Administrative Auditing

“Case: Consequences of a Deficient Audit Program”

Audit Objectives”



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| **Group: F53A Date December 11th to 15th**  |  **Profra. Rosa María López Larios** |

**OBJECTIVE**: Identify situations in which the audit program does not comply with the necessary requirements to perform an adequate administrative audit and achieve the audit program objectives.

**INSTRUCTIONS**

Read the following situations presented in the audit to Refacciones Imperio, S.A. in the preparation of the audit program and answer the questions at the end.

**DEVELOPMENT**

The independent auditor José Armenta receives a phone call from Andrés Franco General Director of Refacciones Imperio S.A. to require the examination of different areas of the company in which he has serious doubts about the correct development of methods and procedures. However, there were different situations in the preparation of the audit program that do not correspond to its adequate preparation.

* The Director of the company wanted to determine the scope of the audit and the procedures to be applied in the review.
* The audit program only included the name of the areas to be reviewed and the time estimated.
* Audit techniques to be applied in the examination were not included in the audit program
* The auditor wanted to use the same audit program applied by another auditor three years ago because he considers that the audit program should never change
* The auditor considers that the audit program is not really important because it only includes irrelevant information

**QUESTIONS**

1. Give your personal detailed comments to each point mention above.
2. What should have done in each point according to what you have learned about the importance of audit norms and audit program?
3. Explain the impact of not preparing a proper audit program
4. Give your opinion about the statements given by the auditor regarding the audit program
5. What is your opinion about the owner of the company?

Write your report according to the specifications given in class an bring it to class