Administrative Auditing

“Tools for Administrative Audit: José Antonio Fernandez Arena”

Audit Objectives”



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| **Group: F53A** | **Prof. Rosa María López Larios** |
| **Week: October 23rd to 27th** | **Classes: 33 to 38** |
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**OBJECTIVE**

Recognize the main characteristics of the method to perform an administrative audit proposed by José Antonio Fernández Arena and compare the proposals with the methodology determined by the American Institute of Management and Banxico Factorial Analysis, recognizing advantages and disadvantages of each one.

**DEVELOPMENT**

**José Antonio Fernández Arena Method**

This author proposes the accomplishment of the administrative audit combining an analysis of the objectives, the resources and the administrative process.

Concept of administrative audit: It is the objective, methodical and complete revision of the satisfaction of the institutional objectives, based on the hierarchical levels of the company, in its structure, and to the individual participation of the members of the institution.

The study scheme includes:

1. The objectives of the company

to. Of service. Focused to meet the needs of consumers, offering good products or services.

b. Social. Protection of the personal and social interests of employees and the community in general, through good human and public relations.

c. Economic. Protection of the economic interests of the company of its creditors and its shareholders, achieving the satisfaction by obtaining profits.

2. The management (at its existing levels). It is the essence of the administration, exercised by the highest levels of the company, who review the progress of the company, basing its analysis on the development of policies.

3. Resources (In their consideration of organization and integration)

a. Humans. Employees and workers

b. Materials. Money and facilities

c. Technichal. Systems and procedures

The integration provides the structure of the necessary parts according to the scheme of the organization, so you will get good employees, sufficient funds and systems and procedures commensurate with the size of the company.

As a result of the organization, the company is divided into functions within the general administrative concept.

Address. Administrative Council and Management

Information. Accounting

Policy control

Budgeting

Internal audit

Advice. Purchases

Warehouse

Investigation

Operation. Production

Commercialization

4. The administrative process

a. Planning

b. Implementation

c. Control

4. The administrative process.

The institutional objectives and the mechanism of operation require the administrative process, which consists of planning, implementing and controlling.

**Method of administrative audit according to Fernández Arena.**

Objective, methodical and complete review of:

The satisfaction of the institutional objectives

Service

Social

Economic

Coordination

Based on hierarchical levels

Integration

Human Resources

Physical resources

Efficiency

Organization

Individual participation of the members

Planning

Implementation

Control

**ACTIVITY 1**

**HOMEWORK**

From the information above which aspects would you review as an administrative auditor regarding enterprise objectives, direction, resources and administrative process?

Prepare this activity according to the specifications for homework given in class.

**ACTIVITY 2**

**HOMEWORK**

Compare the method proposed by the American Institute of Managements and the method proposed by Banxico and prepare a chart with the most important points. Explain your final conclusions.