Business

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1. **Explain the process of an internal audit and how an organization can identify their strengths.**

The internal audit process happens in steps. The first step is the identification of the areas that require auditing. It is followed by the determination of the frequency of auditing that is required. Then auditing dates are updated in the calendar, and the affected department is notified of the pending audit to get ready. Once the auditor is ready, the interviews and audit are commenced. The results are documented and organized to make them usable. Finally, a report is generated to help improve the company’s performance. The whole activity of auditing is done essentially to determine the fluidity of the company in the use and utilization of its resources, and when it is not used, it completely useless (Rover & Geithner, 2021).

Many advantages are associated with internal audits of an organization. Some of them include helping the company to attain its objectives. A consistent and regular audit can be used as a tool to manage the firm's performance and help it keep track of the product quality or even the set goals. It also helps the organization maintain its organization and increase its effectiveness. The process can be expensive, but then the benefits outweigh the costs used in the audits (Lotich, 2021).

Many business successes are often guided by the audits done as it keeps the vision of the company.

1. **Describe the process of performing an external audit in an organization doing strategic planning for the first time.**

An external audit’s purpose is to ensure the company’s compliance and performance and focus mainly on finance and accounting. A company doing the audit for the first time needs to make sure they have the accounting records are properly examined to minimize errors in their financial statements, which is very important for their organization. External audits offer an unbiased audit and will help the company. The length of the audit varies with the firm’s size, and there is no specific set length, and the auditor is told to go on until the audit is complete regardless of the amount of work (Rover & Geithner, 2021).

The external audit often follows the following steps; the first is gathering information and then is followed by the testing and validating of the data. The third step is analyzing and interpolating the data acquired, which concludes in making strategic decisions from the generated reports.

External audits are helpful for strategic planning in every firm, not only the new one because they are aimed at understanding the features that affect the business and the business cannot control. The company operates in an environment with factors that affect them; these factors must be identified and used in strategic management. It is essential to recognize the effects that the external environment has on the business to help the business management remain competitive and relevant and even mitigate any losses (Contributor, 2021).

References

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