

1. Explain the significance of forensic audit?**Answer:**

Forensic auditing is a blend of traditional accounting, auditing, and financial detective work. Technology has an increasingly important role to play, with complex data analysis techniques employed to help flag areas that warrant further investigation.

Forensic auditing offers a toolset that company managers can use to help detect and investigate various forms of white-collar financial impropriety and inappropriate or inefficient use of resources. As company structures and controls become ever more complex, so too does the scope for employees with specialized knowledge of the way control systems work to bypass them. In the past, various forms of auditing have been employed after a major control breach has come to light, but executives are now increasingly looking at forensic auditing to help identify vulnerabilities in financial control.

Significance

- Forensic auditing strengthens control mechanisms, with the objective of protecting the business against financial crimes, be they potentially catastrophic one-off events that could threaten the viability of the business, or smaller-scale but repetitive misappropriations of company assets over a number of years.
- Forensic auditing can play an important role for companies under review by regulatory authorities and can also be invaluable to ensure regulatory compliance. For example, forensic auditing can be useful in helping companies to ensure that their anti-money laundering procedures are both effective and robust.
- Forensic auditing can help protect organizations from the long-term damage to reputation caused by the publicity associated with insider crimes. A forensic audit also provides a sound base of factual information that can be used to help resolve disputes, and can be used in court should the victim seek legal redress.
- Forensic auditing can improve efficiency by identifying areas of waste.
- Forensic auditing can help with the detection and recording of potential conflicts of interest for executives by improving transparency and probity in the way resources are used, in both private and public entities.

PRACTICE QUESTIONS**Answer the following Questions**

1. The Spanish Civil War (1936-1939) though fought locally, had far reaching and widespread significance. Explain. (150 words)
2. Discuss how the culture of consumption has played a crucial role in the process of globalisation especially in shaping the growth of cities in India. (150 words)