Management Audit

Management auditing

Management Audit' is a systematic examination of decisions and actions of the management to analyze the performance. Management audit involves the review of managerial aspects like organizational objective, policies, procedures, structure, control and system in order to check the efficiency or performance of the management over the activities of the Company. Unlike financial audit,[1] management audit mainly examine the non financial data to audit the efficiency of the management. Somehow audit tries to search the answer of how well the management has been operating the business of the company? Is managerial style well suited for business operation? Management Audit focuses on results, evaluating the effectiveness and suitability of controls by challenging underlying rules, procedures and methods.[2]

Management Audit is an assessment of methods and policies of an organization's management in the administration and the use of resources, tactical and strategic planning, and employee and organizational improvement. Management Audit is generally conducted by the employee of the company or by the independent consultant and focused on the critical evaluation of management as a team rather than appraisal of individual[3]

Objectives of Management Audit

1. Establish the current level of effectiveness

2. Suggest Improvement

3. Lay down standards for future performance

4. Increased levels of service quality and performance

5. Guidelines for organizational restructuring

6. Introduction of management information systems to assist in meeting productivity and effectiveness goals

7. Better use of resources due to program improvements[4]

Audit Procedures in Management Audit

Generally auditor deploy following audit procedures to conduct the management audit.

1. Questionnaire

2. Interview with employee and managers