

# tele audit

## A New Approach To Auditing



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designing and developing the Audit Board's Management Information Systems. In this role he has developed major computer applications that include planing and audit tracking; library management; education and training; finance; and personal. He also manages the IT-Help Desk.

His experience both in auditing and in computer system development encouraged him to promote Tele Audit as one of audit methods for utilising Information and Communication Technology (ICT). In this article he shares his ideas on the method.

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His strong computer background and computer systems experience gained before joining the Audit Board contributed significantly to the implementation of Tele Audit.



### Exploiting developments in ICT

Advances in information and communication technology (ICT) have changed the way we live and interact with each other. In the world of management, developments in ICT during the last two decades have resulted in a new term, "Tele Management".

The use of ICT in the field of auditing is not new. Auditors have been using **Computer Assisted Audit Techniques (CAATs)** to help them perform their tasks for over a decade. However, Tele Audit changes the old concept of using information technology in auditing. Formerly it was necessary to use a team consisting of auditors and ICT experts, but this suffered the drawback of different team members having different perceptions of the audit. In Tele Audit it is essential that every auditor has mastered ICT.

The Audit Board of the Republic of Indonesia<sup>1</sup> has been using audit software (ACL<sup>2</sup>©) since the beginning of 1990. The Board has assigned its ICT teams to audit the foremost government-owned enterprises, such as PT. Garuda Indonesia<sup>3</sup> and PT. Telekomunikasi Indonesia<sup>4</sup>, and with the help of ACL they have been able to audit all necessary documents. In the next millennium the Board plans to increase their use of ICT, not only to support CAATs but also to enable Tele Audit.

### Tele Audit

Tele Audit is a new approach to the performance of an audit. By exploiting the Internet or other networks and the appropriate remote control software, auditing activities can be carried out in the office and only one or two auditors are needed to audit the Auditee. This concept will change the performance of an audit and enable senior auditors to work on more than one Auditee at a time.

The efficiency gains from implementing Tele Audit can be seen in increased productivity, reductions in auditing expenses and the improved quality of audit reports. One senior auditor can audit five or more agencies, savings in travel expenses and auditing costs can be up to fifty percent (50%), and most documents can be audited in this way.

### Tele Audit Network Configuration

Several requirements need to be met in order to implement Tele Audit. In Indonesia, both the Audit Board and the Auditees need to have a network connected to the Internet, the PC Anywhere<sup>5</sup> software package, and auditors who have mastered ICT. Auditors who visit the auditee agencies should be equipped with Laptop computers and, if possible, cellular telephones.

The equipment that is required to implement Tele Audit comprises:

The concept of "Tele Management" is to manage an organisation from a distance rather than in the traditional face-to-face manner, with instructions, orders and others activities being controlled remotely. The pressure to adopt more efficient management techniques will lead those SAIs who are able to utilise ICT as an instrument of organisational change to consider "Tele Audit".

Hardware:

- desktop and/or laptop computer;
- Internet link to modem or network;
- cellular telephone via satellite only if required.

Software:

- MS Windows © operating system;
- PC Anywhere © software package;
- dial-up networking facility.

Implementation of Tele Audit in Indonesia

Implementation of Tele Audit by the Audit Board is a part of the Management Information System Development Plan as approved in the Institutional Development Plan 2001-2003. The Data Processing Unit, whose function is to process and provide information required by the Board and other departments, has recommended the implementation of Tele Audit as a new approach to audit in Indonesia starting in 2001.

In the same way that the use of audit software like ACL was introduced in the early 1990s, the Board has implemented the Tele Audit on certain institutions as pilot projects. Hopefully in the near future the Tele Audit approach can be implemented in every auditee's office.

Footnotes

- 1 <http://www.bpk.go.id/>
- 2 <http://www.acl.com/>
- 3 <http://www.garuda-indonesia.com/>
- 4 <http://www.telkom.co.id/>
- 5 <http://www.symantec.com/pcanywhere/Consumer/>

Tele Audit work mechanisms

1. To implement Tele Audit, the **Host Computer** (live system) and **Remote Computer** at the Auditee's office should be linked by cable or cybernetics.
2. Data and/or information that are needed for audit are transferred from the live system to the remote computer. An Auditor Assistant who is assigned to the Auditee carries out the data transfer.
3. After the data and/or information have been transferred, the senior auditor is able to analyse the various types of transactions and information available in the host computer. The senior auditor can control more than one host computer, and access to all data in every auditee's office then becomes his responsibility.

Tele Audit

