Enterprise Audit Risk Prevention and Control under Big Data Model

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Abstract: With the increasingly complex market environment, enterprise audit departments need to play a greater role in effectively preventing all kinds of potential risks. Combined with the characteristics and causes of audit risks, we should take targeted risk prevention strategies to promote the continuous improvement of enterprise financial management and operation level. Under the background of the gradual development and maturity of big data, enterprise auditing has shown new risk types and characteristics, as well as new prevention and control methods and means. This paper first introduces the types and characteristics of enterprise audit risks under the big data mode, then analyzes the main causes of enterprise audit risks, and finally expounds the prevention and control measures of enterprise audit risks under the big data mode, so as to provide ideas for improving the prevention and control capability of enterprise audit risks under the big data mode.

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1. Types and Characteristics of Enterprise Audit Risk under Big Data Model

(1) Risk Type

The first is the inherent risk. In the era of big data, there are great risks in the management and security of information system. The basis of audit work is data, and the safety and integrity of data determine the audit quality to a certain extent. The negligence of data owners in the process of management and submission, or the mistakes of the auditors in the audit work, will lead to the disclosure of data

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information, making the data security unable to be guaranteed.

The second is institutional risks. Under the big data model, at present, only the “information system audit” part in document No.28 of the “Internal Auditing Standards” in our country can be used as the audit reference basis, but it should be noted that the system has only made some general provisions in principle and lacks specific and detailed implementation guidance.

The third is the risk of inspection. First of all, it increases the difficulty of audit evidence collection. In the big data mode, audit evidence mostly exists in the form of electronic version without paper carrier, which makes it more difficult for auditors to audit, and it is difficult for auditors to ensure the integrity and authenticity of electronic evidence. Secondly, it increases the difficulty of data analysis and collection. In the big data mode, the data integration is very high, so it is difficult to use the decentralized group audit mode. In addition, the data structure is complex and the types are various, so it is difficult for auditors to master the data comprehensively, and the data collection is also very difficult. Finally, due to the limited development capacity, the audit software cannot meet the actual needs of the work, and there is a problem of lagging functions, resulting in errors in the audit work.

(2) Main Characteristics of Enterprise Audit Risk

The first is objectivity. In the specific business process of enterprise audit work, audit risk is objective. It is very difficult for auditors to make zero mistakes in auditing financial statements. They can only audit the important misstatement and omission in financial statement by relying on their own professional level, and put forward reasonable suggestions to control financial risks within a reasonable range, thus reducing possible audit risks to the lowest level.

The second is universality. Due to the deviation between audit conclusion and expectation, the difference between expectation deviation and audit result caused by many factors will lead to audit risk. Therefore, in the audit business and work process of an enterprise, each node may have audit risks, and the causes will vary greatly due to different influencing factor, which also illustrates the universal characteristics of audit risks.

The third is controllability. The existence of audit risk has universality and objectivity, and it is often independent of human will and difficult to disappear on its own. However, as long as auditors enhance their sense of responsibility, they can restrain or reduce the audit risks through scientific audit methods and resolve the audit risks within a certain range. Therefore, the audit risks of enterprises are controllable.
2. The Main Causes of Enterprise Audit Risk

(1) Managers do not pay enough attention to internal audit.
Some enterprise leaders believe that the most important goal of the enterprise is to obtain profits, so they do not pay enough attention to the internal audit. Some managers think that the audit department is mainly responsible for auditing accounts. The workload is small, and the allocation of too many auditors is tantamount to a disguised waste of human resources. Therefore, many auditors in the enterprise are part-time and lack systematic and professional audit knowledge. As a result, the investment and support of enterprise managers in the audit work are relatively limited, resulting in a relatively low status of the enterprise audit department and a relatively poor audit working environment, which may provide opportunities for economic crimes within the enterprise.

(2) The independence of audit work is poor.
The effective development of enterprise audit work needs a perfect audit management system as a guarantee, so as to ensure the independence of audit work, ensure that audit institutions directly belong to the supervision and management institutions, and thus effectively play the role of audit departments. However, in domestic enterprises, the setting of audit department is not the same. Some enterprise audit department is even subject to the supervision of other departments. This makes the Audit Department of an enterprise vulnerable to the intervention of superior departments or enterprise managers when they carry out their work, which leads to the relative confusion of the organization and management relationship, and may even breed the interest relationship between the audit department and the same level department, induce the internal audit risk of the enterprise, and it is difficult to guarantee the quality and level of enterprise audit.

(3) The scope of audit is relatively limited.
At present, some enterprises have relatively narrow scope of internal audit due to backward audit concepts or single means and methods, which is also an important cause of increase in enterprise audit risks. With the application of information technology in the field of enterprise financial management, many enterprises have realized the computerization of accounting, which makes the object and atmosphere of enterprise audit have changed greatly. However, some enterprises still adopt traditional auditing methods, mainly relying on manual auditing methods. The auditing mode is relatively outdated and fails to effectively adapt to the development of computerized finance. As a result, the efficiency of internal auditing in enterprises is relatively low and many financial risks cannot be effectively prevented.
4. The construction of auditors is relatively lagging behind.

The construction investment of enterprise audit team, the professional level of audit staff and the level of professional ethics will directly affect the quality and level of enterprise internal audit, which is also an important factor to determine the size of enterprise audit risk. However, there are still three problems in the construction of the auditor team: first, there is no strict admission system for auditors, and the recruitment, training and team management of auditors are relatively extensive. Second, the allocation of internal auditors is not scientific enough. Third, the incentive and protection mechanism for internal auditors is not perfect enough, which leads to the lack of enthusiasm of many auditors.

3. Prevention and Control Measures of Enterprise Audit Risk under Big Data Mode

(1) Prevention and Control of Inherent Risks

One is to ensure the security of data and information. The security of data is the key to determine whether the information system management is effective, and the security of data is also an important indicator to measure the advancement of enterprise audit system. The main measures to ensure information security include data backup, transmission, recovery and setting up firewalls. The second is to build a network information platform. Through the establishment of a network information platform, information sharing is realized, and “isolated islands of information” are completely eliminated, so that data can be directly obtained and utilized from the enterprise information platform, and mistakes in the process of information submission are avoided. Third, strictly implement the examination and approval authorization system and internal management systems, establish and improve the information post responsibility system and security and confidentiality system, comprehensively implement the audit information management system and system maintenance system, effectively standardize the daily operation behavior of staff, strictly restrict the operation authority, and ensure the implementation of the system.

(2) Prevention and Control of Institutional Risks

Notice to establish a sound internal control system, strengthen the management of the audit implementation process, strengthen the quality management of all aspects of the audit plan preparation, audit evidence collection, audit working papers, audit trials, audit reports, audit business files, improve the major issues report, collective finalization, audit fault accountability and other systems, standardize the audit behavior. At the same time, through the study of auditors’ knowledge of laws, regulations, systems and other aspects, auditors are urged to eliminate the influence
of various subjective and objective factors on the audit work, so that the audit behavior conforms to legal procedures, the audit evaluation conforms to the basis, and the audit conclusion is objective and fair. In addition, auditors should timely grasp the national policy, clear the direction of the audit, so that audit close to the main pulse of economic and social development.

(3) Prevention and Control of Inspection Risks

One is to upgrade and update the audit software in a timely manner. In the audit process, the working mode of “software application-finding problems-solving problems-software update” is continuously constructed to capture effective information in time, enhance the practicability of audit software and improve the ability of audit risk prevention and control. The second is to enhance the quality of auditors. Auditors should not only master the operation methods of the audit system, but also be familiar with electronic data processing skills, network information technology and computer knowledge, especially the audit theory. The third is to explore audit evidence collection methods. Under the circumstance of electronic audit, how to obtain electronic evidence for audit objects while ensuring the integrity, legality and effectiveness of audit evidence is the direction that audit work needs to continuously explore and is also an effective way to prevent and control audit risks.

4. Summary

Under the background of the gradual development of big data technology and in the fierce market competition, the level of internal control and management of enterprises often determines its market competitiveness and development speed. Therefore, enterprise managers must attach great importance to the audit work. We should fully guarantee the independent status of the audit department, attach importance to the construction of the audit personnel team, adopt advanced audit techniques and methods, and take targeted control and prevention measures against various audit risks in enterprises, so as to improve the quality and efficiency of enterprise audit work and provide more guarantees for the healthy and sustainable development of enterprises.

Works Cited