
DIGITAL AUDIT ITS OPPORTUNITIES AND ISSUES

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Abstract :-

Today's businesses must be constantly evolving to meet changing business models, new regulatory requirements, technology innovations, and an increase in cyber attacks. To help businesses meet these new challenges, internal audit (IA) functions must evolve as well. While internal audit is not the sole owner of risk within an organization, it provides unbiased insight into an organization's internal controls, corporate governance, and business processes. IA educates board members and executives on the business risks and their impact, helping detect and address issues before they are identified by external audit. As data and technology permeate every aspect of the modern organization, IA departments can no longer work alone. IA teams must expand their skill sets and work alongside other departments to more effectively reduce risk, improve controls, and identify inefficiencies within the organization. How will access to data and systems be handled?

1. What controls will be put in place to monitor the performance of these tools?
2. Who will design and monitor the controls?
3. What processes will be implemented to prevent unauthorized access to these new systems and their sensitive data?

Ultimately, Online audit for the business organization will increase productivity, reduce risk exposure, and bring economic and workforce advantages; therefore, internal audit has the chance to position itself as a trusted partner for these transformation initiatives.

Keywords- Online, Audit, Business, Security, Accounts, Technology, Internal Audit.

Introduction: An audit is an "independent examination of financial information of any entity, whether profit oriented or not, irrespective of its size or legal form when such an examination is conducted with a view to express an

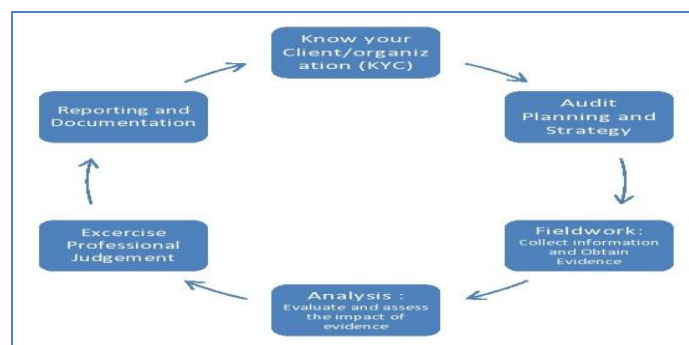
opinion thereon.” Auditing also attempts to ensure that the books of accounts are properly maintained by the concern as required by law. Auditors consider the propositions before them, obtain evidence, and evaluate the propositions in their auditing report. Audits provide third-party assurance to various stakeholders that the subject matter is free from material misstatement. The term is most frequently applied to audits of the financial information relating to a legal person. Other commonly audited areas include: secretarial and compliance, internal controls, quality management, project management, water management, and energy conservation. As a result of an audit, stakeholders may evaluate and improve the effectiveness of risk management, control, and governance over the subject matter. **Digital or Online audit** is a technique, which is used to collect **audit** evidence at the same time as an application system undertakes processing of data or immediately after the processing is completed, in a paperless environment. ... **Online Audit** has different imperatives for internal and external **auditors**.

Opportunities of Online Audit

Following are the some of the opportunities of the Online Audit.

1. More transparency with clients.
2. Enhanced relationship with customers.
3. Resolve all disputes with clients.
4. Co-browsing with customers.
5. A processed online service suited to customer behavior.

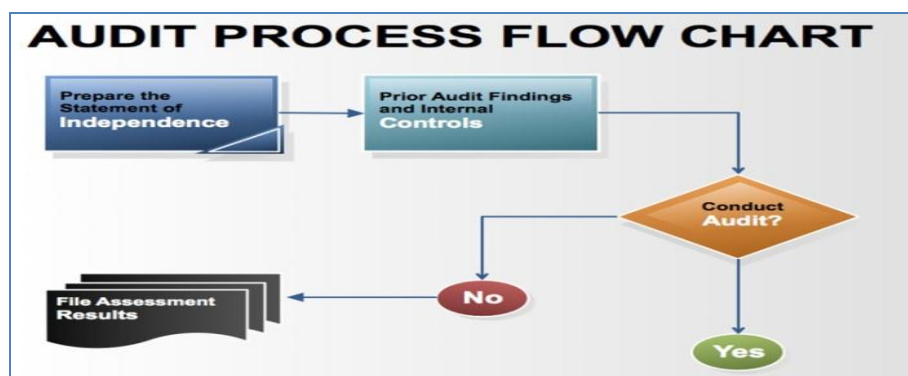
Digital Audit Process in Brief: Following the figure which shows the basic process of online audit.



Source :- <https://commons.wikimedia.org/w/inde>

Above figure shows the online audit process in brief the know your client , Audit Planning , Fieldwork, analysis , Exercise professional Judgment , Reporting and Documentation and complete the sequence by final output The all the steps are to be followed so that the main purpose of the audit is served properly . no item from the financial should be left out and we have to maximum software based tools to check all the financial formulas and reports so that we can create the faith in the stakeholders about the online process. Many companies are now creating the infrastructure to make the online audit possible at the company site that is purchasing hard ware copy of software and auditors fees to make the resources available tot the Internal and external audit experts . The minimum drawbacks and maximum care should be taken since money and finance is involved. Security measures should be taken care of properly at all the levels of online audit process. These events have not only heightened the need for more reliable, accurate, and secure systems but have brought a much needed focus to the importance of the accounting profession. Accountants certify the accuracy of public company financial statements and add confidence to financial markets. The heightened focus on the industry has brought improved control and higher standards for all working in accounting, especially those involved in IT auditing.

Digital Audit Flow Chart



Source:-<https://www.google.com/search?q=online+a>

The Audit flow charts in online audit are very useful in understanding the steps in online audit. They are easy to apply for your presentations. Audit Process Flow Chart can be used to build the process of auditing, financial analysis and technology, or for training purposes. The flow chart involves Analysis , Fieldwork, Audit, KYC, Reporting, exercise personal Judgment Stages which

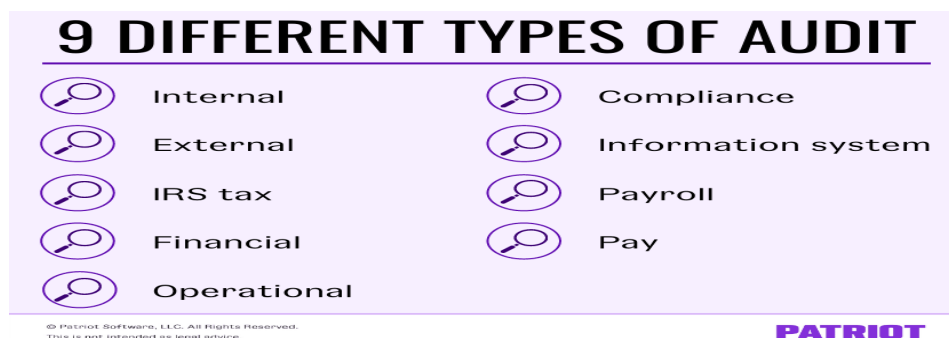
are required to be followed for successful audit process for any company . The stage is involved to make the whole process full proof and error free. The use of judgment is required to intervene in case of totally automated audit system to avoid failure and risk in the audit process.

Importance of audits To Industries

You must conduct audits regularly to understand different aspects of your business. And, audits can help catch issues early on before they snowball into big mistakes. If you don't conduct audits, you may find yourself reviewing inaccurate information, which can impact your business later. Before you kick the idea of audits to the curb, think about how they can benefit your small business. Audits can help you:

1. Find financial problems
2. Catch errors
3. Boost your business's bottom line
4. Stay organized
5. Make better business decisions

Different Types of Audits And Its Role



Source :- <https://www.patriotsoftware.com/blog/account>

Applications of Digital Audit

Online Audit helps in generating various audit activities through software package and it can be used to get audit reports . The system manages the audit process by preloaded system instructions at the database and report level. We can use these software's to make the better reports of the audit in the companies. The all the financial activities are performed with high level machines and software's to get more benefits

Security and Protection Issues in Digital Audit

The main security issues are

1. Network Security
2. Operating Security
3. Application Package Security
4. File Security
5. Security issues from physical threat and data theft



<https://www.google.com/search?q=online+audit&source=lnms>



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Conclusion

The Digital audit is going to become mandatory for all the companies in near future . This paper will create awareness about this topic to the stakeholders of companies. It is the active role from policy makers and government will create the positive impact on use of this technology for audit purpose. Therefore, audit has the chance to position itself as a trusted partner for these transformation initiatives.

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