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Audit Tools

Introduction

"In God we trust, others bring us Data!"

Reservoirs of Data are being fed on a constant basis. Analyzing & Auditing it is a tactical task requiring systematic and organized Audit Tools.

Basically, "Audit Tool" is a generic term for any (usually Digital, Information Technology related) instrument, which may be used to capture data so that concerned auditing departments can undertake the audit projects effectively and efficiently. While the purpose of auditing is to ensure certainty and accuracy of accounts, Audit Tools improve the overall precision in the audit process, providing an automated mechanism for accurately processing data.

The core auditing tools can be:

- Audit Plan
- Audit Program
- Audit Evidence
- Working Papers

Audit plan refers to the strategies, audit procedures and methods which are determined to be followed during an audit. Usually, it is the first step of planning any audit, and concerns with the **audit procedures** to be applied for conducting an audit and obtaining sufficient and appropriate audit evidence based on which the Auditor would finally form his opinion.

Customarily, this involves collection of client's business information, cherry picking the audit team members based on their experience and skill, allocation of work between team members, finalizing the Nature, Timing, and Extent of audit procedures, etc.

It enables members of the audit team in identifying areas of **significant risk** which would require special attention. It also helps in determining the materiality of evidence and collaborating with other team members and management, considering the effectiveness of internal control.

The auditor should consider the following matters[1] before planning for an audit:

- Terms of Engagement and any Statutory Responsibilities
- Nature and Timing of Report or other Communications
- Accounting Policies followed by the Enterprise and Change in those Policies
- Effect of New Accounting or Auditing Requirements

- Identification of Significant Audit Areas
- The setting of Materiality Levels for Audit Purposes
- The degree of Reliance expected to be placed on Accounting System and Internal Control
- Nature and Extent of Audit Evidence
- Evaluating the work of Internal Auditors
- Establishing and Coordinating Staffing Requirements

[1]https://www.toppr.com/guides/accounting-and-auditing/tools-of-auditing/audit-plan/

Audit Program

Audit Program represents a set of directions that the auditor and its team members would be required to follow for the proper execution of the audit. Post Audit Planning, the auditor allocates the work and prepares a detailed program which broadly contains various steps that the audit team needs to be guided with while conducting an audit along with the audit procedures to be followed by the members.

An audit program provides **a basic layout** for the audit team capturing the details regarding the entity's nature of business, the quantum and quantity involved, the roadmap to conducting the audit, allocation of work among team members and the estimation timelines for completion of the work. It tries to incorporate particulars regarding the relevancy of evidence, materiality level, risk tolerance, measure of the sufficiency of the evidence. Thus, programs help **enhance the accountability** of the audit team and its members for the work performed by them.

An auditor prepares an audit program aligned with its scope of work. The minimum essential work to be performed is the Standard Program. However, there is **no set audit standard program** applicable in all the circumstances. Audit working papers document the activities performed as a part of the audit program. Audit working papers support the work performed by the auditor for providing assurance that the audit was performed in accordance with all the applicable standards on auditing (SA's). It helps the auditor in the proper execution of audit work.

An audit program covers various phases of the auditing journey like the assessment of internal control, ascertaining accuracy and reliability of books of accounts, inspection, vouching and verification, valuation of assets and liabilities, scrutiny of accounts, presentation of financial statements, and submission of reports and related disclosures.

Audit Evidence

Technically, *"Audit is a systematic independent examination of financial statements, records, documents with an objective to express an opinion on the financial statements of an entity whether they are giving a true and fair view or not."* Auditor expresses his opinion (whether the financial statements of an entity are giving a true and fair view or not) on the basis of audit evidence collected by him. Thus, Audit Evidence is the

information that the auditor uses in arriving at a conclusion on the basis of which he forms his opinion.

The auditor should obtain sufficient and appropriate evidence[2] which enables the auditor to arrive at a conclusion and supports his opinion.

Evidence collected by the auditor should support the contents of its audit report. **Sufficiency of audit evidence is the measure of the quantity of audit evidence**. Appropriateness of evidence is the quality of the evidence, i.e., its relevance and reliability to support the auditor's opinion.

[2]https://www.investopedia.com/terms/a/auditing-evidence.asp

Methods for collection of Audit Evidence-

The collection of accurate and comprehensive audit evidence is one of the key ingredients for an effective audit. While there exist numerous ways to collate Audit Evidences for audit, the most generally applied methods would be through surveys, questionnaires, interviews, focus groups and direct observations. There would be difference in applicability of these methods depending on the type of audit and the nature and sources of data.

- Surveys help in collecting information on variables like:
  - Background data
  - Behavioral data
  - Data on knowledge of company programs
- Questionnaires serve as a guide for the interviewers.
- Focus Groups allow the collection of more information and involvement of more people than is possible in one-on-one interviews.

Audit Working Papers

These are the outcome of the Audit documentation process. Audit working papers are the record of various audit procedures performed, audit evidence obtained, allocation of work between audit team members etc. Audit working papers are the documents and evidence that an auditor collects and retains during the audit.

Audit working papers[3] along with proper Audit Program support the work that the auditor performs for providing assurance that he conducts the audit in accordance with all the applicable standards on auditing (SA's). Audit Documents constitute all the audit evidence that an auditor has obtained as a result of applying audit procedures. Also, it contains various procedures that he applies to indicate that the audit is performed by him. The auditor and his audit team members prepare the audit working papers while performing the audit. Working papers are connecting link between the client's records and audited financial statements. Working papers provide entity's historical records as

well as matters which should be taken care and given due importance while performing future audits of such entity.

Audit working papers help auditor in audit planning and collecting evidence of the audit work performed on which his opinion is based. Working papers helps auditor in allocating the time required for performing various audit procedures. The working paper helps auditor to maintain a record of various matters discussed with management while conducting an audit.
Also, the working papers help audit team members to understand entity's business, points which they need to check on a priority basis, queries and actions against them in previous audits. Working papers helps auditor in future cases to protect himself if the client files a suit against auditor for auditor's negligence while conducting the audit.

[3]https://www.brainkart.com/article/Audit-Working-Papers_35421/
Additional Assisted Tools

Post the enactment of Information Technology (IT) Act 2000 read with IT Amendment Act 2008 and IT rules 2011, the IT infrastructure has been now supported with a regulatory framework and mechanism for recognizing electronic records and electronic transactions thereby facilitating ecommerce and also identifying cybercrimes and providing penalties and compensation for them. And likewise the CA Profession has also accepted the, ***Computer-assisted audit tool (CAATs)*** or ***Computer-assisted audit tools and techniques (CAATTs)*** keeping pace with the rapidly improving client IT infrastructures.

CAATs[4] are tools for drawing inferences and gathering relevant and reliable evidence as per requirements of the assignment. CAATs provide direct access to electronic information and empower auditors not only to perform their existing audits more efficiently and effectively but also facilitate them in knowing how to create and execute new type of IT related audit assignments. CAATs provide a mechanism to gain access and to analyze data as per audit objective and report the audit findings with greater emphasis on the reliability of electronic information maintained in the computer system. There is higher reliability on the audit process as the source of the information used provides and greater assurance on audit findings and opinion. CAATs are available in specific general audit software designed for this purpose but the techniques of CAATs can be applied even by using commonly used software such as MS Excel and by using query/reporting features of commonly used application software. CAATs can be used to perform routine functions or activities which can be done using computers, allowing the auditors to spend more time on analysis and reporting.

Conclusion

Drawing references from the transformation that the computers and the ever development IT Infrastructure has brought in the way businesses are operating, one can only dream of impact that the other budding technologies like that of block chain,

Artificial Intelligence, Internet of Things, Automation and Robotics can bring to the way businesses operate in the near future. Audit Tools appropriate for application in these environments would also be developed as a need of the hour in years coming down the line. Yet regardless of enormous tools available at disposal of the Auditor, "Auditing" would always remain a function of "Auditor's Professional Skepticism" and "Skills". With so many options available at disposal Auditor would also be cautious with selecting the most appropriate Audit Tool to assist him forming a reasonable opinion on the Assurances carried out.

[4]https://en.wikipedia.org/wiki/Computer-aided_audit_tools

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United Nations Sustainability

Sustainability

Fundamental meaning of sustainability according to google is he capacity to be kept up with at a specific rate or level or evasion of theconsumption of normal assets to keep a biological equilibrium.

Sustainability centers around addressing the necessities of the presentwithout compromising the capacity of people in the future to meet their needs. The idea of sustainability is composed of three columns: monetary, natural, and social—likewise referred to casually as benefits,planet, and individuals. Progressively, organizations are unveiling responsibilities to sustainability through activities like diminishing waste,putting resources into environmentally friendly power, and supporting associations that work toward a more sustainable future.

How Sustainability Works

Sustainability urges organizations to outline choices as far as natural, social, and human effect as long as possible, as opposed to on momentary gains, for example, next quarter's income report. It impacts them to consider a larger number of elements than essentially the quickbenefit or misfortune included. Progressively, organizations have

givensustainability objectives, for example, obligation to zero-squander bundling by a specific year, or to decrease generally emanations by a specific rate. These organizations can accomplish their sustainability needs by cutting outflows, bringing down their energy utilization, sourcing items from reasonable exchange associations, and guaranteeing their actual waste is discarded appropriately and with as little a carbon impression as could be expected.

Difficulties

The push for sustainability is evident in regions such as energy age where the emphasis has been on discovering new stores to outperformthe drawdown on existing stores. Some power organizations, for instance, presently openly state objectives for energy age from sustainable sources such as wind, hydropower, and sun oriented.

Sustainable Development Goals

The Sustainable Development Goals (SDGs), otherwise called the GlobalGoals, were embraced by the United Nations in 2015 as an all-inclusivesource of inspiration to end neediness, secure the planet, and guaranteethat by 2030 all individuals appreciate harmony and flourishing. The 17SDGs are incorporated—they perceive that activity in one region will influence results in others, and that development should adjust social, financial and ecological sustainability.

Nations have resolved to focus on progress for those who're farthest behind. The SDGs are intended to end neediness, appetite, AIDS, and victimization ladies and young ladies. The inventiveness, skill, innovationand monetary assets from all of society is important to accomplish theSDGs in each unique circumstance.

United Nations Sustainability

To get sustainable development the standard United Nations (UN) dispatched the 2030 Agenda for Sustainable Development and SDGs. Worldwide Sustainable Development Report (GSDR), 2019

It is the principal GSDR arranged by the United Nations. It is named "The Future is Now: Science for Achieving Sustainable Development".

It assessed progress on the 2030 Sustainable Development Agenda.

The report tracks down that the current development model isn't sustainable, and the advancement made is at risk for being switchedthrough demolishing social imbalances and possibly irreversible decreases in the indigenous habitat that supports us.

The measure of current environmentally friendly power in the complete worldwide energy supply has expanded by a normal of approx. 5% yearly over the previous

decade. In the mean time, since 2009 the cost of sustainable power (sun based and wind) has droppedfor a very long time.

United Nations Development

Promoting Development: Since 2000, advancing expectations for everyday comforts and human abilities and potential all through theworld have been directed constantly Development Goals.

The UN Development Program (UNDP) upholds in excess of 4,800tasks to decrease neediness, advance great administration, addressemergencies and protect the climate.

The UN Children's Fund (UNICEF) works in excess of 150 nations, basically on youngster security, vaccination, young ladies' schooling and crisis help.

The UN Conference on Trade and Development (UNCTAD) helps non-industrial nations take advantage of their exchange openings.

The World Bank gives non-industrial nations advances and gives, andhas upheld in excess of 12,000 ventures in excess of 170 nations since 1947.

Alleviating Rural Poverty: The International Fund for AgriculturalDevelopment (IFAD) gives low-interest advances and awards toexceptionally poor rustic individuals.

Focusing on African Development: Africa keeps on being a high need for the United Nations. The landmass gets 36% of UN framework consumptions for development, the biggest divide between the world'sareas. All UN organizations have unique projects to profit Africa.

Promoting Women's Well-being: UN Women is the UN associationcommitted to sex uniformity and the strengthening of ladies.

Fighting Hunger: The Food and Agriculture Organization of the UN (FAO) leads worldwide endeavors to overcome hunger. FAO additionallyassists non-industrial nations with modernizing and further develop farming, ranger service and fisheries rehearses in manners that moderate normal assets and further develop sustenance.

Commitment in Support of Children: UNICEF has spearheaded to giveimmunizations and other guide frantically required by youngsters trapped in furnished struggle. The Convention on the Rights of the Child-1989 has become law in practically all nations.

Tourism: The World Tourism Organization is the UN office liable for theadvancement of mindful, sustainable and all around open the travel industry.

Its Global Code of Ethics for Tourism tries to boost the advantages ofthe travel industry while limiting its adverse consequence.

United Nations Environment Program (UNEP)

The United Nations Environment Program (UN Environment) is a worldwide ecological power that sets the worldwide natural plan,advances the intelligent execution of the natural component of sustainable development inside the United Nations framework.

It is the leading global ecological authority of the UN framework, with a command to give direction to its part states on natural issues; and general approach direction for the course and co-appointment of natural projects inside the UN system. UNEP's internal environmental sustainability work is composed by the Corporate Services Division, which upholds UNEP in functional issue. The greening work in UNEP is directed by a guiding advisory group and executed by an environment unbiased official. In every office away from Headquarters, a sustainability contact point is assigned to for the most part arrange greening drives and direct the yearly ecological stock.

UNEP chips away at the observing and the board of various ecological angles, these include: ozone depleting substance stock and relief, squander the executives, water utilization, energy use, printing and paper use, virtual and sustainable gatherings and staff sharpening on natural issue.

UNEP likewise has the Sustainable United Nations facility in Geneva, which upholds UN associations in their excursions towards environment impartiality and natural sustainability. Great practice and sustainability drives are shared across the UN through the correspondence work did by the Greening the Blue drive, advanced by the Sustainable United Nations office. To guarantee that we try to do we say others should do, the Sustainable United Nations office - with the help of its group in Nairobi -does significant work to green UN Environment operations around the world

United Nations Climate Resilience

Climate change is a worldwide issue that requests a worldwide arrangement. The Intergovernmental Panel on Climate Change (IPCC),which unites 2,000 driving environmental change researchers, issues extensive logical evaluations each five or six years.

IPCC was set up in 1988 under the sponsorship of the United Nations Environment Program (UNEP) and the World Meteorological Organization to evaluate "the logical, specialized and financial data pertinent for the comprehension of the danger of human-actuated environmental change.

UN Framework Convention on Climate Change (UNFCCC) gives establishment to UN individuals to arrange arrangements to lessen emanations that add to environmental change and assist nations with adjusting its belongings. (UNFCCC-1992 is a worldwide ecological settlement embraced and opened for signature at the Earth Summit in Rio de Janeiro (Brazil) in 1992.)

Global Environment Facility, which unites 10 UN organizations,reserves projects in agricultural nations.

Protecting the Ozone Layer: The UNEP and the World MeteorologicalOrganization (WMO) have been instrumental in featuring the harm caused to Earth's ozone layer.

Vienna Convention for the Protection of the Ozone Layer-1985 gavethe structure important to make administrative measures for worldwidedecreases in the creation of chlorofluorocarbons. Show gave establishment to Montreal convention.

The Montreal Protocol-1987 is a worldwide ecological concurrence with all inclusive sanction to secure the world's ozone layer by killing utilization of ozone draining substances (ODS) like chlorofluorocarbons(CFCs) and halons.

Kigali revision (to the Montreal Protocol)- 2016: was taken on to stagedown creation and utilization of hydrofluorocarbons (HFCs) around the world.

Current scenario

Today, the Division for Sustainable Development Goals (DSDG) in theUnited Nations Department of Economic and Social Affairs (UNDESA) provides substantive support and capacity-building for theSDGs and their related thematic issues, including water, energy, climate, oceans, urbanization, transport, science and technology, the Global Sustainable Development Report (GSDR), partnerships and Small Island Developing States. DSDG plays akey role in the evaluation of UN systemwide implementation of the 2030Agenda and on advocacy and outreach activities relating to the SDGs. In order to make the 2030 Agenda a reality, broad ownership of the SDGs must translate into a strong commitment by all stakeholders to implement the global goals. DSDG aims to help facilitate this engagement. In 2015, world leaders agreed to 17 Global Goals (officiallyknown as the Sustainable Development Goals or SDGs). It's now five years on, and we have more work than ever to do. These goals have thepower to create a better world by 2030, by ending poverty, fighting inequality and addressing the urgency of climate change. Guided by thegoals, it is now up to all of us, governments, businesses, civil society and the general public to work together to build a better future for everyone.

On site "un.org" every month they enlist a goal for the month for theUnited Nations so as to take small steps towards big sustainable development in the long run.

The 17 sustainable development goals (SDGs) totransform our world:

GOAL 1: No Poverty

GOAL 2: Zero Hunger

GOAL 3: Good Health and Well-being

GOAL 4: Quality Education

GOAL 5: Gender Equality

GOAL 6: Clean Water and Sanitation

GOAL 7: Affordable and Clean Energy

GOAL 8: Decent Work and Economic Growth

GOAL 9: Industry, Innovation and Infrastructure

GOAL 10: Reduced Inequality

GOAL 11: Sustainable Cities and Communities

GOAL 12: Responsible Consumption and Production

GOAL 13: Climate Action

GOAL 14: Life Below Water

GOAL 15: Life on Land

GOAL 16: Peace and Justice Strong Institutions

GOAL 17: Partnerships to achieve the Goal

Conclusion

Despite having many short-comings, UN has played a crucial rolemaking this human society more civil, more peaceful & secure in comparison to time of its origin at 2nd World War.

United Nations, being the world's largest democratic body of all nations, its responsibility towards humanity is very high in terms of building democratic society, economic development of people living inacute poverty, & preserving the Earth's Ecosystem in concern with Climate Change.