records and supports the audit work performed**.