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Audit data collection extension — Government regulated financial reports and payroll

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Foreword

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The procedures used to develop this document and those intended for its further maintenance are described in the ISO/IEC Directives, Part 1. In particular, the different approval criteria needed for the different types of ISO document should be noted. This document was drafted in accordance with the editorial rules of the ISO/IEC Directives, Part 2 (see www.iso.org/directives).

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For an explanation of the voluntary nature of standards, the meaning of ISO specific terms and expressions related to conformity assessment, as well as information about ISO's adherence to the World Trade Organization (WTO) principles in the Technical Barriers to Trade (TBT), see www.iso.org/iso/foreword.html.

This document was prepared by Technical Committee ISO/TC 295, *Audit data services*.

Any feedback or questions on this document should be directed to the user's national standards body. A complete listing of these bodies can be found at www.iso.org/members.html.

Introduction

Government financial audit usually starts with reviewing and analysing statutory financial accounting statements; for example, these regulated reports are established following country specific rules for data aggregation according to statutory taxonomy and rules known as local chart of accounts. In some countries, governments enforce the use of the local statutory chart of accounts (e.g. China, France, Philippines, Spain), in some others, the companies must provide as part as audit data a mapping between their corporate chart of account and the local statutory chart of account (e.g. Mexico). This is key to allowing government to run audit consistently across several companies and years when the corporate chart of accounts can be different or fluctuate significantly over time. As the financial and accounting statements reflect the financial status and operating results of the enterprise in a certain period, the key questionable points can be identified through the data analysis of the financial and accounting statements; then the auditors can carry on the further review with the clear auditing directions, in which the efficiency of audit work can be improved a lot.

The payroll audit mainly focuses on the following objectives: the correctness, the compliance and justifiability and so on. The key to achieving these objectives is the obtainment of the complete payroll items and data. With the payroll items and data, the auditors can easily identify the abnormal errors, the compliance issues and insufficient justifications.

Targeted as one of the extensions of ISO 21378, the financial report and payroll data interface output files are integrated to the current data interface output files of ISO 21378 to provide auditors with more comprehensive audit data collection. The intention is not to replace the existing best practices for some countries of obtaining the specific parts of the audit data (e.g. financial statements, vouchers, transactions), but to provide them with a more comprehensive and consistent choice of collecting the audit data. It's useful not only for auditing multinational companies across the countries, but also for data sharing and audit cooperation across the different government authorities in different countries as well audit data collection.

Audit data collection extension — Government regulated financial reports and payroll

1 Scope

This document provides the solution for auditors to obtain the regulated financial report data and the payroll data. This document is applicable for government audits, as well as external independent audits and internal audits.

2 Normative references

The following documents are referred to in the text in such a way that some or all of their content constitutes requirements of this document. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

ISO 8601-1, *Date and time — Representations for information interchange — Part 1: Basic rules*

3 Terms and definitions

For the purposes of this document, the following terms and definitions apply.

ISO and IEC maintain terminology databases for use in standardization at the following addresses:

— ISO Online browsing platform: available at https://www.iso.org/obp

— IEC Electropedia: available at https://www.electropedia.org/

3.1
data
set of values of qualitative or quantitative variables

3.2
data element
basic unit of identifiable and definable *data* (3.1)

[SOURCE: ISO 2146:2010, 3.4, modified — The admitted term "element" has been deleted.]

3.3
data interface
set of rules that relate two independent systems in a way that allows cross-system interactions

3.4
primary key
minimum set of attributes that uniquely specify a record in a table

3.5
reference identifier
foreign key
<in a relation> one or a group of attributes that corresponds to a *primary key* (3.4) in another relation

[SOURCE: ISO/IEC 20944-1:2013, 3.14.4.15, modified — The preferred term "reference identifier" has been added; the original preferred term "foreign key" has been changed to an admitted term.]

4 Modules, tables and fields

4.1 General

ISO 21378 covers the main business modules of the accounting system and the main business processes in the enterprise production and supply chain. There are eight modules: base, general ledger (gl), accounts receivable (ar), sales (sal), accounts payable (ap), purchase (pur), inventory (inv), property, plant, and equipment (ppe). The document formulated in this document is an extension of ISO 21378, including two modules: government regulated financial reports (grfr) and payroll (pay).

Figure 1 shows the relationship between the contents of ISO 21378 and this document.
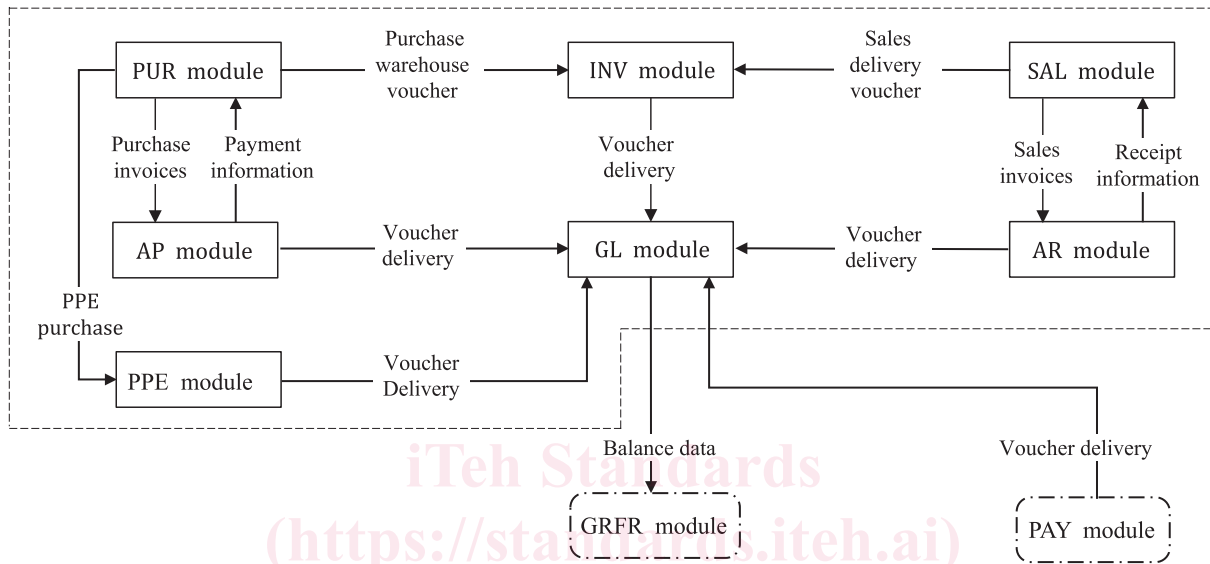

Figure 1 — The business flow of ADCS module

— The contents in the dotted box in Figure 1 are those in ISO 21378.

— The contents outside the dotted box in Figure 1 are the contents of this document.

4.2 Naming conventions

The naming conventions aim to help readers to have a clear understanding of each table and data element. They also conform to the requirements of major accounting and enterprise resource planning (ERP) systems and databases. The following generic conventions are applied to all names for tables and data elements.

a) The length of the table or data element name shall be no more than 30 characters.

b) The abbreviation can be used if the length of a table name or data element name is longer than 30 characters. International commonly used abbreviations are allowed, such as ERP.

c) Underline is used to separate words in a table name or data element name. Each table name or data element name shall contain only alpha-numeric characters and the underline characters.

d) The first letter of each word in the table name and data element name shall be in upper case.

The abbreviated terms used in the ISO 21378 are listed in Table 1.

Table 1 — Abbreviated terms in ISO 21378

Abbreviation	Full name
adcs	Audit data collection standard
ap	Accounts payable
ar	Accounts receivable
bas	Base
cur	Currency
erp	Enterprise resource planning
	Government regulated financial reports
id	Identification
inv	Inventory
pk	Primary key
ppe	Property, plant and equipment
pur	Purchase
ref	Reference identifier
	Payroll
sal	Sales

## 4.3 Government regulated financial reports module

4.3.1 General

The data disclosed in the government regulated financial reports is the data that must be disclosed according to the legal requirements of various regulatory authorities in various countries and regions. The purpose of this document is to standardize the reporting data output, not to replace or complete the regulatory reporting. This document does not clearly define the data format of a specific report, but defines specific data contents. The source of financial data often comes from the general ledger system. Each financial statement specifically reflects one or more financial data that a financial entity must disclose at one or more time points.

The data of financial statements can be generated from GL data of general ledger, such as by extracting the data from GL_Trial_Balance.

Complex financial statements, such as consolidated financial statements, may be extracting the data from GL modules in more than one ERP system. At the same time, it also supports report level data adjustment to finally form reports that meet the requirements of laws and regulations.

The tables within the GRFR module and selected key fields used for interactions with the BAS modules are illustrated in Figure 2.
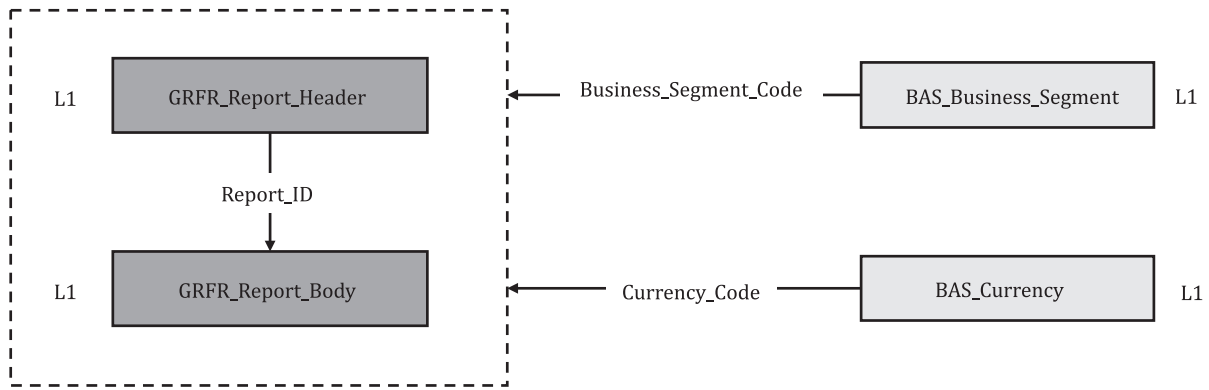
Key

Components

	table in the BAS module
	table in the GRFR module

Connections and lines

– – –	table within the GRFR module
←	reference relationship

L1   table containing information that the auditor should leverage when auditing

L2   table containing information that the auditor can leverage if the scope of the audit requires this type of data

Figure 2 — Table relationship diagram of the government regulated financial reports

4.3.2   GRFR_Report_Header

The report header contains data with unique attributes in this table. Each report has only one header, see Table 2. Table 2 is level 1.

Instructions on how to implement the GRFR report header structures (described in 4.3.2) are detailed in Annex A.

Table 2 — GRFR_Report_Header

No.	Name	Data-type	Representation	Description	Level
1	Report_ID	String	%60s	Unique identifier for the report. Typically auto-generated by the system.	1
2	Report_Name	String	%80s	Name of the report.	1
3	Report_Description	String	%200s	Free-form description of the entire individual report as described by the report header.	2
4	Reporting_Entity_Code	String	%25s	Unique reporting entity Code. Shall match the Business_Segment_Code in the BAS_Business_Segment table.	1
5	Reporting_Entity_Name	String	%80s	Name of the reporting entity. Shall match the Business_Segment_Name in the BAS_Business_Segment table.	1
6	Fiscal_Year	String	%4c	Fiscal year in which the calendar date occurs. The year shall be shown in four digits as YYYY, which is part of the extended format and the YYYY-MM-DD from ISO 8601-1.	1
7	Reporting_Period_Type	String	%60s	Reporting period type is used to identify the span of time for the report. EXAMPLE Monthly, quarterly, annually.	1