

A Study of the Audit Terminology in the Age of Globalization

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Abstract

Auditing in general is an organized process of accurately finding and assessing statements regarding financial records to determine the degree of accuracy between those statements and established criteria and communicate the results to interested users and or the public. Even though auditing and accounting have similarities, they can be distinguished. An accountant handles the daily financial operations for a business, while an auditor reviews the information provided by the accountants, usually on a quarterly or yearly basis. Another difference is an audit is usually performed by one or two people from an outside agency.

In the recent past, we have been witnessing a tremendous development in the field of technology and the field of information technology is in a revolutionary phase. It has coloured the each & every facets of life and so is clearly visible in the way the accounts are being prepared, processed and, of course, audited.

Information technology has not reached its culmination and is still changing its scenario day by day in a phased manner. Auditing has been practiced ever since the very inception of accounting. Auditing starts where the accounting ends. The practice deployed in accounting greatly determines the practice to be followed while performing audit.

In the today world of Globalization the Audit Play an important role and to understand the importance of Audit of Accounts we should be first go through some followings word of insurance sector.

Key Words:- Audit documentation, Audit Planning and Audit Trail

- **Audit documentation:-** (working papers) are records kept by the auditor of procedures applied, tests performed, information obtained, and pertinent conclusions reached in the engagement. The documentation provides the principal support for the auditor's report.
- **Audit planning:-** is developing an overall strategy for the audit. The nature, extent, and timing of planning varies with size and complexity of the entity, experience with the entity, and knowledge of the entity's business
- **Auditing Standards Board:-** Statements on Auditing Standards are issued by the auditing standards board, the body of the AICPA designated to issue auditing pronouncements.
- **Financial Audit:-** Financial audits exist to add credibility to the implied assertion by an organisation's management that its financial statements fairly represent the organisation's position and performance to the firm's stakeholders.

Auditing Practices in E-era-Tough the scenario is constantly changing, there has been no change in the objectives of auditing since the emergence of the E-era. Yet the change in the technology has caused change in the manner the audit evidences are obtained. The manner of extraction of audit evidences in a computerized environment has developed in a phased manner

Auditing through Computers-This phase is further advancement of technology. Networking of Computers has created almost a paperless environment. Auditors are helpless in locating audit trails. All they have to do is to search throughout the computer containing the data under audit. Even it becomes essential to take help of another computer. Traditional procedures of retrieval of audit evidences are helpless here. The modern sophisticated auditing techniques like "Computer Assisted Auditing Techniques CAAT" are under process of development. They are conceived to do wonders in such paperless environment.

Extinction of Audit Trails-The whole of the auditing practices rely on the audit evidences which are trailed through documentary proof of the accounting transactions. The variety of data storage media has annihilated the need of papers and almost all the data are in machine readable form. They are, therefore, out of the direct contact of human beings

so here we see the some words which are used in the world of Audit sector, so it is most important that a person should be familiar first with the above used glossary and understand the importance of audit in today age of globalization world.

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Thank u for giving me a chance to present my views through this presentation.