

Administrative Auditing

“Methods for Administrative Audit: Alfonso Mejía, Manuel DÁzaola, Roberto Macías Pineda

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Audit Objectives”

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| **Group: F53A** | **Prof. Rosa María López Larios** |
| **Week: November 21st to 24th** | **Classes: 54 to 57** |
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**OBJECTIVE**

Recognize and analyze administrative audit methods proposed by Mexican authors and its contributions to the profession, specifically to the administrative audit activity.

**DEVELOPMENT**

By 1962, Roberto Macias Pineda, of the School of Business and Management, National Polytechnic Institute, in the doctoral program in administrative sciences presented an essay related to administrative audit prepared for the subject Administration Theory

Another important proposal is the one that corresponds to Manuel DÁzaola in his work, “The review of the administrative process” for the National School of Commerce and Administration in the UNAM. He explains that enterprises should analyze its behavior and results considering as a starting point the following functions:

* Directing
* Financing
* Personnel
* Production
* Sales and Distribution
* Accounting
* Statistics

Alfonso Mejía Fernández is another Mexican author that presents proposals to perform and administrative audit. He explains that there should be an structural and functional analysis to perform and administrative audit. This was explained in his thesis “The audit to the management functions” for the National School of Commerce and Administration at the UNAM.

**Audit Techniques**

There are also audit techniques that the auditor should apply to perform an audit:

1. GENERAL STUDY. - General characteristics of the company, its financial statements. Apply the accountant's professional judgment.
2. ANALYSIS. Sorting and grouping of the individual elements that make up an account  Analysis of balances and Analysis of movements
3. INSPECTION. Physical examination of material goods or documents, in order to ensure the existence of an asset or a transaction registered or submitted on the financial statements.
4. CONFIRMATION. Obtain a written communication from a person independent of the company concerned and that is in a position to know the nature and conditions of the transaction and, therefore, confirm a valid way.  
   Positive. - Send data and asked to answer whether they are compliant or not are. Use this type of confirmation, preferably for the asset.  
   Negative. - Send data and answering calls, only if they are dissatisfied. Mostly used to confirm liability or credit institutions.
5. RESEARCH. Getting information, data and comments of officials and employees of the company.
6. STATEMENT. Demonstration in writing with the signature of the parties concerned, the result of research conducted with officials and employees of the company.
7. CERTIFICATION. Obtaining a document to ensure the truth of a fact, legalized generally, with the signing of an authority.
8. OBSERVATION. Physical Presence of how to perform certain transactions or events.
9. CALCULATION. Verification of a mathematical game.

**ACTIVITY 1**

**HOMEWORK**

Answer the following question: Why do you think that it is important to evaluate the proposal of Mexican authors to perform an administrative audit?

**ACTIVITY 2**

**HOMEWORK**

According to the elements analyzed in class related to audit techniques, write an example of each technique and the importance or its application.

Write your report according to the specifications given in class