The chapter consists of two parts. Part one highlights the related research studied conducted in India and the later part throws light on the studies carried out at International Level. The researcher has attempted to incorporate in this chapter every chosen aspect of the study. In addition to this, the researcher has also tried to accommodate some more components of Management Audit System such as, performance audit, operational audit, internal audit etc. facilitate for the research.

**Review of Literature**

Literature review is the crucial part of any research. This helps the researcher avoid reinventing past contributions and results. This focuses on the past literature in the field of research and its classification under different angles. The critique comparison of the past literature will narrow down the research topic and provide a base for selecting a research topic which will have more pay-off. The outcome of the literature review gives a direction for future research.

“Literature adds to reality, it does not simply describe it. It enriches the necessary competencies that daily life requires and provides; and in this respect, it irrigates the deserts that our lives have already become.”

C.S.Lewis

**2.1 RESEARCH STUDIES :(NATIONAL)**

Aditya Birla Group Corporate Management Audit according to the study, Corporate Management Audit is committed towards systems perfection across the group in India and overseas. It has been actively involved in the evolution, implementation and review of internal controls, cost reduction methods. Group policies, effective MIS, assessment and mitigation of business risks and promoting effective corporate governance, etc. The audit function regularly shares information and best practices among the units and helps the group to
keep pace with the fast changing business scenario, resulting in continuous growth of the group as well as value addition to stakeholders.

Aftab Ahmad Khan, ‘Management audit an effective tool for ensuring all round efficiency’ this paper explains that management audit as a concept in management literature evolved over a period of seven decades. It was T.G. Rose, an industrial consultant from the United Kingdom who had first introduced the concept of management audit in a paper he presented in 1932 before the Institute of Industrial Management (now merged with the British Institute of Management). The management audit concept, however, received greater attention in the United States of America. Jackson Martindell, an investment consultant and founder President of the American Institute of Management (incorporated in 1948) developed a logical system of the concept of management and employed it for evaluating 52 publicly owned companies from 1948 to 1960. These studies were published under the title, “Investment Value of Management Excellence”. Few business terms have had as many meanings in so short a period of time as management audit. For this reason the modern management audit is often confused with its better known (and understood) historical antecedent – financial audit. Both of course, involve the gathering of information that can aid decision making – a process as old as history. But as the requirement of an increasingly complex society transformed the King’s Court of simple times into to-day’s “executive court” of economic forecasters, lawyers, accountants and management consultants, so too have the demands of contemporary business environment created a need for analysis broader in scope and purpose than the financial audit.
Alaa-Aldin Abdul Rahim A. Al Athmay, ‘Performance auditing and public sector management in Brunei Darussalam’ explains that although performance auditing is envisaged in the legislation, the main thrust of auditing is still on financial and procedural compliance; the paper discusses why this is so and in what circumstances it might change.

G.S. Batra, ‘Management audit as a service to public enterprise management: a study of management audit and the memorandum of understanding (MOU) system in India’ the result reviews that there is a constant demand from public enterprise managers for increased autonomy in order to ensure better efficiency and effectiveness in public enterprises. The system of MOU and Management Audit by articulating the missions, objectives and expected results along with the methods of performance evaluation goes a long way towards improving the performance of public enterprises. Hence by adopting these strategies public sector management in India is shaping up to face turbulent times.

Government of Saskatchewan News Release (2007) Results of Independent Forest Management Audit Released, this article refers to the results of the second independent sustainable forest management audit conducted under Saskatchewan’s updated legislation were released today, highlighting requirements for monitoring and reporting of forest practices in the province.

Gurdeep Singh Batra, Narinder Kaur, ‘Emerging Dimensions of Audit Accountability: A Case Study of Public Enterprise Management and Efficiency Audit in India’ this paper finds that audit control over public enterprises varies from case to case, and the CAG should interpret this power according to the need of situation, and there should be external efficiency audit for public enterprises.
Jacab Sunil, ‘Management Audit – Presentation Transcript’ this paper explore that management audit is an independent review and investigation which is concerned with the identification of those functional and operational areas where management has failed to achieve the required external standards of performance and with evaluation of decision making with the aim of monitoring and improving the efficiency and effectiveness of the organization.

J.P.Srivastav, GirishK.Srisvastav, ‘ Management Audit – A pilot survey of views’ this paper finds that under changing conditions the current audit system is not sufficient to fulfill the needs of the public, in the comings years management audit of private enterprise may be made compulsory as in public enterprise.

K.S. Chaudhary, ‘Relevance of management audit in modern industrialization’ this study explores that management audit helps management of the organization in its present and future growth and prosperity through pragmatic and constructive appraisal of all activities of the organization.

RadhaViswanathan, ‘Management audit: Scope & Objective’ this article show that management audit allows in-depth information to the top management about companies management system inter and intra-department procedures, production methods level requirement of training etc.

Vijay Khaana&V.S.Kaveri, ‘Implementing Risk-Based Management Audit in Indian Banks: An Assessment of Organizational Preparedness’ in this report it is analyzed that, banks in India have made sufficient progress in introducing Risk-Based Internal Audit (RBIA) as per the guidelines of the Reserve Bank of India. But there are numerous issues associated with the implementation of RBIA, which need to be analyzed in order to resolve the same. In this context, a survey of banks was undertaken to assess the progress made in the implementation of RBIA and offer suggestions to resolve the issues, if any. The findings of the survey are interesting and help in identifying the relevant issues. The banks have to go a
long way in resolving such issues. The present paper throws light on these aspects.

### 2.2 RESEARCH STUDIES: (INTERNATIONAL)

Audie Waltmon, ‘The Curriculum Management Audit’ as per the study the Curriculum Management Audit poses three questions to guide the process and ultimately determine the outcomes of the curriculum audit: Does it exist? Is it quality? Is it used? The curriculum audit process tries to determine the degree of alignment of the written, taught, and tested curriculum. While the audit is voluntary, some state educational agencies may require a form of the management audit in the future. The five standards in the audit are represented by key words: control, direction, equity, feedback, and productivity. Each standard covers a component of the audit process that determines the effectiveness and efficiency of the instructional program. This book is a powerful and practical resource for central-office administrators, curriculum directors, and principals to examine the curriculum using the principles espoused in the curriculum management audit process.

Dale L. Flesher, ‘A Management Audit of Small Business Long-Term Financial Affairs’ the result suggested that the owner or manager of a small business can conduct the audit on sort of a do-it-yourself basis. Although every department could possibly benefit from such an audit, it is the long-term financial management of the organization that might profit the most from a value-for-money audit.

Dale L. Flesher, ‘An Operational Audit of Working Capital Management’ this article explores that intended to end the oversight. An operational audit can lead to better management of working capital in the same way that it can lead to better management of a production area or by a treasurer who merely wants to perform a self-audit of his or her own department’s efficiency and effectiveness.
Dale L. Flesher, Jeffrey S. Zanzig, ‘Management accountants express a desire for change in the functioning of internal auditing’ this paper outlines the results of a survey designed to compare the opinions of internal auditors to one class of audit customers – namely management accountants. To function effectively, internal auditors and the customers of audit services should possess a similar understanding of what makes internal auditing a value-added activity. Failure to reach this understanding could result in the perception that internal audit is simply an obstacle to achieving production objectives. This can result in underutilized audit services and ignored audit recommendations. Fortunately, internal auditors and management accountants have similar views, but there are a few areas of difference that should be addressed by internal auditors.

Lane, ‘The Operational Audit: A Business Appraisal Approach to Improved Operations and Profitability’ the findings of that study operational audit is concerned with the appraisal of company effectiveness, identifying operations which are open to improvement.

Dessalegn Getie Mihret, Aderajew Wondim Yismaw, Management audit effectiveness: an Ethiopian public sector case study’ the findings of the study highlight that management audit effectiveness is strongly influenced by internal audit quality and management support, whereas organizational setting and auditee attributes do not have a strong impact on audit effectiveness.

D.F. Sutton, ‘Management Audit and Appraisal’ this general reviews that traditionally, auditors are not popular people and their arrival in an organization is apt to give rise to an anxious wariness and defensiveness throughout the system. Audit is believed to be a fact-based, periodical, astringent process designed to reveal errors and weaknesses and to identify those responsible. It is a process to be endured rather than welcomed. The philosophy outlined in this article owes little to the traditional concept of financial audit: it is concerned with
people and could possibly benefit by being known by some name other than “audit”, with its present connotations.

F.Y. Chan, W. Willborn, H. Xiao, H. Li, ‘Research Report: An Expert System for Quality Management Auditing’ this reports on the development of an expert system designed for auditors of quality management, discussing its development process (QMA-1), composition and structure. The system was tested in 20 Chinese organizations and user feedback reported. Outlines plans for future development of the system.

Gerrit Sarens Ignace De Beelde, ‘The Relationship Between Internal Audit and Senior Management: A Qualitative Analysis of Expectations and Perceptions’ this study finding that senior management’s expectations have a significant influence on internal audit and that internal audit, generally, is able to meet most of these expectations.

John A. Quelch, Paul W. Farris, James Olver, ‘The Product Management Audit: Design and Survey’ the result reviews that actual audit surveys and shows how one company use an audit to identify and solve problems within its product management organization concludes that the product management audit is an excellent tool for producing hard data which may be missed by management by walking around.

J.M. Askey, B.G. Dale, ‘Internal Quality Management Auditing: An Examination’ the finding of that study are management audit is concerned with the appraisal of medium- sized manufacturing company effectiveness, identifying operations which are open to improvement.

J. Innes,External Management Auditing of Companies — a Survey of Credit Managers’ this study focus that external management auditing has links with — but is different from — external financial auditing, internal operational auditing and management consultancy. The reasons for conducting external management
audits are considered, particularly in relation to the accountability of corporate management, and the interests of various potential user groups. Essentially, the conclusion was that credit managers strongly favored external management audit reports.

Jiankang Wang, Jiuling Xiao, ‘Knowledge management audit framework and methodology based on processes’ the finding of the study, Knowledge management audit is the first important step in a knowledge management project and includes four phases: preparation, analysis, implementation, and summary. Its primary content involves knowledge management environment audit, knowledge property audit, knowledge management ability audit and knowledge management performance audit, and its main modules consist of knowledge demand analysis, knowledge inventory analysis, knowledge map and knowledge flow analysis.

J. Kenneth Reynolds & David A. Wood, The Effects of Using the Management Audit Function as a Management Training Ground on Internal Audit Quality and External Audit Fees’ this study examines how using the management audit function (MAF) as a management training ground (MTG)-a popular practice used by nearly half of companies in the United States-affects internal audit quality. We also test whether using the IAF as a MTG results in more control conscientious management and thus lower external audit fees or less competent/objective internal auditors and thus higher external audit fees. We distinguish between IAFs that use the chief audit executive (CAE) position and staff internal auditor positions as MTGs. We hypothesize and find that companies that use staff internal audit positions as a MTG are generally of lower quality as the internal auditors are less competent. In addition, external audit fees are significantly higher for companies that use the CAE position as a MTG; however, this effect appears to be caused by external auditors concerns over the internal auditors' objectivity rather than their competence.
James R. Crockett, ‘Criteria for Operational Auditing’ this article looks at the criteria held to be essential for any type of auditing, i.e. comparing “what was” with “what should be”. However, in operational auditing this is not a clear cut distinction. An approach to the identification and evaluation of criteria for evaluating effectiveness and efficiency is outlined. Auditors must agree with managers what operations are intended to accomplish and how they judge performance; planning and control systems may be a focal point in monitoring performance but other organizational data may need to be sought. Formal performance standards may need to be established and the reliability of data must be checked.

John Innes, Robert A. Lyon, ‘A Simulated Lending Decision with External Management Audit Reports’ this paper focus on the bankers’ overdraft decisions were statistically significantly related to the addition of an adverse management audit report. The reasons given by the bankers for their corporate overdraft decisions also suggest that bankers would be interested in and would use external management audit reports.

John Innes, ‘External Management Auditing of Companies: A Survey of Bankers’ this paper revealed strong support from the bankers for external management audit reports and the bankers would like these reports to include assessments both of the general management function and of certain individual business functions.

J. Olver, ‘The management audit function: Perceptions of internal audit roles, effectiveness and evaluation’ the results of the study suggest significant expansion and refocus of the role of MA and perceptions of its effectiveness. However, the findings also suggest that performance evaluation mechanisms of MA have not evolved contemporaneously. The misalignment between the role and evaluation gives rise to difficulty in assessing the extent to which IA functions are meeting stakeholders' expectations.
Kenneth S. Most, A Selective History of Management Auditing’ this journal review is a consideration of the history of management auditing suggests that the evolution of non-financial audit and the rise of the internal auditor can be traced back to audit's earliest origins and that modern financial audit is a special case of more general auditing. Professional audit came about partly through legislation and partly to serve the interests of companies. In the USA, as a narrower purpose of audit took hold, companies and government responded by the development of an internal audit function to fill the gap.

Kristin Reichborn-Kjennerud, ‘Auditors’ understanding of evidence: A performance audit of an urban development programme’ this article concerning the performance auditors’ roles as improvement agents and independent controllers is that the improvement agenda often implies interacting closely with the auditees whereas controlling requires independence.

Laura de Zwaan, Jenny Stewart, Nava Subramaniam, ‘Management audit involvement in enterprise risk management’ the study indicates that a high involvement in ERM impacts the perceptions of internal auditors' willingness to report a breakdown in risk procedures to the audit committee. However, a strong relationship with the audit committee does not appear to affect their perceived willingness to report. The study also finds that the majority of organizations have recently adopted ERM. Internal auditors are involved in ERM assurance activities but some also engage in activities that could compromise objectivity.

Lindsay C. Hawkes, Michael B. Adams, ‘Total quality management and the management audit: empirical evidence’ this study focus that unless the management audit function responds proactively to the challenges of TQM, firms may look to other agencies to perform quality systems reviews.
Management Skills and Performance Audit, this paper focuses on current thinking supports the contention that successful organization performance rests on the skills, knowledge, attitudes and other human characteristics of the workforce. In Australia, a consequence of this thinking is that action to improve performance has centered on improving skills, training and staff development, and linking training and performance with the achievement of strategic objectives.

Martha J. Whitaker, ‘Conducting a facility management audit’ this paper focuses on a facility management audit which follows an orderly, objective process to compare an organization's FM resources to internal expectations and external benchmarks can help, claims that the FM audit will give teams an understanding of every part of their operations enabling facilities managers to develop a holistic view of facilities and strategies for continuous improvement.

Merce Bernardo, Marti Casadesus, Stanislav Karapetrovic, Iñaki Heras, ‘Relationships between the integration of audits and management systems: An empirical study’ this study explore that it was found that organizations that exhibited a higher level of integration of their standardized MSs also demonstrated more highly-integrated audits. In addition, the level of integration was generally higher for internal compared with the external audits.

Milena Alic, Borut Rusjan, ‘Managerial relevance of management audit: Business benefits of using ISO 9000 internal audit as a managerial tool’ this paper shows that in order to use management audit as an effective managerial tool, management audit has to be appropriately integrated within a strategic management system. The greatest benefits can be achieved by companies that are internally motivated to introduce the QMS which have a mature quality culture and QMS and their quality objectives linked to the business ones.
Mort Dittenhofer, ‘Performance auditing in governments’ the result suggested that government management reporting constitute the parameters of a performance auditing model appropriate for government officials and stakeholders.

Packaed Thomas, ‘The Management Audit as a Teaching Tool in Social Work Administration’ according to this study the accountability movement in social work in the 1970s (Martin & Kettner, 1997) and the popularizing of excellence by Peters and Waterman (1982), social work administrators have increasingly focused on defining and achieving organizational effectiveness. The recent emphasis on outcomes measurement in social work (Mullen & Magnabosco, 1997) has heightened interest in creating maximally effective human service programs, and best-selling authors outside of social work (e.g., Kanter, 1983; Osborne & Gaebler, 1992) have emphasized the need for major changes in organizational management.

Philomena Leung, Barry J. Cooper, Luckmika Perera, ‘Accountability structures and management relationships of internal audit: An Australian study’ this study focus that while internal audit objectives have been established with a focus on controls, risks and governance, the study has highlighted the fact that there is a lack of correlation between the tasks performed by internal auditors and the important internal audit objectives, with the exception of internal control and risks. The results also suggest that internal auditors have been providing an internal consulting and advisory role in matters concerning IT systems, strategic risks and financial issues. If internal auditors are to proactively contribute to good corporate governance, they need to define how, and in what way, this can be done. In regard to corporate governance processes, the results of the research indicate that issues surrounding internal control, risk assessment and management processes are regarded as the key factors for internal audit to contribute to good corporate governance.
Robert M. Torok, Patrick J. Cordon, ‘Operational Profitability: Conducting Management Audits’ explains their book Operational Profitability offers CPA firms a unique opportunity to provide valuable new client services, add substantial value to current services, and greatly expand their own revenue base and earnings potential through the use of management audits. A management audit is an in-depth review of the individual parts of a business and how they function and interrelate to produce overall results. Properly executed, the management audit provides the best overview available of how a business works as a single entity. It may also be used to evaluate specific functions within the organization to determine their performance efficiency. The management audit takes into account the unique characteristics of each company, adjusts its standard of measurement accordingly, and reflects the specific nature of its corporate culture. In today’s hypercompetitive business environment, the management audit could mean the difference between business success and failure. This manual helps CPAs and their clients understand and regulate the health of businesses by systematically identifying areas that affect profitability most and by offering experience-based solutions for improving efficiency in these areas.

Sheila D Foster & Mary Brady Green Walt, ‘Management Auditing: a comparison across countries’ according to the study it is analyzed that, society’s recognition of the importance of management auditing has increased in recent years. This has resulted in an increased recognition of the need for improving and formalizing the manner in which internal auditors are educated. Suggests some of the forces that have led to this increased awareness of the value of internal auditing and discusses historical changes in internal auditing education.

has found that Shelby Energy Cooperative has improved worker safety since a string of four fatal accidents from 1998 to 2007. The PSC initiated the audit in October 2008, following the settlement of charges of safety violations stemming from the most recent of those fatalities. In addition to safety issues, the audit also addressed Shelby Energy’s failure to properly pass through to its customers the full cost of the power it purchases from the East Kentucky Power Cooperative (EKPC).

Yan Jin’e, Li Dunjia, ‘Performance audit in the service of internal audit’ this paper revealed that performance audit is the most appropriate approach for internal audit through it; enterprises may tighten up control and raise managerial efficiency as well as improving their competitive situation.

2.3 CONCLUSION
After reviewing the entire study carried out at national and international level, the researcher concludes that although some of the topics have been covered in the earlier literature review, no comprehensive study exists that treats all the components of MAS in an integrated fashion. The current study aims to fill the gap. It indicates that the topic chosen for the study is quite relevant. To summarize, the research opens the doors for exploration of upcoming areas in the field of MAS in order to make the further studies more meaningful.
REFERENCES


