

# Crazy eddie inc. auditing case study examples

[Business](#), [Company](#)



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## **Question 1**

For sure, the manner in which auditing was done in this company is suspect is not the right protocol.

In my opinion, if the Crazy Eddie Inc. management wants to realize any success, they must go back to the drawing board and make a lot of adjustments like: hire an autonomously professional external auditor from a reputable auditing firm. They will conduct their investigations bias free with no influence from any other unnecessary external influence. The record keeping process should be done technologically. All the records should be put in the company data base in the soft copies. In order to correct this mistake, it is essentially important that all the important data for this organization must be stored in the computers. If there is no computer specialist, a new one should be hired with immediate effect. Finally, all the officers found to have embezzled the company funds must be dealt with according to the law. I think, they should be prosecuted, compelled to pay back before they are punished in line with the company policies.

## Question 2

I commend the use of modern technology to keep all records of the electronics bought. This will ensure maximum security, reliability and efficiency because; any data can be easily accessed whenever needed.

I also agree with the idea of hiring an external editor. Obviously, their operations will not be tilted to accomplish any preconceived end. Hence, their will be optimum integrity in the quality of their services.

## Question 3

The Hurdman auditing firm should not practice lowballing to the Crazy Eddie Inc. It is more costly in terms of time and money. If done, it will force the firm to incur unnecessary expenses. This is uncalled for.

On the other hand, it can do a great deal in injuring the image of the auditing firm. This will definitely jeopardize its chances of winning more tenders to offer their revered services to the larger market. Hence, it should not be practiced.

## Question 4

All the important records should be well secured for the sake of future reference. However, if no originals or copies of such important documents can be traced, the concerned officers should be held accountable. This will definitely make them serve as examples to any other employee who may be intending to do the same thing in future.

## Question 5

Of course, no company should employ its former auditors to serve it as regular employees. Truly, they will not work right. Even SOX is very much

against this kind of practice. It denies such workers an opportunity to carry out their duties independently.