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Organizing Inspections Regarding Managerial Internal Control and Preventive Financial Control

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Abstract

The control environment is the foundation of the whole system of internal control. It constitutes the basis of all other components of internal control. He sets the tone of the organization.

It provides discipline and climate that influence the overall quality of internal control. The control environment forms the basis for creating a vision and response to risks and controls from the staff of an organization. This paper presents the control environment that influence the way of establishing the strategy and objectives and how to structure control activities. The essence of any business is the people behind it - their individual tasks, including integrity, ethical values and competence - and the environment in which they work.

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1. Introduction

Management and control refers to the ability of individuals to understand and perform their duties. Management's responsibility for activities lies in better use of the skills.

An effective control environment is essential to allow other financial accounting management components, for example, risk management and control activities to function properly. Establishing a sustainable control environment requires management to a procedure of setting objectives and the objectives chosen to support and be consistent with

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the mission of the entity. Objectives must exist before management to identify potential risks that could affect their achievement.

Following the objectives and risk assessment of the entity's control environment can change. For example, the strategy can be adjusted to the opportunities that arose during the risk assessment or otherwise. Legislative changes and other external conditions, such as new information technologies, are other examples of changing control environment.

At the start of system implementation in accordance with national standards of financial accounting management control in the public sector, a well-conducted evaluation of existing control environment is essential. This assessment should focus on issues that have a real impact on the establishment and achievement of the objectives of the institution and where risks may appear essential - components of the control environment.

2. Accounting Management

Accounting management focuses on managerial control to internal control.

Managerial control is the organization's policies and procedures used to ensure that:

- a. Programs achieve their intended results;
- b. Resources used for the programs are consistent with the goals and objectives entity;
- c. Programs are protected against fraud and mismanagement;
- d. Information is obtained in time, maintained, reported and used for decision making.

Responsibility to establish and monitor the management of the management control system is of the trader. Management information systems form a key element of management control.

Essential in information systems is the accounting system represented by the set of procedures and documents of the entity, which enables transaction processing as means of keeping financial records. Such a system allows identifying, collecting, analyzing, calculating, classifying, recording, summarizing and reporting transactions and other events.

Technical and operational records and accounting is a means of continuous control over financial and economic activity, a necessary condition for ensuring the integrity of heritage and efficient expenditure of material and financial means.

The most important issue of keeping the technical -operative management and accounting documents is perfecting the economic and financial operations, as incurred.

Accounts, records and financial statements are a basic element of order and fiscal discipline as they make it possible to know the financial situation of economic management.

Double entry of accounting records ensures accuracy immediate measures to rehabilitate the script errors. To summarize legal real economic and financial activity, it is necessary that the tracking of system to be accurate correct and complete.

With regard to technical and operational records and accounts, management includes:

- Organizing and keeping technical - operational storage in places and kinds of material resources , highlighting accurate, and timely means and economic and financial transactions must be recorded in documents;
- Proper application of the doctrine and methodology of accounting;
- Organizing and bookkeeping, synthetic and analytical to ensure coverage in cash heritage and exercise permanent control of the existence and movement of property values;
- Providing technical and operational correlations between records, accounting and statistics of synthetic and analytical accounts of the data in this reality and financial statements;
- Accurate and up to date management accounting;
- Establishing and evaluating capital and assets;
- Ensuring accuracy and reality records to establish financial and tax obligations to the State;
- Inventory of heritage and exploitation its results;
- Preparation, approval and audit of financial statements, (Burtea, E., Hurloiu, L.R., 2013).

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