**Unit 10: Auditing**

« Be polite; write diplomatically; even in a declaration of war one observes the rules of politeness.”
Otto Von Bismarck, Chancellor of Germany, 1815-1898

 An internal audit is an examination of a company's accounts by its own internal auditors; they evaluate the accuracy of the accounts and check for errors. They make sure that accounts comply with established policies and standards. The internal auditors also check the company's system of control, related to recording transactions, valuing assets and so on. They check to see that procedures of control are adequate and sufficient; they also recommend changing them if necessary.

Public companies have to submit their financial statements to external auditors – independent auditors who do not work for the company. The auditors have to give an opinion about whether the financial statement give a true and fair view of company's situation and results.

During the audit, the external auditors do the same functions as internal ones. They check whether the assets mentioned in the balance sheet actually exist and whether their valuation is correct, if the debtors recorded are genuine, if the stock take – the count of all goods held ready for sale – are correct. They always look for any unusual items in the accounts.

**Vocabulary:**

Exercise 1: find in the text synonyms of these words: correctness, follow, inspection, verify, mission, state.

Exercise 2: match these nouns with the verbs below to make word combinations.

Accounts – system of control – stock take – procedures – regulations – advice – policies – opinion – laws.

Comply with ……………………… Check …………………….

 ……………………… …………………….

 ……………………… …………………….

 ……………………… Give ………………………

 ……………………….

Exercise 3: Complete the following table.

|  |  |  |
| --- | --- | --- |
| **Verb** | **Noun** | **Adjective** |
|  |  | Accurate |
|  | Compliance |  |
| To recommend |  |  |
|  | Record |  |
|  | Examination |  |

Exercise 4: Complete this paragraph with the appropriate word.

* I am an internal auditor. I................................ the company's account to make sure that they are..............................., and they................................ with company's policies or the general accounting principles.
* If the control systems are not adequate, I make……………………..concerning changes.
* The external auditors check to see if transactions are being……………………. correctly.

**Grammar**: *Adverbs Already, Ever, Never, Yet*

We always use these adverbs with present perfect tense. This table shows how to use them.

|  |  |  |  |
| --- | --- | --- | --- |
| Adverb | Affirmative sentence | Negative sentence | Interrogative sentence |
| **Ever**: express the idea of an unidentified time before now. | This is the first time I have ever been in England.We must add “the first time”. | Nobody has ever said to me that before.Nothing like thishas ever happened to us.We must use the pattern Nobody...... ever,Nothing....ever. | Have you ever met the prime minister? |
| **Never**: at no time before now, and is the same as not... ever.The position of never or ever is always before the past participle. | I have never visited Berlin.We cannot use never and not together~~I haven't never visited Berlin~~ I have not ever visited Berlin. |  |  |
| **Already** refers to an action that happened at unspecified period and suggests that there is no need to repeat this action.The position of *Already* is either before the past participle or at the end of the sentence. | I have already sent the mail.I have already drunk my coffee (no need to take another) |  | Have you already written to him? |
| **Yet** means not at the period between the past and now.Its position is always at the end of the sentence. |  | I have not finished it yet. | Has she gone yet? |