Materia Administrative Auditing

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**Grupos: 53A / 83A**

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| **TEMA: Auditing Objectives****Subtema: Objectives classification**  |  **Clases: 9 to 12**  **Fecha: February 19th to 23th** |

**OBJECTIVE:**  Prioritize the objectives of administrative auditing, and realize the importance of considering them in the audit planning and the performance of the audit.

**INSTRUCTIONS**: Review the information about administrative auditing objectives and prepare a synoptic table in your notebook.

**CONTENT:**

**ADMINISTRATIVE AUDITING OBJECTIVES**

The performance of administrative auditing is based on specific objectives which are different from the objectives of a financial auditing. The objectives for an administrative auditing are:

* **Control**: They guide the efforts and evaluate the organizational behavior in relation to pre-established standards.
* **Productivity**: They optimize the use of resources according to the administrative dynamism.
* **Organization**: They determine the structure, functions and processes through the effective management and delegation of authority. They also monitor the existence of adequate policies and their compliance
* **Service**: They represent the way that an organization complies with expectations and the satisfaction of its customers.
* **Quality**: They tend to increase the levels of action of the organization, so that they produce high competitive goods and services. Appropriate controls, methods and operating procedures, efficient and reliable.
* **Change:** They transform it into a more permeable and receptive organization.
* **Learning:** They implement a mechanism so that the organization can assimilate the experiences and capitalize them to turn them into opportunities for improvement.
* **Making decisions:** They translate their implementation and results into a solid instrument to support the organization's management process.

Before giving an opinion, the final work of the administrative audit is reduced to the diagnosis about the way the company is being administrated, and the presentation of the recommendations that allow its management to be guided towards the achievement of the proposed objectives.

**APPLICATION AREAS OF ADMINISTRATIVE AUDITING**

Administrative auditing can be implemented in all types of organizations, whether public, private or social.

In the Public Sector, it is used according to the legal figure, attributions, scope of operation, level of authority, coordination relationship, work system and general lines of strategy. Based on these criteria, the institutions of the sector are classified as:

1. Secretary of State

2. Autonomous Organizations

3. State Governments (Federal Entities)

In the Private Sector it is used taking into account the legal framework, object, type of structure, coordination elements and business relationship of the companies, based on the following characteristics:

1. Size of the company

2. Activity sector

3. Nature of its operations

Regarding size, they are classified as:

1. Micro company

2. Small company

3. Medium company

4. Large company

Regarding the activity of a company, they can be classified in:

1. Telecommunications,

2. Transportation

4. Services

5. Construction

6. Petrochemical

7. Tourism

9. Banking

10. Insurance

12. Electronics

13. Food and beverages

14. Commerce

We can conclude that the application of an administrative audit in organizations can take different courses of action, depending on their organizational structure, object, turn, nature of their products and services, level of development and, in particular, with the degree and form of delegation of authority.

**HOMEWORK:**

Investigate a Mexican organization that has an internal audit department. Mention the name of the company, activity, size, structure of the internal audit department and the objectives of the area. Prepare your homework in handwritten and bring it the next class according to the specifications for homework.