

The impact of the use of the electronic accounting system on the efficiency and effectiveness of the work of internal auditors

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Abstract: Modern economic conditions of the post are audited by high auditors in terms of expected quality audit work. On a reliable basis financial statements are based on the whole system of financial markets what means that an independent and competent opinion on financial reports has a lot of information value. On the other side, opinion in which should be expressed is for all auditors it's not as companies are globalizing; they expand their scope and types of activities, process. It should be borne in mind that the auditors are continuously imposed price and time pressures with limited resources as effective implemented the verification procedure and expressed its opinion. Downloads her responsibility for the expressed opinion ungrateful since it is difficult for a dawn to obtain a reasonable assurance that the finds are sufficient and for expressing opinions. At a time when thousands of accounts are ongoing it is not easy to be sure in own conclusions. Besides, the auditor works with a different informative environment. It is a fact that information technology is changing very rapidly what clients follow more or less success. Same software platform can different in different companies that provide different accounting quality processing depending on the performance of the process and customization software, personal training resistance to change, etc. Independent and efficient internal audit is based on a harmonized unified legal regulation, adoption of policy documents, and the adoption of appropriate audit standards. It is a need for establishment of a central unit for harmonization and control introducing a robust and quality management system control based on common standards and practices.

Key words: audit, modern, system, companies, performance

Information Technology in Audit practice

Information Technology (IT - Information Technology) can affect the internal audit through the study and evaluation of internal audits accounting controls and opportunities to use computer-assisted auditing technique (CAAT- Computer Audit Assist Technique). The internal auditor must observe in parallel IT components and manual system components. Integrated IT and manual control allows the auditor to evaluate he system as unity and create tests IT and manual controls to achieve the audit goals. Each

company or bank, or some other financial institution must consider its IT capability vision when it awards IT audits. Tasks have to be based in IT training internal auditors and complexity of IT systems, including hardware, system software and application software. The hardware complexity can be assessed primarily by type of processor, memory capacity and number of terms. System software, like what is it database management system or telecommunication software can additionally contribute to the complexity of the system. Complex application is evaluated by functions performed by software and number is sophistication of the subsystem interface. On-line programs in telecommunication environment further contribute to the complexity of processing. Many courses are offered as an aid to auditors to acquire in training and basic knowledge of computer systems and programs. Internal Audit Association of Financial Managers, Institute of Internal Affairs Auditor, Association of Auditors Information Systems and Controls (ISACA @ Association Auditors IS and Control @ Association of information system auditors and control only), local faculties and private companies have such courses. Some companies offer computer software for audit and necessary training for internal auditors. Banks and other financial institutions predominantly use outside service centers. In-house IT issues are equally applicable to spoofing service centers for data processing. IT performed by financial institutions includes several special processing types. The system of an institution is usually consists of several working stations on numerous locations that communicate online with central computer. An institution or an external service center can run a central computer. The telecommunications network may consist of point of sale, terminal and ATMs. Online processing is usually done during some work a twenty-four-hour operating cycle. In addition to the posting memo in the account balance data, and the departments use on-line system to enter deposits and changes in interest rates for loans, name the client and the change of address, the new structure accounts. Diary transactions they show processed and rejected items, they are later used in balancing to provide completion of processing. Reports used by other departments within bank are also produced during night treatment, they contain delayed credit and reports, various reports general ledgers, credit and deposit probation balances, client statements, etc. Banks and other financial institutions depend on their functioning information systems. Errors in processing financial transaction can result in large losses per institution, with actions and dissatisfaction client. Operating problems that result in operating system can affect the timely processing of transactions. Blessed one processing is critical not only to meet the legal requirements that apply availability of funds and time constraints for return items, but such and for expectations clients in connection with telegram transfer and services cash management. Although the organization and administration of IT departments is in giving an internal assessment audit controller, environment inside IT department works can finally to determine the success or error of the control environment. In larger companies, or banks, this can be done IT to consolidate IT center and reducing the number of employees. In the smaller ones, construction of hardware and software can be postponed, and employees might be waiting for many to do different functions that are

not consistent with responses racial segregation debts. Outsourcing IT features is became popular in recent years, even among major institutions.

The IT department may not spend adequate time on the move and system testing, which can result in errors in processing, excessive system shutdown or user inefficiency. Therefore the auditor must evaluate the authorization of IT management in total IT strategic planning. In addition, they should review the composition of the IT Board to make sure they are senior management. Planned IT audit time is critical to guarantee that the internal auditor is diligent the environment in which the review should be carried out. Surroundings consists of many questions for consideration including the following: configuration of hardware ratios; software operating system; complexity of processing; adequate systemic documentation; organizational structure, etc. Internal auditors should also be examined any previous working paper that relates to the liquid and the system and consider each one earlier conclusion.

Information's as a need for audit efficiency

Different information's at all levels of the organization are required: financial information, business information, compliance information, and information about external events, activities and conditions. The information must be identified, received and transmitted in the form and timeframe that will allow users to perform their duties and obligations. The most important system for internal control is the accounting system, which is considered as a series of tasks and posting of an enterprise through which transactions are processed in order to maintain financial records. The entire process must be monitored and, if necessary, must be modified. This is achieved by the permanent monitoring and monitoring activities, by special assessments or by combining these two procedures. From an analytical point of view, internal control can be divided into two broad categories of supervisory activities: administrative control and accounting control. Both controls are control functions, and in most cases they intertwine so that no precise limit can be drawn between them. The auditor is much more engaged in internal accounting than administrative control. Activities that are not directly financial in nature include administrative internal control, with the task of ensuring efficiency in the business and that this business is carried out in all sectors and departments of the company in accordance with the proclaimed business policy. Effective administrative internal controls have an impact on business performance. Accounting control includes the activity and includes the organization, methodology and records in order to ensure the protection of assets and the credibility of the financial statements, and it is designed to provide reliable evidence that transactions were carried out according to the management's powers, that transactions were recorded in such a way that , in the first instance, the preparation of financial statements was enabled, and afterwards provision was made for the appropriate disclosure of the value of the assets, that the access and disposal of funds was permitted only under the

management's authority, that the carrying amount of the assets was compared with the current state at appropriate intervals. The definition of financial control, in principle, excludes the issue of performance, value of money and compliance with legal regulations. Whether and how a company uses a bank safe to deposit short-term securities, or uses a bank safe to deposit cash, companies are examples of accounting controls. Examples of administrative controls are checks of the biography of a potential future employee and a check of employees' salaries.

Experienced and less experienced auditors react differently when gathering evidence of a particular control sector. Namely, younger auditors are not always sure which method is right for obtaining the necessary information for questionnaire textual description and schematic representation. On the other hand, more experienced auditors are more likely to personally conduct an on-the-spot inquiry by providing an objective and final response to the questionnaire. Reliance solely on staff testing in any case would be contrary to the basic principles of the audit. The size of the company is influenced by the organization and effectiveness of supervision. It is more complicated to improve internal control in a small enterprise than in a large one, for the simple reason that, for example, in a small enterprise, seven employees cannot be edited with a satisfactory delimitation of authority. In addition, it has to do with costs. The conclusion that can be drawn from the above is that the structure of internal control must be adapted to the individual needs of each company individually.

Internal control, or even more precisely internal audit, has the primary goal of preventively acting on combating fraud, which is defined as deliberately misinterpretation of facts with the aim of misleading and misleading a third person. In the case where accounting supervision reveals irregularities, it treats them as deliberate mistakes entered in accounting records, books of account, and financial statements for fraudulent purposes. Irregularities can be defined in two groups: employee scams and frauds made by the management. Reducing the risk of fraud, forgery and other dishonest actions of employees would result in the distribution of the power over the transactions to a good extent. The term "attachment of loyalty" means the insurance of this unusual risk, that is, the type of contract by which the insurance company is obliged to pay the employer of the damage caused by deceit from employees attached to the faithfulness. In demonstrating the profitability of the company, all costs should be taken into account, namely, the management and the management board are responsible for controlling the total costs, and only with the constant control it is possible to adequately manage the costs. In order to improve profitability, the company's management can decide, by its decision, on the modality of reducing resources to produce a product or to make it more productive or obtainable at lower costs. There is an alternative that management raises the prices of those products that use large resource inputs and in this way stimulate production with cheaper inputs.

Conclusion

The internal audit technology has reached the point of time in which each one is aspect internal audit process supported by some software product. Analysis data, risk management, malware research, document management and the analysis of internal control are, for example, processes they are being performed today with the help application of the information system. Software applications in a high degree improve the efficiency and effectiveness of internal audits and extend the scope of internal audit work. The most represented in the audit engagement tasks are software applications intended for extraction and analysis of business data transactions. From the more familiar specialized applications of this kind although using the spreadsheet application and database access type Microsoft Access and significantly lower the cost of software acquisition and training for its staff. Methods of data analysis and corresponding software enable they learn internal auditors quickly understand the structure of data and access to specific ones areas of interest for the analysis of abuse. Practice and the transaction analysis is the most powerful and effective methods of discovering finance abuse. It consists of a series of tests that are so designed and reveal different indicators, for example: which allow data and transactions to be compared and from different parts information system, take into account standard abuse schemes as well specific, bound for certain functions of, all transactions within the given area and test them in relation to parameters that serve as indicators of financial abuse, all analyzes are performed in real time transaction, ideally before finalizing the transaction, they continuously monitor operational data and they can early detect abuse and a reduction in financial losses. Introduction of such methodology of detection and prevention financial misuse requires significant time and money resources as well high technical expertise of the internal auditors. It can also be concluded that by applying certain software tools significantly increases the efficiency of the work of the internal auditors, significantly with increase efficiency and effectiveness of the internal audit. Vary soon paperless audits will become common as audit clients increasingly shift to paperless systems. New audit software is developed that allows auditors to complete most procedures on-line. Future auditors will have to incorporate on-line audit software as their primary audit tool and gather evidence electronically.

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