



Sudan University of Science and Technology

College of Graduate Studies

A Translation of the Pages (13-50) of the Book

Entitled: “Science of Auditing” by

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ترجمة الصفحات من (13-50) من كتاب "علم التدقيق" لمؤلفة:

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استهلال

قال تعالى:

(وقل اعملوا فسيرى الله عملكم ورسوله
والمؤمنون وستردون إلى عالم الغيب
والشهادة فينبئكم بما كنتم تعملون)

صدق الله العظيم

سورة التوبة

الاية (105)

Dedication

I dedicate this partial research to my beloved father

To the loving memory of my mother

To my good and supporting husband

You have successfully made me the person I am becoming

You will always be remembered

Acknowledgements

First and foremost, my sincere thankful and deep gratitude go to Almighty Allah, without His help and guidance, the completion of this work would not have been possible.

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Abstract

This study consists of the translation of chapters, eight, nine, ten and eleven of the book “the Knowledge of Auditing”. Chapter eight outlines the auditing proving, types of proving evidences, and the difficulties of proofs and means of obtaining evidences collection. Chapter nine tackles the procedures of conducting auditing process, internal planning of auditor’s office, and preliminary steps of new auditing process and auditing programs. Chapter ten discusses internal control and its basic objectives. It also explains the factors behind developing internal auditing and the fundamentals of sound internal auditing systems in addition to depicting executive procedures for the achievement of internal auditing characteristics as well as aspects of cooperation between internal and external auditors. Chapter eleven illustrates circulating and long-term assets and their kinds. Yet, the study clearly highlights the significance of the knowledge of Auditing and the extent to which is required by companies as well as in internal and external auditing.

Abstract in Arabic Version

المستخلص

اشتملت هذه الدراسة علي ترجمة الفصل الثامن والتاسع والعاشر والحادي عشر من "كتاب علم تدقيق الحسابات". يناول الفصل الثامن الاثبات في التدقيق وانواع ادلة قرائن الاثبات وصعوبات تجميع الادلة ووسائل الحصول علي ادلة وقرائن الاثبات. يطرق الفصل التاسع الي اجراءات تنفيذ عملية التدقيق والتنظيم الداخلي لمكتب التدقيق والخطوات التمهيديّة لعملية التدقيق الجديدة وبرامج التدقيق .

يتناول الفصل العاشر الرقابة الداخلية والاهداف الرئيسية للرقابة الداخلية، كما يتطرق ايضا الي العوامل التي ساعدت علي تطوير الرقابة الداخلية والمقومات الاساسية لانظمة الرقابة الداخلية السلمية، بالاضافة الي ذلك يتناول الفصل المذكور الاجراءات التنفيذية لتحقيق خصائص الرقابة الداخلية وواجهة التعاون بين المدقق الداخلي والخارجي. اما الفصل الحادي عشر يتطرق الي عملية الاصول المتداولة وطويلة الاجل واقسامها .

يلقي البحث بصورة واضحة علي اهمية علم تدقيق الحسابات ومدى الحاجة اليه في مجال الشركات والمراجعة الداخلية والخارجية .

Introduction of the Translator

The Science of Auditing is one of the most important focuses of auditing in companies, as companies and financial institutions have been in a constant search for developing the work of financial institutions. The reason for choosing this book is that it contains a lot of useful information related to accounting auditing in the Arab world, and then transfers it to other peoples to benefit from the experiences of Arab countries in this field.

The eighth chapter deals with the evidence in auditing, the types of evidences, the difficulties of collecting evidence, and the means of obtaining evidence. The ninth chapter discussed the procedures for implementing the auditing process and the internal organization of the auditing office, while the tenth chapter tackled the internal control and the main objectives of internal control. As for the eleventh chapter, it pinpointed the process of current and long-term assets and their divisions.

The translator faced a number of difficulties, most notably the author's use of a high-level of Arabic language. The book also contained deeply specialized accounting terms and very difficult Arabic linguistic structures. The approach of the translator to translate such pages was focusing on the intended meaning as much as possible along with taking into account the accuracy of accounting terms. The translator used a number of specialized accounting and economic dictionaries and some electronic dictionaries, in addition to consulting the supervisor on how to translate the specialized accounting terms and put forward appropriate equivalents for them.

مقدمة المترجم

يمثل علم تدقيق الحسابات واحد من أهم مرتكزات عمليات المراجعة في الشركات حيث ظلت الشركات والمؤسسات المالية في بحث دائم عن لتطوير عمل المؤسسات المالية. وسبب اختياري لهذا الكتاب هو احتوائية علي كثير من المعلومات المفيدة المتعلقة بالتدقيق الحسابي في الوطن العربي ومن ثم نقها الي الشعوب الاخرى للاستفادة من تجارب الدول العربية في هذ المجال.

يناول الفصل الثامن منة الاثبات في التدقيق وانواع ادلة قرائن الاثبات وصعوبات تجميع الادلة ووسائل الحصول علي ادلة وقرائن الاثبات اما الفصل التاسع تطرق الي اجراءات تنفيذ عملية التدقيق والتنظيم الداخلي لمكتب التدقيق بينما تناول الفصل العاشر منة الرقابة الداخلية والاهداف الرئيسية للرقابة الداخلية، اما الفصل الحادي عشر تطرق الي عملية الاصول المتداولة وطويلة الاجل واقسامها .

وقد واجهت المترجم عدد من الصعوبات، من ابرزها استخدام المؤلف لغة عربية رفيعة المستوي كما احتوي الكتاب علي مصطلحات محاسبية عميقة التخصص وتراكيب لغوية عربية بالغة الصعوبة. وكان نهج المترجم في ترجمة هو محاولة ترجمة المعني المراد بقدر الامكان مع الالتزام والوضع في الاعتبار دقة المصطلحات المحاسبية. استعان المترجم في ذلك بعدد من القواميس المحاسبية والاقتصادية المتخصصة وبعض القواميس الالكترونية بالاضافة الي استشارة الاستاذ المشرف علي البحث في كيفية ترجمة المصطلحات المحاسبية المتخصصة وايجاد مقابلات لها .

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CHAPTER EIGHT

The Approving in Auditing

Introduction:

It's a way of getting accounting evidences to support the technical mediate opinion as the approving evidences is considered a real verdict whereas the indicator is used instead of the approving evidence the auditor's job is to collect verdicts and indicators to approach his own technical mediate opinion.

Types of Turbinate of approving:

1- The practical existence: it is considered to be a strong approving as it is also important to find other evidences. That is because the existence of an asset in the project doesn't mean it belongs to it.

2- Documents: they are the most existed evidences of the approving as they are divided into three types made out in a verse order:

A- External documents which are used inside the project such as purchasing invoices.

B- Internal documents which are used inside and outside the project such as cheques and invoices.

C- Internal documents which are used inside the project only such as accounting books.

3- Written certifications from people outside the project and these written certifications which are gained by the auditor from the importers and debtors to the accounts book.

4- Written affidavits from the project's administration and these affidavits are requested by the auditor in such cases he can't judge, but he needs a certification from the administration to support the issue such as: the fixed assets certificate where every addition throughout the auditing period will appear.

5- The existence of sound internal control system if this system is existed and executed, this will help into getting a strong certification and it goes in balance with sound internal controlling system.

6- The results of following the upcoming events, auditing usually Begins at the end of the financial year, so as the auditor is requested to present his report within three months from the end of the financial year. Events which might have some influences on a previous case may happened, for example he finds out that the sales for the previous year were not correct due to sales made into very high price.

7- The accuracy of credits from the accounting side. When insuring similarity of accounting credits using calculators, this is considered very strong evidence.

8- Oral evidence: this is weak evidence and isn't considered to be sufficient evidence, as when the auditor asks some employees in the company. The factors that affect on the amount of evidences: when the auditor collects the approving evidences to be sufficient,

There are some factors which effect on this such as:

1- The sufficiency of the evidences to achieve the goal. So, single evidence might be sufficient to achieve the goal or the auditor must look for other evidences.

2- The suitability of the evidence which the nature of checking because the evidences and verdicts differ according to elements.

3- The importance of the element being checked by the auditor as far as it is essential must give more efforts in collecting evidences.

4- The rate of risk on the element being, as far as the elements is in risk of being corrupted, the auditor has to collect more evidences.

5- The expense of getting the evidence: this means that the expense of getting evidences must not exceed the expected benefit.

6- The sufficiency of the internal control systems; whenever internal control systems are applied in a suitable way it will definitely reflect on the amount of evidences and the number of tests.

The validity of evidences: -

By relying on his experience and skills in his career the auditor can easily estimate the strength and validity of evidences.

Some common bases are used in balancing evidences:

1- The technical style which is used to get the evidence as every style has its own rules, if these rules haven't been followed, so the evidence would not be valid or convincing enough, for instance the real existence requires a practical check.

2- The source of evidences: the evidences are different referring to the source. The evidences received from an out source are stronger than those received from an inner source as there won't be any deceiving.

3- Nature and type of verdicts: they are either positive or personal, the positive one likes the real existence, as the documents are stronger than others in their validity because they can't be interpreted, the personal are those which depend on the auditors questioning.

4- The way of getting the evidences: the evidences gained by the auditor himself is stronger than the one that gained from others

5- The association between the evidence and the operation which is being checked: whenever the association is strong, the validity will be great

6- The suitable time to get the evidences, time is very important when getting the verdicts, so when the evidences is gained earlier than the deadline it will be more beneficiary.

7- Trusting and knowing the out sources from which the evidences are collected. As far as the out sources are trusted, the validity of evidences will be strong.

8- The auditors own attitude when getting the, auditor must be independent and mediator when collecting verdicts or the evidences collecting won't be valid

Difficulties of collecting evidences:-

It must be known that the auditor faces a lot of difficulties when collecting evidences which are used to make his final opinion after finishing the auditing operation, apart from them are:

1- The inefficiency of the applied accounting systems

2- Using the statistical samples because of variety of operations

3- The weakness of the internal control system and the big number of mistakes in the accounting books increase the number of tests

4- The non-cooperative employees in the project with the auditor because of the misunderstanding view

5- The complication of operations and stages in some projects where the auditor is working

6- The fees of auditing might not equal the efforts made by the auditor

Tools of collecting and approving evidences:

Firstly the interflowing and practical check

This requires the auditor or one of his helping team to have a look on the documents and pictures of the assets then account them or measure them In order to have a successful check operation therefore the following instructions must be found:

- 1- The attendance of the auditor or one of his delegates to execute an efficient control.
- 2- The ability of the auditor or his delegates to recognize and distinguish the checking element
- 3- The ability of the auditor or his delegates to recognize the degree of the assets quality and efficiency

Secondly: accounting audit:

It is the technique of checking the accounting books and files to insure the credibility of the vertical and horizontal sums. Transferring the numbers from a page to another or transferring them from the journal to the ledger, also the documents and financial sheets must be checked; this operation covers all the accounting circuit as following:

- 1- Auditing the initial credits transfers and balances them with the previous year's budget.
- 2- Auditing all types of documents and balance them with their registrations on the journal books.
- 3- The auditing of the initial registering books and transferring them to the ledger.

- 4- Auditing all types of financial lists
- 5- Auditing the total clients credits and importers then balance them with the total of clients and importers account credits.
- 6- Auditing the audits measures to insure the reality of what's included in it such as accounts and credits
- 7- Auditing the calculations of the deducted percentages
- 8- Auditing the final accounts and the financial lists
- 9- Checking the machineries to assure getting correct data

Thirdly: documentary auditing:

The document is one of the initial registration source so it must be assured that the documents is accurate legally as when auditing the following steps must be considered.

- 1- The document must hold the name of the project which is intended to be audited.
- 2- The document must be dated within the period which is intended to be audited.
- 3- The document must be an original not a copy, but when the Original is missing and the copy is being used the auditor must make use of other approving evidences.
- 4- The document must be true in terms of legal, shape and contents side as it must be signed with experts.
- 5- The contents of the documents must be related to the nature of project
- 6- Making a sign showing that the documents have been checked in order not to be used another time.

Documentary auditing zone:

- 1- Documentary auditing to the cash operations whether received or
- 2- Documentary auditing to the delayed trading operations from sales and purchase.
- 3- Documentary auditing to approve the elements of the financial center from both assets and deductions. Its reply for messages that sent from the project to others as the response from the others is needed to be accepting or refusing.

Fourthly; confirmation system;

The instructions which must be considered to avoid cheating in the confirmations are:

- 1- The confirmations to others must be issued from the project itself
- 2- The auditor or his deputy must supervise the operation of preparing the confirmations
- 3- The project's administration must notify the confirmation receiver
- 4- Replies whether accepting or refusing must be studied
- 5- Writing the phrase (to be sent back to the sender if it's not delivered to the receiver) on the envelope.

Types of confirmations:

1- Positive confirmation:

Here the client is requested to admit in a written form wither the account illustrated on the sheet is correct or fake. It has been named positive because the auditor is expected a response in all case.

Here is a sample of the positive confirmation:

A positive confirmation:

Dears /

It is to notify you that your account's credit on us dated in

.....credited / debited an amount of

Please send us your confirmation on the credit reality through filing in attached form to the auditor of the company's accounts to the address written on the envelope in not more than 15 days from its date.

Thank you

The officer in charge

2- Negative confirmation:

Here the client is requested to send a written affidavit if the credit shown in the sent letter to the client or the importer is incorrect if the client doesn't response. It is also considered as a reply. Here is a sample of the negative confirmation:

A negative confirmation:

Dears/

It is to notify you that your accounts credit on us dated in

.....Credited/ debited au amount of.....

This credit is considered correct and you accept it unless you make any refusal within 15 days from its date to the auditor of the company's accounts to the address written on the envelope.

3- Blind confirmations:

Here the receiver is requested to write an affidavit showing his credit as the confirmation is sent without showing the credit.

Fifthly; Inquiring system:

This might be made in a written form or orally so the auditor must be very careful while strengthen the answers he receives to be convince for him, this mainly depends on how does the auditor interprets and judges them to support the answers he receives.

Sixthly; connecting and comparing the information system:

The comparison is made between the previous years and the current year or between periods or some items.

Seventhly; criticism editing;

This is a quick review on the files to find out if there is any unusual thing and this needs a very special skill.

Eighthly: checking and evaluating the internal control system:

It is essential issue that assures the range of auditing as it reports the extent of depending on samples and tests in order to specify the rate of dependency.

CHAPTER NINE

The Procedures of Auditing Operation's Execution:

When a new auditing operation is launched or a new auditor is acting. Instead of a resigned auditor or a deal one there must be a new plan, papers and memorandums for the operation. The internal organizing for the auditing office:

The organizing defers from a person to another according to the size and nature of the work also whether the auditor is a single person or group or a company, if a single person so there is no need to divisions but if a company so the activity is divided as following:

1. Technical department, it includes the accountants, auditors and the tax officer
2. Administrative department: it includes the employees as workers and managers

As every department has its manager and this manager is mostly a partner; then the auditing is divided into departments to the banks and insurance

1- Partners, and they are the owners as their job is to manage the office then making the general policy, and following the way of applying this policy up to the end, also they have to meet the clients and discuss them on what is related to their companies and their establishments, and inquiring them on what's related to their accounts auditing then planning the auditing program and following its execution, also assuring the rate of committing to the careers manner on the employees.

CHAPTER TEN

The Internal Observation

The proofing committee which is branched from the American legal accountants is statutes has defined the internal observation as in includes the organizing plan, coordinating tools, and the measures which are followed in A project in order to protect the assists, Auditing the accountancy data, and assuring it's accuracy and dependency.

The main objectives of the internal observation:

1. To protect the project from corruption, and keep others rights.
2. To assure the accuracy of the accountancy data in order to plan and make decisions.
3. To encourage the commitment with the policies and administrative declarations.
4. To raise the rate of productivity efficiency.

The internal observation is divided to:

1. The administrative observations:

It's the organizing planning and all the ways that aims to achieve the enormous rate of the productivity efficiency as to achieve that it depends on the data files and the study of time, movement, working, reports and the maps.

2. The accountancy observation:

It includes the organizing plans and all the ways and procedures that related directly to the accounting data, the observation calculations, agreements and the auditing balance.

3. The internal setting:

It includes all of the organizing plans, ways and procedures that aim to protect the project assets from corruption.

Factors that help to improve the internal observation:

1. The biggest size a project has and various operations make it difficult to depend on the personal contracts.
2. Separating the administration from the ownership has led to decrease the power and responsibilities in the project.
3. The administration is in need to have accurate annual reports in order to plan and to execute and make decisions.
4. The project administration is in need to maintain and protect the projects money to release itself from responsibility.
5. The government is in need to get accurate data to put on the tax and decrease the consuming and direct the economic and confined it.
6. Developing the proofing procedures as it has been changed from being detailed in to alternative.

Basic Characteristics of the clear internal observation systems:

1. An organizing administrative bases showing the terms of references and specifying the status and responsibilities in a clear way.
2. A good accountancy system that includes a group of the completed accountancy files.
3. Detailed procedures to execute the duties, as the duties must be evaluate between the specific graits to avoid the administrative dictatorship.
4. Selecting the qualified employees for the suitable positions (The suitable person in the suitable location).
5. Observing the performance in its different stages, so if any defining is found it must be resurrected.
6. Using the machinery tools to assure the accurate accountancy data.

The executive procedures to achieve the internal observation characteristics:

Firstly: organizing and administrative procedures: it includes the following:

1. To specify the administrative specialization in order to avoid the interference.
2. To distribute the duties among the employees to avoid making them done by one person from the beginning to the end.
3. To specify the employees duties in order to help into specifying the faults.

4. To distribute duties between the administration and employees in order to separate the following positions:

A. The position of permitting the operation and agreement.

B. The position of implementing the operations.

C. The position of keeping the assists.

D. The position of records and accounting.

The organizing the departments so the employees of any department can be kept in one room.

1. Finding out routine that includes the steps of any operation in details.

2. To order the employees signing on any documents he/she has implemented as improvement.

3. To issue the documents from multi copies an original and copies to be given to whoever entitled.

4. Transferring employees every frequent period.

5. Every employee has to get his/her vacation completely at once.

Secondly: accountancy procedures; including the following:

1. To order the employees to approve any operation on the sheets to avoid chatting and corruption.

2. To order the employees not to approve any documents unless it's approved by the responsible employee.

3. Not to allow any employee to implement the auditing on a job he has done.

4. To use the calculators in order to get accuracy and quick job.
5. To use the accountancy annual balance tools such as auditing and the observation accounts.
6. To balance the outcome sheets with the credits, files and sheets annually.
7. To check up the cash and goods annually and accidentally and to balance that with the credit on files.

Thirdly: General procedures: it includes the following:

1. To ensure the projects possessions against every harms.
2. To ensure employees holding of cash.
3. To put a design in order to control the sent and received mails.
4. To use the limited observation mean.
5. To use the multiplied observation means such as cheques signing.
6. To use the fetoning means in order t o recognize a special department in the project whenever the assists natures measures.

The Responsibility of the External Auditor about the Internal Observation Systems:

The institute of accountants has issued its opinion on this as flowing in terms of the internal observations:

The external auditor won't be responsible about checking or evaluating the measuring tools of the administrative observation, and that is because he aims to achieve the best productivity efficiency and to guarantee the implementation of the

administrative practices according to the plan high is down, and such systems would never effect the auditor, but in case that the administrative observation has any effect on his job, so that section must be studied and evaluated.

In Terms of the Accountancy Observations:

The external auditor is responsible about checking and evaluating this section completely and that is because it's related to the auditors job in terms of checking and evaluating the internal setting systems.

The auditor is responsible about this section because this section aims to product the projects assists against any corruption as there are some opinions which say that it a must for the auditor to reduce any possibility of corruption or checking.

Reasons of Checking and Evaluating the Internal Observation System:

1. Because the internal observation is considered to be a starting point from which the auditor can start his job.
2. As a result of the internal observation checking he can draw his suitable auditing program.
3. Specific the amount of tests needed.
4. Specifying the size of suitable needed samples.
5. To study the system as it's implemented in order to criticize, it writes moderate report.

Ways of Checking and Evaluating the Internal Observation:

1. The questionnaire it's a list of questions and inquiries over headed to the projects employees.

To answer them and return them back to the auditor them he can insure the answers through the sample tests to judge the strength of the system.

The advantages of the questionnaire:

1. Easy implementation.
2. Time saving.

The Disadvantages of the Questionnaire:

1. It cannot be about any project separated as the questions are printed in one style.
2. It doesn't go deep in the details.
3. The questionnaire existence help into dependency of its satisfaction and making no more enquires.

Memorandum concluding: It that the auditor puts rules and bases for a clear internal observation system and ignores every single important bit and part of its advantages it doesn't lead to a written record and this conclusion is done by any auditor a lone.

The descriptive report and that is the auditor describes the steps of the used procedures in the project and specified the weak points of the system and account them, and its disadvantage is that, it's difficult to come all the observation system sides.

4- The Study of the Organizing Maps:

It is that the auditor studies the organizing maps and through his study he evaluates the internal observation system, the disadvantages of this mean is it's difficult to draw and get the strength of the eternal observation system.

5. Checking the Accountancy System:

And it's that the auditor checks the files and the names of their creators and their amenabilities also the checks the documents and the document story cirauti then the judges the strength of the system and the goal of any mean is to achieve the main aim and that is to judge the efficiency rate and the strength of the internal observation system, as the auditor can join between two ways or more in order to achieve the goal considering that this mean must be comprehensive

The Disadvantage of this Study:

A: The variation of the project observation evolution's results, from an auditor to another.

B: the Non appropriate Applying for the evaluation itself because it takes long time, so some auditors and their work quickly.

C: The lack of logic on the evaluation, as it is made theoretically such as very good , good excellentetc.

As to achieve logical questionnaire you must follow these steps:

A: to design a comprehensive questionnaire for all the bases of the eternal observation in the project.

B: To assure that the answers of all questions are either yes or no.

C: to divide the questionnaire in specialized fields such as cash, shells and procurements....etc.

D: to give relative importance for the fields of the internal observation.

E: to give a relative importance to the questions

Eternal and External Auditing

The Internal Auditing:

It is one of the efficient means for the internal observation, and it's implemented by employees from the projects administration as it's defined: (a group of independent activity ways which is made by the administration to help it in implementing to achieve the operation and records in a progressive way, to guarantee the accuracy of the statistical and accounting data to assure the that the projects employees are following the policies and all the observation ways to achieve its purpose; and to suggest the important improvements to be put on them, so the project can reach at the productivity efficiency.

And Through this Definition the Aims of the Internal Auditing are taken:

1. To follow the implantation of polices and dividing them, in order to discover, the points of the weakness and deficiency on the system or the procedures which are used to get the improvement and adjustment.
2. To assure the values of the assets and compare them to the documents and that is to project the assets and it must assure the observation and the important insurance.

3. To assure the accuracy of the accounting data and analyzing them, and this requires the external auditor to do a continuing auditing both, documented and accounted.

4. To raise the rate of efficiency through training.

The External Auditing Zone:

1. Financial auditing, it means checking the accounting system to assure the existence of assets.

2. Administrative auditing, here we exceed the financial idea to notice the rate of following the project policies.

The Instruction which are Needed to Build a Clear External Auditing System:

1. The auditing employee must have work and educational experience.

2. The perfect plans must be made to achieved and distributed among assistants and follow them.

3. The work reports must be announced and sent to the domination in a suitable time.

4. The internal auditor must be independent and it a direct contact with the general manger or the board of directors.

The Style of Implementing Work in the Internal Auditing:

1. To know the work that to be achieved.
2. To know the goal need by the work which must be achieved.
3. To put a plan which suitable for the work which must be achieved.
4. To put plans for implementing the scheduled program.
5. To check the results using the suitable method.
6. To compare the results with the plan.
7. To present airport for all stage.

The Features of Differences Cooperation between the Internal and External Auditor:

1. The rate of independency, the projects administration, whereas the internal is independent from the project administration.
2. The served categories, the internal auditor is interested in the administration needs, but the external in interested in serving different groups such as the administration and the contribution of official sector.
3. The work zone, the internal auditor checks comprehensively and in details all the operation because he works continuously all through the year in the project, while the external's works has been improved from being detailed into being alternative depending on the statistical sample selection method and that is because of the limited time and the huge cost.

4. Work's nature, the reason of difference is the difference between the served categories, the external concentrates on the elements which take care about those categories and that is arrest of work and financial status, whereas the internal auditor serves the projects administration so he connect rates on the used system and polices which are already draw to assure their implementation and find the decreasement.

5. The view about the internal auditing, the internal auditor studies and evaluates the systems to improve them as an observer, while the external is meant to put moderate report.

The Features of Cooperation:

1. Finding a clear and accurate system to the internal observation which will help the external auditor.

2. The external auditor depends on the internal explanation.

3. The external auditor depends on the lists and record which have been made in advance.

Inspire the differences and cooperation; both of them aim to raise the productivity efficiency in the project.

CHAPTER ELEVEN

Auditing the Current and Long Term Assets:

The aim of all auditing procedures is to assure the accuracy and clearness of all operation which are approved in the accounting files, in other words it's the test of institution's operations throughout fixed period of time mostly a full year.

Before the auditor start implementing any work in the project he must check and evaluate the internal observation system that is used in the project, and according to its, efficiency he can decide the number of test needed.

Firstly: Cash Operations Auditing:

We mean by that to assure the balance between the transmutations which are approved in the records to the ones which are currently found in the current accounts on bank and cash.

Desk; this can be achieved through the following:

1. Documentary auditing to the cash operations:

It is the assurance of the celerity of approving the cash documents records on files with in the financial period and it's done through (to audit the cash documents movement from received and paid amount to the cash desk also auditing the bank operations from dept and credit).

A: To audit the documented cash operations as dept and credit form the bank and that is through checking the supporting documents to those operations and comparing them to the records.

B: to audit the documented operations of cash as debt and credit and that is through checking the documents and compare them to the approved records.

C: To audit the bank statement and compare the credits with the ones which are on the records.

2. Auditing the cash accounting record:

It means the assurance of the correct approving for the cash operations records in accounting in the specific time and location for any operation, time means when the operation has done, and location means the specific file for the operation as the files are various in their shapes which are used in recording the cash operations, and that is according to what is mentioned in the account nary styles as the ways of recording differs in these files and transferring data from them in according to the way which used in fitting, after the records approving has been checked and assure then the auditing operations begins which means taking the total analyzing spaces, vertically and horizontally then transfer them.

After the auditor has implemented the auditing operation on records or in accounting base he must do areal collection the cash on desk and compare the total which is found on the desk with the cash desk and it's preferred to do such work accidently and at the end of the years to avoid cheating.

As the auditor also does a comparison between the bank credit and the cash recorded on the files with the bank statement, as the auditor must study the situation and adjust it in the bank adjustment record in case he finds any differences.

3. To audit the copies of sales capons related to the auditing period with the daily sales statement and in case there is any shortage in the capons the auditor must investigate the reasons.

B: To audit the copies of sales capons with the sales statement which is prepared from the fund's secretary and cash sales records.

C: To audit the totals, the total of sales statements with the total statements which are prepared by the vendors.

D: To audit the accounting operations on capons through multiplying the unit price and total price.

E: To audit the bank adding amounts movement.

1. Auditing collections from the clients:

The channels from which the cash comes must be audited, that because the cash might be collected from client in cash or through the mail.

A: The Cash Collections;

They are audited as follows:

1. To audit copies of the payment receipts with the movement of the handled with copies of the importuning permissions which is prepared by the current accounts department through the auditing period

2. To audit and compare the cash movement statement with the total collections from clients.

3. To audit the transmission from the cash record or the cash movement statement to the clients' accounts.

4. To audit the collections through comparing the collections statement with the statement sent to clients with the client account in the leader.

B: Collections which are received through mail and this is the cheques system and we use the following to check it:

1. To audit the copies of receipts which were sent to the clients with some copies of the importing permissions with the records which are prepared for collecting through mail.

2. To audit the transfer the transfer of the mail collections files to the clients' accounts of the leader.

3. To audit the mail collection record with the records which were sent to the clients then with the clients account on the leader.

4. To check the adding records for cheques which come from the bank with the cash records to assure adding cheques that sent by mail.

C: Collections by delegates, and they are audit as follows:

1. To audit the copies of the temporary reception which are issued from the delegate against the amounts received with the record of collections which are prepared by the company daily.

2. To audit these records with the cash documents with copies of the final receipts which are sent from the project to the client directly, then auditing the transfers to the clients account with the statements sent to the clients.

3. For the sake of auditing and when the delete have been away from the center they have to send the collected amount through banks to the head quarter then a

copy from the bank cash will be audited with the bank account on the project records.

5. Auditing cash prophases:

When the project by some goods in cash without depending on vendors, then specific system must be followed, from inside the project in order to specify the responsibilities and when auditing the cash prophase we must do the following:

A: To assure that the prophases have been done according to the monitoring system.

B: To audit the paid prophase invoices because they are considered and approved to the payment; this by then must be compared to the invoices with the cash record in purchase column.

C: To audit these invoices with the inventory records to assure that the project has already received the goods.

D: in case the purchase has done through cheques these cheques must be audited with those deducted from the cash record.

6. Auditing payments to vendors:

While the auditor is auditing this item he must do the following:

A. To audit the receipts which indicate payments with the cash record then audit the transfer to the vendors' accounts with the dept leader.

B. To assure when auditing cheques for approving, they are attached to the invoice sent from the vender.

C. To audit the vendors accounts through comparing the prophase invoices; this appeared on the depts with the payment account which appeared on the credit

D. To audit the vendors accounts with the incoming accounts from them, in which the payment invoices which are done through this period appeared.