# Auditing

Finance

Auditing Auditing Auditing is a systematic and independent examination of ments, operations, data and records of a firm. An auditor is the official who does the accuracy of business records. It is apparent that he can be an independent auditor unaffiliated with the company or a captive auditor. The auditing process involves the auditor perceiving the propositions before him for examination. He also collects evidence and on his basis formulating the judgment which is communicated through an audit report. It is evident also that audits provide third party assurance to various stakeholders that the subject matter is not misstated. This paper is a discussion of what the staff a company should expect auditors to do.

The staff of a company should expect the auditors to engage in rendering an opinion of the company’s financial statement being presented fairly. The opinion is arrived at after gathering of appropriate and sufficient evidence and observation tests in accordance with GAAS. Sarbanes-Oxley Act section 302 states that the signing officers of the financial reports must review it first. According to the act also the signing officers are responsible for internal controls and must have evaluated them within the previous ninety days. This is in accordance to the financial reporting framework and all material aspects (Sarbanes-Oxley Act, 2002). The staff should expect the audit to provide information to investors and lenders that will boost the degree of confidence in the financial statements.

Auditors have the responsibility of understanding and evaluating the internal control system. The staff in an organization should adopt sound accounting policies for establishing and maintaining internal control (Cangemi & Singleton, 2003). This will help to process and report transactions that are consistence with management assertions embodied in financial statements.

As per the Sarbanes-Oxley Act section 401, the staffs are expected to publish accurate financial statements and present them in manner that is correct. The auditors are thus able to determine the practices established by the company are implemented as planned (Sarbanes-Oxley Act, 2002).

Auditors are also responsible of observing the inventory count and performing analytical procedures on expected variances in accounting balances. Some of the procedures that auditors use are interviewing the leadership of an organization. This entails the senior management and the board of directors. The purpose of the interview is to ensure the top level management has an understanding of the internal audit function and give clarity on the expectations of all staffs. Auditors tend to develop a system that keeps the record of the person being interviewed for quick reference in the future. Auditors also tend to understand the benchmarking needs in organizations so as to improve on the effectiveness of the governance and risk management. The impact of this is that it enables the assurance to the management of fulfilling their duties in the organization and to its stakeholders (Cangemi & Singleton, 2003).

In conclusion, it is apparent that auditing is essential in any organization that intends to grow and boost the confidence of the stakeholders. There are two types of audit external and internal. The auditors' core duty is to provide credible and objective opinion. It is apparent that they engage in rendering an opinion of the company's financial statement. The opinion is arrived at after gathering of appropriate and sufficient evidence from all the sources as per the auditing standards. Auditors are not only responsible for examining the financial statements but also the company control systems to improve on the effectiveness of the organization.

References

Cangemi, M. P & Singleton, T. W. (2003). Managing the Audit Function: A Corporate Audit Department Procedures Guide. USA: Wiley.

Sarbanes-Oxley Act. (2002). Sarbanes-Oxley Act Section 302. Soxlaw. Web. Retrieved on 18th Dec, 2014: http://soxlaw. com/s302. htm