Materia Administrative Auditing

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**Grupo: 53A / 83A**

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| **TEMA: Introduction to Administative Auditing**  **Subtema: Definition, importance, norms** | **Clases: 1 to 4**  **Fecha: February 6th to 9th** |

**OBJECTIVE:** Recognize the concept of auditing, considering that there are different types of audit, and determine the importance of practicing any type of auditing in any kind of organizations

**INSTRUCTIONS**: Read the information related to the definition of auditing and prepare a mental map in your notebook

**CONTENT:**

**INTRODUCTION**

Organizations need the administration to achieve the objectives previously established and expected results. Administration considers planning, a proper organizational structure, the efficient use of resources, an adequate coordination of efforts, and the establishment of controls as well as comparing plans against results to take corrective actions.

Sometimes there are deficiencies in the administrative functions such as financial instability, interpersonal conflicts, leadership deterioration, staff turnover, absenteeism, duplicity of functions, etc

To detect the problems that a company is going through, as well as its causes, it is necessary to carry out an analysis, examination or evaluation and give recommendations to solve the problems. This evaluation is the auditing activity and the results of the examination are presented through a report or dictum.

There are different types of audits, according to its purposes, and there are several definitions of auditing, however what is important is to emphasize that the main purpose of an audit is not identify frauds and not just focus on the numbers, but understand the business overall system and controls environment providing credibility.

**DEFINITIONS OF AUDITING**

* Systematic, independent and documented process for evaluating and obtaining evidence to objectively determine a professional opinion
* Process of obtaining evidence and evaluating economic actions and events to establish criteria and communicating the results to users
* Periodic examination and checking of activities, accounts and financial records to verify their correctness
* Management tool for monitoring and verifying the effective implementation of an organization´s policies, procedures and controls

**IMPORTANCE OF AUDITING**

Because trust is no enough, audit can be conducted at any time and it helps organizations to:

* Know the fulfillment of norms, policies, procedures, internal controls
* Evaluate operational efficiency, quality of employees performance, organizational structure
* Review accounts in an administrative or accounting point of view
* Obtain recommendations about improvements and corrections

**AUDITING NORMS**

Minimum quality requirements related to the auditor personality, the work performed and the information issued as a result of the examination performed.

**OBJECTIVS OF THE AUDITING NORMS**

Provide the performance framework that must be observed by every auditor in the application of the audit activity.

The characteristics of auditing norms are:

* They are fundamental principles
* Its compliance is mandatory for audit professionals
* Ensures quality and accuracy of the audit

**HOMEWORK:**

Investigate three different definitions of auditing and write them including the author and the source (link) where you obtained the information. Identify common words in the definitions and write them below. Write your own definition of auditing.