

## Decision-Making Availability and Auditing

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### Abstract

**Decision-making availability means the enterprise provide useful financial information to the relative people. Auditors supervise and ensure the right information. Decision-making availability include three parts, they are cash flow, operating performance and the resource of the internal part.**

### Keywords

**Decision-making availability; auditing; cash flow; auditing on operating performance.**

### 1. Decision-Making Availability and Auditing

Decision-making availability is the point that accounting personal provide useful accounting information on finance for some people who are relative with enterprise. The view was produced in the year between 1970s and 1990s. Due to capital market's development and completion, the view of decision-making availability is emerge. Its notion is that accounting information must offer useful message for those who relative person making economical decision. Users will have more extensive space to judge an enterprise' development. Decision-making availability mainly provide two sort of information: one is enterprise's cash flow, the other is an enterprise's business performance and resource condition. The point's supposed premise is the company's financial information are all useful and published.

Auditing's opinions are widely divided. The representation and widely quoting is the auditing notion from Announcement of Basic Auditing Conception which issued by American Science Institute in the year of 1972, that is auditing is the process that collecting and valuation evidence objectively for understand the consistency between cognizance about relative economical activity and phenomenon and making standard, together with the outcome pass on to some relative people else who are the users. Among of them, economical activities and phenomenon are constitute of auditing's content; available and collecting are the core of auditing; the standards, such as country published relative laws and regulations, rules, norm drawing up by occupational group and so on are auditing's foundation; pass on to outcome is working out the auditing report; the process means auditing must be to abide by some routines.

### 2. Auditing Objective from Decision-making Availability

One of elements about decision-making availability is cash flow's auditing. It includes cash on hand, bank deposit and other monetary funds. Cash on hand is the currency which is kept by cashier. It involves not only standard money but also foreign currency. Bank deposit is the money stored in bank and other financial institution. Other monetary funds have many sorts such as earmarking monetary. The auditing for cash include check accordance between the money on hand and book; examine bank reconciliation statement and bank confirmation request and so on. The recognize of monetary auditing involve that whether the money is real; whether recording is complete; The money whether is ownrd and controlled by the audited company, report on the financial balance sheet whether rightly and so on. For an enter prise, about cash on internal audit, to do that incompatible position must be depart.; the capital's person in charge of revenue and expenditure and bookkeeper do not the same one; to prevent

steal what is entrusted to one's care; income and outlay will be book in in time and do all in order; the procedures must fit relative standards include cash's payment recheck and stocktaking; for bank deposit's opening, change and write-off must know the whole; do check in the later period on wholesale accounting item about bank balance reconciliation.

For another information offered by decision making availability is enterprise's operating performance. Its auditing is evaluated for efficiency and effectiveness of company's operating. Its content on auditing is more abroad than the financial auditing. It is not only audit financial information from enterprise's accounting department but also enterprise's organizational structures and measures about product production and in every way on marketing, including auditing enterprise's operating, producing, benefits and the whole process on production management. The destination is check enterprise's activities on production, marketing and management. To help enterprise's management found loophole and weak link during the whole time on business management. So performance audit is usually work about internal audit department of enterprise. It examined the plan, decision and policies made by management and executing, whether they appear deviates or waste of resources. Its steps are, first, auditors must familiar with the whole process about making plans and policies, and then go to preliminary investigation, working out auditing plans, including test and analyse, etc, during an enterprise's running. For example, choose sample book to survey, affirm whether order the process, and have other measures to fit in such as enquire and observe, etc. to assess and analyse the collected means, to record audit working papers, summarise and report the result to the management at the the end of auditing; propose the improve suggest. But the work has not been finished, it needs follow-up. For insure the enterprise's plan and policies can follow through rightly that might retry simply if necessary. The auditing of operating performance break through the range on traditional auditing. It check an enterprise's management efficiency and economic benefits basis on financial auditing. From decision-making availability, to ensure an enterprise's plan going well, to offer useful information for the people who have information of an enterprise.

An enterprise's resource condition is mainly human resources, the reason is human resource is the most important during all resource of a enterprise. Its main content on auditing is evaluate the result about human resource's opening, useful and managing. Human resource is also called renewable resource. It is worth for enterprise to invest human resource. It reports back two or more on what has been done invest one. One of human resource auditing is whether the company abide by the labor law. Employment and management must be in accordance with the law. Enterprise avoid maximum lawsuit cost because human resource management inappropriate. The other of human resource is assessment and evaluation the employee's skill and knowledge, value preservation and appreciation, post setting and working, team's achievement, compensation and benefits and communication between superior and subordinate, etc. The step of human resource auditing is, first, gain an understanding the territory and then obtain relative means and the last step is implementation the auditing. Its drawback is hard to find solid evidence from the third party, short auditors in this field and relative risk is hard to evaluable. Thereby, human resource's auditing does not develop.

### 3. Conclusion

To sum up, to supply useful information for enterprise's people of interest and do auditing and supervise closely. It is a efficiency way that can ensure an enterprise pass the right information. It is effective guarantee enterprise's creditors, investors and other users work out right target.

### References

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