

The Importance of Auditing as a Stimulus for Better Results in a Company's Internal Processes: A Case Study on Swift's Sales Channels

A Importância da Auditoria como Estímulo para Melhores Resultados nos Processos Internos de uma Empresa: Um Estudo de Caso nos Canais de Vendas da Empresa Swift
La importancia de la auditoría como estímulo para obtener mejores resultados en los procesos internos de una empresa: un caso de estudio en los canales de venta de Swift Company

Ana Paula Rodrigues¹

ana.rodrigues45@fatec.sp.gov.br

Jose Carlos Hoelz¹

jose.hoelz@fatec.sp.gov.br

1 – Faculdade de Tecnologia da Zona Leste – Fatec Zona Leste

Abstract: This article aims to analyze the internal audit processes in the sales channels of the multinational company Swift. The research presents the theoretical aspects of auditing concerning the area of Human Resources and is structured in the case study developed in external and internal customer service, presenting how it is dealt with in its different sales channels, the methodology used has a qualitative approach with data collection and analysis, literature review and field research. After analysis, it was verified that there are different negotiations and ideas for improvements are proposed, such as the standardization of processes and systems, for better communication, reduction of waste, increase of productivity with quality and loyalty of customers and employees.

Keywords: Internal Audit; Internal processes; Improvements.

Resumo: Esse artigo tem por objetivo, analisar os processos internos de auditoria nos canais de vendas da empresa multinacional Swift. A pesquisa apresenta os aspectos teóricos sobre auditoria concernente a área de Recursos Humanos e vem estruturada no estudo de caso desenvolvido na área de atendimento ao cliente externos e internos apresentando como é a tratativa em seus diferentes canais de vendas, a metodologia utilizada possui abordagem qualitativa com coleta e análise de dados, revisão bibliográfica e pesquisa de campo. Após análise foi verificado que há diferentes tratativas e propõe-se ideias de melhorias como a padronização dos processos e sistemas, para melhor comunicação, redução de desperdícios, aumento da produtividade com qualidade e fidelização de clientes e funcionários.

Palavras-chave: Auditoria interna; Processos internos; Melhorias.

Resumen: El presente artículo tiene como objetivo analizar los procesos de auditoría interna en los canales de venta de la multinacional Swift. La investigación

Recebido
Received
Recibido
12 out. 2023

Aceito
Accepted
Aceptado
20 mai. 2024

Publicado
Published
Publicado
28 jun. 2024

<https://git.fateczl.edu.br>

e_ISSN
2965-3339

DOI
10.29327/2384439.2.3-8

São Paulo
v. 2 | n. 3
v. 2 | i. 3
Junho
June
Junio
2024



presenta los aspectos teóricos de la auditoría concernientes al área de Recursos Humanos y se estructura en el estudio de caso desarrollado en el área de atención al cliente externo e interno, presentando cómo se aborda en sus diferentes canales de venta, la metodología utilizada tiene un enfoque cualitativo con recolección y análisis de datos, revisión bibliográfica e investigación de campo. Luego del análisis, se verificó que existen diferentes negociaciones y se proponen ideas de mejora, como la estandarización de procesos y sistemas, para una mejor comunicación, reducción de desperdicios, aumento de la productividad con calidad y lealtad de clientes y empleados.

Palabras clave: Auditoría interna; Procesos internos; Mejoras.

1. INTRODUCTION

Internal auditing has been a topic recently addressed in companies. The aim is to produce an action plan for organizations based on the adoption of a systemic and organized approach, enabling assessments to improve processes, manage risks, and obtain better results and greater efficiency in operations.

The discussion about products and services is contemporary. For Espíndola (2011, p. 8), "auditing allows for the standardization of routines, which allows for better productivity, control of the flow of information and facilitates the identification of the needs of each sector of the organization." The author also adds that, "for continuous improvement to be effective, all employees must be involved, and the company must adopt a management system that allows for the identification and critical analysis of points to be improved."

In an increasingly competitive and dynamic scenario, organizations need quality, assertiveness, and standardization in their products and services. Processes must be carried out effectively, optimizing the maximum amount of time to meet the needs of society, the environment, and the legal entity. Alves (2015, p. 33) states, "auditing is the process of analyzing and evaluating information, whether financial, operational or compliance-related, to ensure that it complies with established standards."

Therefore, this article conducted a case study on the internal processes of Swift, a multinational company growing in the market with its various sales channels. The available data and information served as the basis for the reasoning and preparation of this project. This justifies the objective of analyzing the following question: How can the company's internal audit program stimulate the improvement of its internal processes and the quality of products and services in its sales channels?

2. THEORETICAL FOUNDATION

2.1. CONCEPT OF AUDITING

Auditing is an essential tool for achieving organizational objectives, as it helps to identify and correct irregularities, fraud, and deviations that can harm the

company's performance. According to Chiavenato (2002, p. 585), auditing is an accounting technique that evaluates the effectiveness and efficiency of an organization's internal control. It examines the accounting records and statements, acquires information and confirmations related to the company's assets, and issues a report with its opinion on the veracity and adequacy of the accounting information.

The authors Franco and Marra (2001, p.26), in their proposal, considered that:

Auditing is an independent and objective evaluation of the accounting statements carried out by a qualified auditor. The auditor uses technical procedures to obtain evidence on the veracity and adequacy of the accounting information and issues a report with his/her opinion on the adequacy of the accounting statements to the company's reality by the fundamental principles and accounting standards.

In short, auditing makes the information provided helpful and lends credibility to accounting, strengthening its objectives.

According to Chiavenato (2002, p.585), "human resources auditing is the analysis of an organization's personnel policies and practices and evaluation of its current functioning, followed by suggestions for improvements."

Auditing can be classified in several ways. This article will only address the types of audits relevant to the topic addressed, which are:

- Operational audit: an independent and objective assessment of a company's operations, carried out by a qualified auditor, where the auditor uses technical procedures to obtain evidence on the efficiency, effectiveness, and economy of operations and issues a report with recommendations for improving performance.
- Quality audit: an independent and objective assessment of the quality system implemented in a company. The auditor uses technical procedures to obtain evidence of the system's effectiveness and issues a report with recommendations for improving the system (Fernandes, 2009).

2.2. INTERNAL AUDIT

As per the Brazilian Institute of Internal Auditors (2023), internal auditing is a powerful, independent activity designed to enhance the company's performance by adding value. It empowers the company to achieve its objectives, assess and improve its processes, manage potential risks, and enhance internal supervision and company governance.

According to the Brazilian Accounting Standard - NBC TI 01 - Approved by CFC Resolution No. 986/03, internal auditing is: [...] performed in legal entities under public law, internal or external, and under private law, [...] includes examinations, analyses, assessments, surveys, and verifications, methodologically structured to assess the integrity, adequacy, effectiveness, efficiency, and cost-effectiveness of processes, information systems and internal controls integrated into the environment, and risk management, to assist the entity's management in meeting its objectives, [...] is structured in procedures, with a technical, objective,

systematic and disciplined focus, and aims to add value to the organization's results, providing support for improving processes, management and internal controls, by recommending solutions for non-conformities indicated in reports. Medium and large entrepreneurs increasingly value internal auditing, as it is an essential tool for the search for efficiency and effectiveness in companies, which increases their economic power in a competitive market (CREPALDI, 2016).

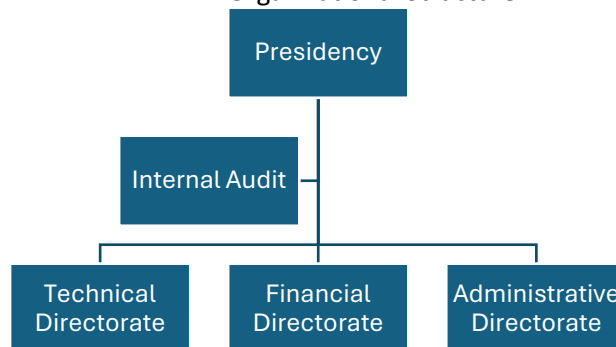
According to Crepaldi (2013, p. 65):

Internal auditing is an independent assessment activity within the company intended to review operations as a service provided to management. It constitutes a management control that works through the analysis and evaluation of the efficiency of other controls. It is performed by a professional linked to the company or by a section dedicated to this purpose, always in line with the company's management.

In essence, internal auditing, despite its independence, operates in harmony with the company's management and its employees. It evaluates the processes of the entire entity, devising efficient strategies that ensure the best development and constant improvements, thereby fostering a sense of inclusion and collaboration.

The internal audit department is an independent structural unit, meaning it is not subordinate to any specific department of the organization. He is directly subordinate to the organization's presidency, which gives him greater autonomy and independence to carry out his work impartially and objectively (ALVES et al., 2015, p. 33). An organizational structure can be represented as shown in the table below:

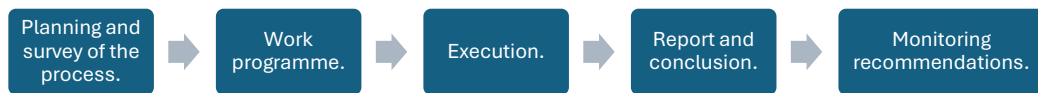
TABLE 1: Organizational Structure



Source: Almeida (2009)

While no single internal control framework applies to all organizations, they must design and implement internal controls appropriate to their needs. Internal control can be defined as a set of policies and procedures designed to ensure that the organization's objectives are achieved effectively and efficiently." (ATTIE, 2018, p. 371).

TABLE 2: Steps for an efficient audit.



Source: Prepared by the authors based on Instituto dos Auditores Internos do Brasil, (2023).

Attie (1992, p. 38) argues that:

Internal auditing needs to function at optimum levels, with adequate status in the company and sufficient technical capacity to perform the function. In addition, auditors must comply with the rules of conduct and exercise the profession with the ethics required by the Institute of Internal Auditors, which demands diligence and an excellent quality standard.

Internal auditing must examine the company's activities, practice its systemic vision, and advise management. To this end, it must remain informed and updated on all topics, in addition to the company's accounts, thus delivering comprehensive studies to the organization's stakeholders.

3. METHOD

A widely used qualitative approach characterizes this research because it relies on data collection to investigate a complex phenomenon in its natural context and will use the case study, a technique that allows for an in-depth and detailed understanding of a specific case, analyzing in depth the context examined, in order to highlight the importance of auditing at Swift. According to Creswell (2010, p. 162), "In qualitative research, the intention is to explore the complex set of factors surrounding the central phenomenon and to present the varied perspectives or meanings of the participants."

This article will address the qualitative case study, which, according to Gerring (2019), consists of a data collection and analysis strategy that can be undertaken in different research designs. The literature offers a variety of definitions and characteristics of case studies. However, the author opts for what he calls a minimal definition. For him, a case study is a research strategy involving intensive investigation of a single case to understand a larger phenomenon or population.

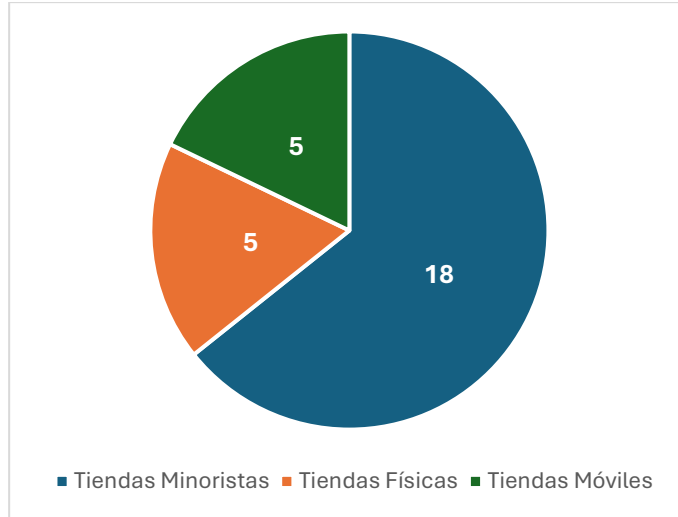
To carry out this case study, the following were used: data collection, bibliographic research, interviews, and documentary analysis. Thus, this research is bibliographic, exploratory, and descriptive. Gil (2010, p.29) states that "exploratory research brings the researcher closer to the problem, providing new insights into it, as well as new ideas and hypotheses." The current research was conducted with employees in seven Swift sales channels in the Ermelino Matarazzo region and nearby neighborhoods.

4. RESULTS AND DISCUSSION

In this exploratory research, 28 employees from 7 sales outlets were invited to give interviews, where it was possible to understand how essential parts of the company's audit work.

The interviewees were seven managers, three senior leaders, four sales leaders, and 14 store attendants. Of these interviewees, 18 were from the retail stores located inside supermarkets, and the rest were equally divided between the company's stores, whether fixed or mobile, as shown in graph one below.

Graph 1 - Sales channel

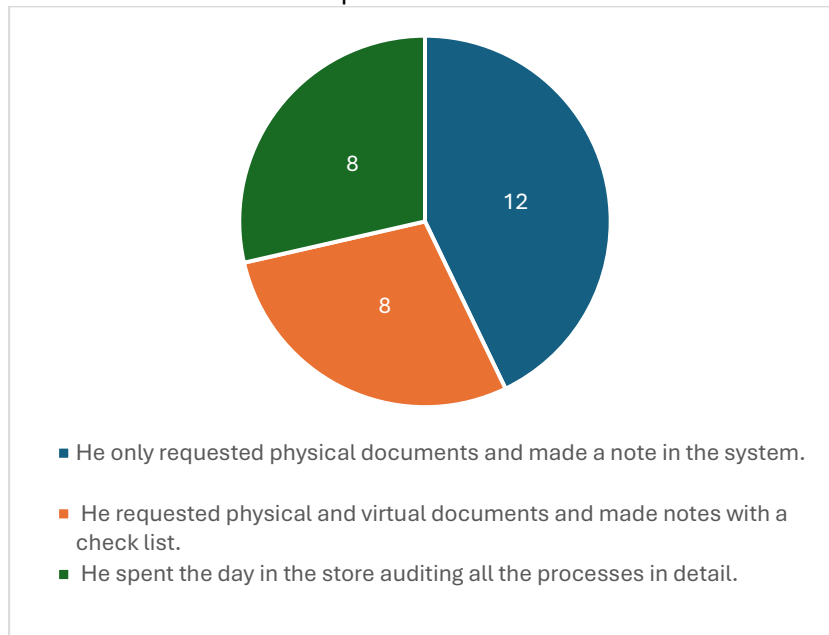


* Retail Stores; Physical Stores; Mobile Stores

Source: The Authors (2023)

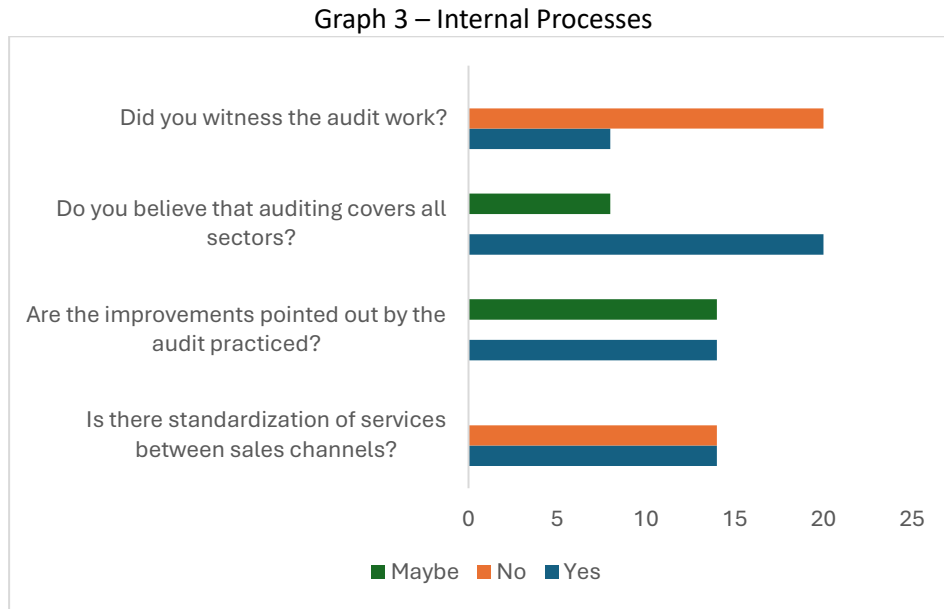
Regarding the auditor's work, graph 2 shows that only a little over 1/3 spend the day in the store auditing all processes in detail, as Crepaldi (2013, p. 65) states, "internal auditing is an independent assessment activity within the company, which is intended to review operations", the rest indicate that they do it according to the checklist, or made notes in the system and with physical documents.

Graph 2 – Audit work



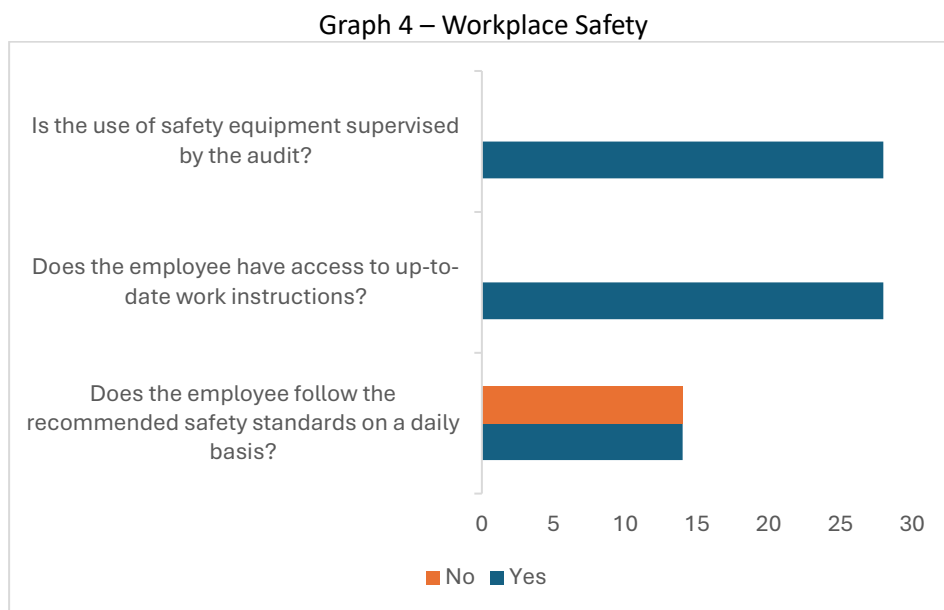
Source: The Authors (2023)

When asked about the audit work, half of the respondents witnessed the work of the auditors and believed that the work involved only 50% of the sectors and that most of the improvements identified by the audit were put into practice. However, as shown in Graph 3, the respondents do not believe that there is a standard in the internal processes between the sales channels.



Source: The Authors (2023)

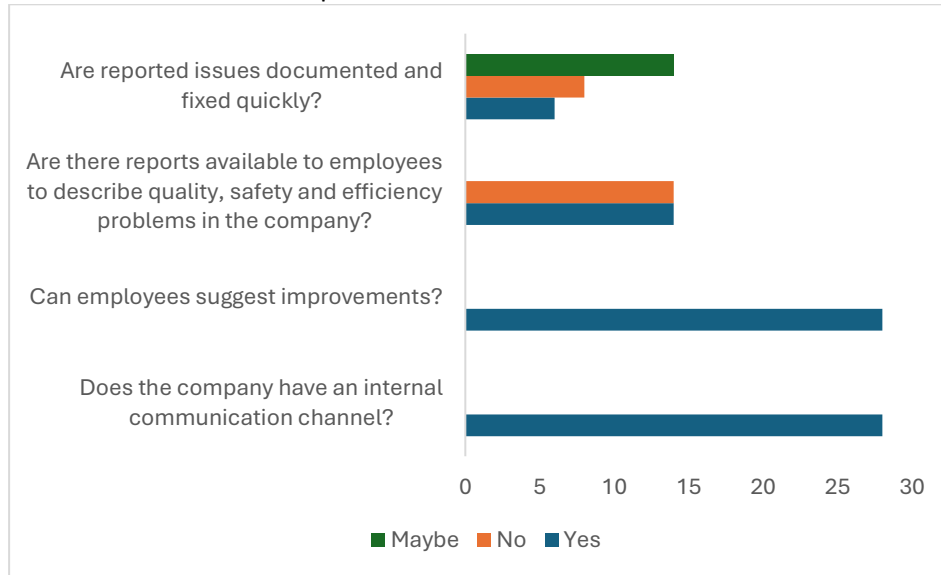
Regarding workplace safety, all employees reported that they have access to work instructions; however, only half follow the recommended safety standards, even though this is one of the factors monitored by the audit, as shown in Graph 4.



Source: The Authors (2023)

To conclude the interview, employees were asked if the company has communication channels and if they can suggest improvements. All said yes, but only half said they had knowledge of reports available to report problems found. When reported, problems usually take a while to be corrected, as shown in Graph 5.

Graph 5 – Internal Communication



Source: The Authors (2023)

Our case study, which involved interviews with employees from various roles, revealed a unique aspect of the company's operations. Despite having multiple sales channels with distinct procedures, the internal audit program functions uniformly across all channels. While issues are identified and reports are resolved, there is a delay in the adjustment process. The communication channels are effective, and employees feel heard and well-instructed, even if not all adhere to the rules. The results, interpreted and analyzed based on our hypotheses, provide answers to our research questions, and validate our case study approach.

5. CONCLUSION

This academic article, employing the qualitative research method with data analysis, aims to understand how the internal audit program of Swift can drive process improvement in its sales channels. This, in turn, contributes to the enhancement of the company's products and services, underscoring the practical implications of our research.

The data presented in this study show that first-party auditing has proven to be important to the corporation. Therefore, the interviews conducted were in line with the theories presented about the benefits of auditing, as it is one of the essential parts of the company's internal control system, allowing senior management to have an overview of events, having at their disposal documents

and accurate data about the company's performance, its current problems, critical points and the need for measures, which also suggest solutions to failures, show organizational deviations in the decision-making process, as well as in the planning process, as it is a complex activity that involves all spheres of society. Internal auditing also recommends reducing costs, eliminating waste, improving quality, increasing productivity, assisting in the search for efficiency, better performance in operational functions, and managing the company's business.

Therefore, it is possible to conclude after analyzing the data that Swift is a well-organized company in its organizational structure, with fluid internal communication through an attractive, dynamic, assertive management model with a strategic planning tool, which has benefited the market and customers. Even if, in the perception of its employees, there is no standardization of internal services among its sales channels, it still obtains good results, learning, and satisfaction, ensuring quality in services and products, optimizing time and saving money, with the prevention of possible problems, which can be avoided, thus providing increasing credibility to the company.

Given the active role of HR in business administration and strategy, we recommend further research on how internal auditing can foster a compatible and continuous adjustment between the organization and its environment. This can be achieved through decision-making and the execution of consistent actions, thereby providing opportunities for competitive capacity between companies.

Commerce focused on retail is a changing format influenced by the advancement of telecommunications technology. It must keep up with these constant updates. It is important to know how to outline viable strategies for any eventualities that may arise.

ACKNOWLEDGMENTS

First, I would like to thank God for giving me the wisdom and resilience to carry out this study, and then my family and friends for their unceasing support, a determining factor in my academic journey. Finally, I would like to thank the faculty of FATEC-ZL, especially the course coordinator Valéria Rufino Maiellaro, who is an example of professionalism and the most significant supporter. I want to thank my advisor, Professor Jose Carlos Hoelz, for his great help structuring this work. I want to express my sincere gratitude to all those who contributed directly and indirectly to this article.

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