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| 役割   | 重要なと認められる。
| 意味   | 重要なと認められる。
| 背景   | 重要である。 |
| 品質   | 重要である。 |
| 価値   | 重要である。 |
| 感想   | 重要である。 |
| 一般   | 重要である。 |
| 資料   | 重要である。 |
| その他 | 重要である。 |
THE BUSINESS AUDIT SYSTEM IN JAPAN

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I

The audit system in Japanese business enterprises can be said to be rather a new innovation since the termination of the War in both accounting audit and business efficiency audit. The Accounting audit has already been put into force in some large business enterprises as an internal audit, but is not necessarily in general practice. The Certified Public Accountants (C.P.A.) Law was enacted after the War for the first time in 1948, under which, as a compulsory audit from outside by public accountants is enforced, the internal audit system will hereafter be speedily adopted by business enterprises. Such an enterprise business audit, however, is much more significant because of its effectiveness as a business audit to improve the efficiency of management, aside from the standpoint of accounting. In this sense it may be termed an "efficiency audit" rather than an accounting audit, and has not necessarily a direct relation with an external audit by public accountants. Such a business audit is of a voluntary nature conducted by the executives (or Administrators), and in this sense has been recognized as a necessity and adopted gradually by post-war executives in Japan.

It may not be true to say, however, that a business audit with a view to gauging the degree of efficiency of management in enterprises in Japan came to be put into force for the first time after the War, because it was conscientiously carried out during the last war, government authorities demanding it and giving positive help, as a system of internal audit in munitions factories. A practical method was officially made public in Information on the Internal Audit System for Factories (1942), containing the main points for conducting a management audit, which system gained recognition by entrepreneurs and the understanding by the general public of the necessity of a business audit. The various studies conducted since the War on the business audit also attach importance to the methods shown in the referred to "Information."

The audit system in question was intended to be a business self audit, not only to prevent possible misappropriations and errors but broadly to help improve management through self-appraisals of essential organs and
management activities. To attain such objectives, three types of audit were stipulated:—(1) organization audit, (2) efficiency audit, and (3) accounting audit. The organization audit refers to the management methods for enhancing the objects of the business; the efficiency audit to the state or degree of efficiency of management through an analysis of data. The accounting audit is to ascertain the accuracy of accounting records and is generally termed an accounting audit. It stipulated that the three methods of audit should be carried out in close and organic relationship with one another, and it can be asserted that this system well merited the title of “Business Audit.”

It must be admitted, however, that the extent to which the business audit as such was utilized in practice through necessity from a voluntary standpoint by business executives in Japan, has not in reality been encouraging. This system was introduced into a number of munition factories by direction of the government during the War. But the introduction on an internal audit system in this sense had merely an educative significance for the majority of executives, and it can be said that it was actually through the special circumstances confronting executives in Japan after the war that the necessity of adopting the system came to be keenly felt.

Its adoption by enterprises was quite voluntary, actuated by the necessity to rationalize their business, and the audit system came to be recognized as an effective method.

II

From data of investigations conducted under practical conditions in various enterprises, it was ascertained that there existed a variety of motives special to different enterprises and naturally different methods were applied.

In the first place, enterprises which had to cope with advancing currency inflation after the War, required a scientific method for establishing a definite standard for their industrial activities. Under such circumstances the business audit began to be studied seriously by various enterprises as one of the means for rationalizing management, which was quite the general reason throughout enterprises.

Secondly, it was adopted for a much more practical purpose, because the effect of inflation upon enterprises resulted in considerably high costs, specially the ratio of labor expenses as a component of the cost. Consequently, it was considered necessary to enforce a rigid audit in management in order to ascertain the object of business activities in a certain definite ratio against labor expenses. In enterprises which enforced this system on such grounds, stress was naturally placed on auditing labor efficiency, by adopting a very simple method known as the “Point System”
as explained later.

Thirdly, the business audit is intended more comprehensively to cover labor efficiency and to include in its scope the gauging of efficiency of materials and expenses involved. In this case, the majority of enterprises adopted the “Standard Cost System” as pivotal though it was not adopted generally, in most cases being applied only to chief manufactures.

If the business audit was applied to highly important affairs confronting various enterprises, it was naturally understood that other matters or manufactures were also involved. For this reason, it can be seen that various enterprises have become serious in their efforts to perfect the establishment of a business audit. To meet such audit demands, the “Japan Efficiency Association,” a civilian research society, set up in Nov., 1948 a “Business Efficiency Audit Committee” as a special committee to undertake studies by specialists in audit systems. The Committee has for a period of 2 years, conducted a minute study and investigation of the methods of business audit as enforced in various enterprises, and the results were made public in “Business Efficiency Audit,” (published by the Diamond Magazine in Dec., 1950). The adoption of a business audit after the War, being essential for accomplishing a rationalization of business enterprises, the problem has also been taken up by a Financial Management Committee set up as a special branch of the General Committee of the Deliberation Committee for Rationalization of Industry established in the Ministry of International Trade and Industry in Oct., 1949. The aim of the Financial Management Committee is scientific research for developing a suitable and proper business audit system, which will be enforced in the future in enterprises in Japan, and serve also to enlighten entrepreneurs of the importance and value of such an audit. For this purpose, the help of learned and experienced men was enlisted and a Committee formed, which is now undertaking studies on the business audit system, including American methods. It is hoped that the results of these studies, which are still proceeding, will be adopted and put into practice widely by enterprises as the core of their “Internal Control System.” A business audit system appropriate to actual conditions of enterprise in Japan, is thus being studied on the basis of actual experience, as well as scientifically and systematically, and it is hoped that whatever system is evolved will gradually be adopted and adapted to meet the actual needs of enterprises. It is also hoped that it will contribute to the progress of rationalization of management in the future. In the meantime, from investigations we have conducted through the channels of the Financial Management Committee of the Ministry of International Trade and Industry and the Committee of Business Efficiency Audit of the Japan Efficiency Association above referred to, regarding the system actually in operation up to the present time in representative enterprises, it appears that, contrary to expectations, not much progress has been made.
III

A business audit should be conducted by an enterprise throughout its entire field of activities. If classified according to its effective scope, it will be separated into an audit of productive efficiency, an audit of business efficiency in activities in the market covering sales and purchases; and an audit of efficiency in financial activities. The greatest problem confronting enterprises in Japan after the War, was how to improve efficiency in production. For this purpose almost all enterprises first undertook a business audit, and specially an audit of production efficiency.

Our investigations reveal that the simplest form of what is called the “Point System” was widely adopted in the field of production; though not necessarily uniform in various enterprises, the method, being easy and simple, is considered an effective one to introducing a business audit, the general characteristics of which lie in the way in which an audit of efficiency is conducted, using as standards the points into which efficiency of management activities are converted for measurement on a common basis. This method can be made effectively used, specially for measuring productive efficiency.

Different enterprises produce miscellaneous and various kinds of manufactures, hence the raw materials for them naturally cover a great variety. Furthermore, in enterprises in Japan, the jobs done by workers are not at all uniform because of lack of modernization. Therefore in order to audit consolidatedly the degree of efficiency in production, in which the various elements aforesaid are all combined, it becomes necessary to have a certain standard common to various elements for measuring the efficiency. Such a common standard is what is generally called “points,” in the majority of cases being figured on the basis of the time occupied.

It is not always necessary, of course, to use time as a basis to calculate the points. In some cases the number of pieces produced can be used as a basis to measure the efficiency and the quantity, or the net worth of raw materials consumed may be utilized. Further, the price of manufactures also can be taken as a basis for the points. After all, whatever can possibly serve adequately as common standards for measuring efficiency may be selected for the purpose of figuring out the points. Consequently it should be noted that the “points” as termed in this system should be used in a very broad sense.

Where the points method is applied for measuring the efficiency in a business audit, it is very important whether or not the method is scientific and that what constitutes the basis for it is sufficiently scientific, and that the points are so figured out that they serve the purpose for measuring the efficiency; in other words, how the “Standard Points” are figured out. If
such standard points are employed, a basis for comparison with actual points will be afforded and the degree of efficiency in actual management activities can be judged, and only thus, can the proper objectives of business audit be attained. Under such conditions, attention must be drawn to the fact that, in judging the scientific nature of the points method, it is of great importance whether or not a close "time study" has been effected where the working time of the workers or "man-days" necessary per piece of manufacture are selected for points, and also that the unit calculation has been strictly followed through in case the quantity of raw materials consumed is taken as a basis for the point calculation.

IV

Actual investigations reveal that the business audit by the point method has been undertaken in the following forms.

Taking a representative manufacture, an analysis is made of its processes and the actual time calculated through a "time study" spent on each process is decided as a "Production Point." In one the study and investigation of working time directly spent in each process for the production of the representative manufacture A gave a total of 10.1 minutes, which was taken as 1 point in the production points. Further, the working time directly spent on each process figured out in a similar way for other manufactures B, C, and D produced by them is converted at 1 point of the representative manufacture, giving 4 points, 1.5 points, and 2.3 points for B, C, and D respectively, by which it becomes possible to calculate, as standard points, the total of production points during 1 day, 10 days, or 1 month for all of the manufactures of the company. The establishment of the actual production points for the period named for each manufacture affords the basis for a scientific judgment on the merits or demerits of that enterprise, for it will be possible to measure the productive efficiency by comparing those production points against the provisional points as previously fixed.

In the point method, the points are calculated solely on the basis of time needed to produce manufactures. Naturally this method is efficient for an audit on labor efficiency, and can be said to be effective even if a saving of labor expenses is aimed at. The adoption of such point methods, aiming at the rationalization of labor expenses, is by no means insignificant, because under postwar conditions in Japan every business suffered greatly from the effects of monetary inflation in the form of soaring labor expenses.

However, it has been proved that this method is not adequate when applied as a business audit on the consumption efficiency of raw materials (other than working time), because workers were indifferent to the net
worth of raw materials and, to make matters worse in some cases, they wastefully consumed raw materials intentionally in order to advance their working efficiency.

Therefore, a second point system came to be considered, in which not only the production points but also the material points calculated on materials consumed are considered. The number of points for this purpose are fixed for the quantity of raw materials consumed by calculating the ratio of standard net worth of materials against each manufacture.

It is problematic how to fix the ratio of net worth of materials to be adopted as a basis. Although to meet this requirement there is a statistical method based on past experience and a method of production technique by means of the "original unit calculation," it must be admitted that it is difficult to fix the ratio uniformly, as the net worth of materials varies in each kind of material. Therefore, the net worth must be fixed as 60% for material $a$, 80% material $b$, and 75% material $c$ for the manufacture $A$, and 70% for material $a$, 85% material $b$, and 90% material $c$ for the manufacture $B$. If the points for the respective raw materials are appropriate they can be calculated for all kinds of varied manufactures or for each process, and can be compared with actual ratios for passing the examination for each manufacture or process. The results therefrom will make it possible to measure the ratios of consumption of various raw materials and judge scientifically the propriety or quality of the consumption of materials. This method was adopted in some businesses for the audit of efficiency of materials consumed and may be called a second formula in the point system.

Besides the above, a third point system is in practical use, in business audit not only for auditing labor efficiency and material efficiency but also for a consolidated measurement of efficiency in manufactures. It aims at calculating the "price points" in the cost of manufactures, in addition to the production points for auditing labor efficiency and material points for the efficiency of materials consumed.

This method of business audit by means of price points, considered as a point system, is divided into at least two formulas. In one the price points based on controlled prices is adopted. As price control was continued in post-war Japan, the controlled price system (official prices) was enforced from a national point of view for important manufactures. The prices were fixed on the basis of the cost of manufactures produced by various makers of similar goods, and proved to be favorable in some cases and unfavorable in others, when viewed from each individual business. Consequently, if actual cost calculations of similar enterprises are compared with the controlled prices (official prices) the profitable manufactures and unprofitable manufactures are discernible.

Hence, business enterprises sought to undertake the production of pro-
fitable manufactures as far as possible by calculating the price points with the controlled prices, taking into consideration production and material points, and for this purpose, endeavoured to combine into the point system, price points, which represent the price of every manufacture, as converted into points on the basis of the representative manufactures.

The second formula in the point system envisages the measurement of points for a business as a whole, in the form of price points. Many difficulties exist in calculating the consolidated points for some kinds of manufactures when fixing production points for labor efficiency, material points for efficiency of materials consumed or such price points as can compare with each other and the prices of manufactures in relation to the controlled prices. For instance, in the production price where the points for each manufacture differ considerably, it is difficult to convert various points for each manufacture and, therefore, the price points are calculated on all manufactures. If the price of the principal manufacture in a certain enterprise is ¥1,500.00, then the price is taken as a 1 point standard at which the prices of all its manufactures are converted into price points. With such points, this method aims to find a basis for measuring its management merit.

To expand the point system to the extent of including price points indicates that the method of measuring management efficiency has come to be considered as not limited to the efficiency of working time or materials consumed, but to be extended to the measurement of accounting efficiency or financial efficiency, showing that progress is being made toward the consolidated measurement of management efficiency in businesses. At the same time, it discloses that the point system is not at all perfect when applied as a business audit.

The difficulties in auditing consolidated management efficiency by means of the point system, brought home to businessmen in Japan the necessity of developing an audit of management efficiency by means of "standard cost accounting" and "budgetary control." It may further be said that the business audit system came to be studied because of the newly established internal control system which is in co-relation with the set-up of the external compulsory audit system, necessitated by the subsequent increase in public enterprises. I should like to add some private views on possible future developments.

V

The point system when extended to include price points, if applied as a business audit, is useful for measuring the consolidated efficiency of management, though it has at least the following two defects. One is how to
decide the combination of price points with other production and material points. To do so, the mutual ratios between these three kinds of points must be measured correctly, though it is not at all easy to do so. Unless this combination is sufficiently rational it will result in the measurement thereby obtained of management efficiency being unscientific. In order to measure the consolidated efficiency of management activities through the combination of these three kinds of points, which are calculated respectively from different angles, other additional considerations are required.

What we have investigated indicates that various business enterprises attempted to develop a consolidated method by using degrees of importance, for instance, 2 for production point, 1 for material point. In some cases, the composing ratios of labor expenses and material charges, constituting the costs on the basis of cost calculation, were used for combining production points and material points, but this method has the defect that such a basis can not be worked out in a combination of price points.

The second defect in price points lay in the fact that the mutual ratios between manufactures changed as the prices of manufactures fluctuated considerably with the advance of inflation. Consequently, it becomes necessary, in this case, to select a standard price for each manufacture which would not fluctuate over a certain period. To this end, it becomes absolutely necessary to take into the consideration of the basis for the price points the relation of prices with standard cost accounting.

A point system, attempting to measure as above the consolidated efficiency for various manufactures and to judge its propriety, may be said to be by no means adequate as a method of business audit, because it will be effective in measuring individual materialistic efficiency, such as labor efficiency or material efficiency, but will encounter difficulties in measuring the consolidated efficiency for each individual manufacture, especially its economic efficiency.

Under such circumstances, progressive business enterprises are attempting to adopt standard cost accounting or the budgetary control system for the purpose of measuring a consolidated efficiency for each kind of manufacture. However, according to our investigations, each business is trying to evolve a method appropriate to itself, and endeavoring to perfect that method rather than utilize standard cost accounting, thus the methods explained hereunder having been adopted.

In one instance, standard cost accounting was adopted only for representative manufactures which form the main business of the enterprise, and not for all manufactures. In other cases, though this system was adopted for all manufactures, it was used only for the calculation of standard expenses, labor and material charges being calculated at their actual costs. In the third instance, some businesses were found to be trying to effect a business audit on a basis figured out through the application of this method
of standard cost accounting to labor charges, material charges, and expenses for all manufactures. Generally speaking, however, the standard cost accounting system, though effective as a method of auditing management efficiency, seems in reality to be a problem for the future in business circles in Japan, and it may be said that almost every enterprise is studying the system with a view to its adoption.

The budgetary control system, together with the standard cost accounting system, or rather a method embracing both systems, is effective for a business audit over the entire field of management activities, a fact which has gradually been realized by businessmen in Japan, because it has been made possible to measure efficiencies over the entire business field of management by compiling, by this method, a budget for the activities in all departments of the enterprise, toward which management activities are exerted and to compare afterwards the merits of execution with the budget. Consequently, this method is eminently satisfactory for businesses to judge the consolidated efficiency of the activities of all the departments, and the scope of audit will thereby be extended further than that covered by the standard cost accounting system.

In reality the majority of business concerns in Japan usually use the standard cost accounting system for production departments, and budgetary control only in the accounting department. Consequently the adoption of these methods can be said to be partially for business management activities, similar to the point method, though enterprises are endeavoring to establish their own audit method or to perfect one gradually as the necessity for business audit increases, to meet the situation arising after the War by the demand for rationalization and the compulsory audit from outside enforced under the Certified Public Accountants System. Progress is being specially directed toward the establishment of an Internal Control System, with budgetary control as the pivot, the utilization of which will be effected in the accounting department and extended to all departments of management activities.

Thus, business management activities in Japan in the future will be directed toward Internal Control as a system, consolidating standard cost accounting, budgetary control, and business analysis, in order to measure the consolidated efficiency of management and to facilitate improvements. To this end, business enterprises are evincing an ardent interest in comptrollership as in American enterprises. The establishment of internal control, with a comptrollership as the pivot, is an important problem, for business enterprises in Japan in the future.