AUDIT OF THE COMPUTERIZED ACCOUNTING IN MODERN BUSINESS

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ABSTRACT

The recent development in science and technology especially in the areas of mechanization of operations has posed a great challenge to auditors. Auditing through the computer requires complete mastery of the working of the computer. It was the recommended type because the auditors have to master the working of the computers. Auditing around the computers was absolute and no longer fashionable because the auditors have to rely on the integrity of the computer operators and internal control in business operations. This article is determined the order and methods of auditing of the computer accounting systems. For auditing of the first components parts are used such technology as general evaluation, subjects cheeked of the algorithms of information technology and process. This is avoids errors if any enterprise accounting policy make by govt.

KEYWORDS*: Auditing, Computer Accounting, Auditors, Software, Data, Component, Test, Operation.*

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Introduction

Computers of various types have been introduced to substantially enhance human efforts in industrial, official and domestic activities. Accounting is generally known as the language of business, has been invaded and annexed by the revolution in computer technology. The superiority of computers as a new technology innovation was as a result of the concomitant benefits of using them. Computers therefore are becoming the standard communication among organizations. Although computers are very attractive and there benefits very fascinating that does not imply that computer is impeccable in doing things in the business and trades. Errors, omissions, systems malfunctions faulty computer applications , improper operations procedures and personnel administration lack of technology expertise international falsification of data to computer fraud was common in electronic data processing environment. Audit and security practitioners and management at large has suffered embarrassment and untold losses.

Concept of Computer Auditing

Computer auditing can be described as simply auditing in a computerized in a computerized environment with reference to the programmed control carried out by computer application and the manual controls exercised by the users. There are two different levels of controls in computer auditing as under:

- Manual Control.
- Programmed Control.

Computer Programmed is also called software. It is the intelligence in a computer. Programmed control are built into the application programmers such as payroll programmer of edit, updated, which monitors the processing activities of the software systems and ensures that data integrity is maintained.

Purpose of the Study

Is to determine the procedure and methodology for auditing the software of the computer accounting systems, in particular its supporting and function components.

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Methodology of the Study

It is a theoretical study relies on deductive approach where we use deductive approach in the preparation of the theoretical framework for the study and formulation of the problem and research hypotheses.

Methodological History

It is known, the auditing methodological history is set out in international standards on auditing. They are re4cognized in Ukraine. The international auditing standards established the provisions and recommendations for implementation of auditing in the computer environment in 2004.Automation of audit procedures providing a number of advantages. It decreases the volume of work along with an increase in the accuracy of the verification. It is advisable to use an entire audit method that reduces audit risk.

The use of global network, cloud computing tool makes it possible to make audit in geographically distant access to the database. It increases the availability of audit services, decreases it cost, allow clients to engage audit firms with the better reputation .This sudden change in the development of various organizations led to the change in the nature of audit evidence generated by each financial transactions. Along with this, the requirements for the qualification of the auditor are increased. The auditor should be aware of the novelties of the application software market and general purpose.

Audit of DBMS

DBMS have main purpose to provide and secure data. The developers of DBMS include various tools and technology such system to ensure the consistency and integrity of the data. The separation of access to the data each individuals user including also an administrator have an access to the needed information in accordance with the position within company or business. Data encryption must be encrypted those data are being transmitted and those data are being recorded from the lost or theft of data storage along with unauthorized review with a help of non DBMS tools.

Auditing Approaches with Computer Accounting

Every auditor has the different methods applied at his disposal in his auditing, audit around the computer and audit through the computer. If audit around the computer the auditor, in this approach concentrates on reconciling the input and the output without directly verifying the processing of the data, he is relying on the control in the user departments rather than on the application controls included in the complex programmes. To audit around the computer, the auditor must access to sufficient sources documents and a detailed listing of output in a readable form. The source documents are available in a non- language. The documents are filled in a manner that makes it possible location them for auditing purposes. The output is listed in sufficient detail to enable the auditor to trace individual transactions from source documents to the output and vice versa.

If auditing through computer means accessing, testing, processing, analyzing and reporting the electronic data in their electronic state with the objective of ensuring that it conforms to specification and is valid opined that auditing through the computer refer to the auditors actual evaluation of the hardware and software to determine the reliability of operations that could be conversant with the working of the computer and how the computer can help us facilitate this work auditing through computer has become more common in practice because more and more computer systems do not operate as speedy calculations but have significant control procedures built into their computer audit systems.

Application Control

There are control under the influence of programmes developed for various applications to ensure completeness and accuracy of processing and can be sub-divided into input, output conversation, output, processing and master filed control. The overall objective of each of this control is to ensure that information obtained from the computer processing environment is complete, sufficient and reliable in computer audit.

Internal Control Testing

Internal testing control has been defined as the whole system of controls, financial and otherwise, established by the management in order to carry the business of the enterprise in an orderly and efficient manner, ensure adherence to management policies, safeguard the assets and secure as far as possible the completeness and accuracy of the computer records.

Conclusion

Auditing of software of computer accounting systems often is ignores, but it is the important part of is inspection. This is where the programmatic algorithms for information processing are laid down. Errors occurred in the software algorithms for the processing of accounting information multiplied exponentially and can significantly distort the financial statement prepared by auditors. There are so subjects of auditing of components of application software. We have discovered that while conducting software auditing such important component of DBNS and CAS is ignored.

Inspection by second methods of imaginary data has punctuated quality. The acquisition of the necessary auditing skills is necessary but not sufficient if the auditor is not computer literate. Auditors should be trained and retrained so as to enable them to develop and acquire the necessary skills for handling computerizes audit assignments because more reliance on the statements of computer specialist cannot absolve them of liabilities. To remain professionally relevant and competitive in the face of the technological innovations of this era, the auditors cannot but acquaint him with the full knowledge of the computer and auditing procedures.

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