

Ques • Audit :-

An audit is defined as an examination of the books, accounts and vouchers of a business as will enable the auditor to satisfy himself that the balance sheet is properly drawn up, so as to give a true and fair view of the state of the affairs of the business, and whether the profit and loss account gives a true and fair view of the profit or loss for the financial period, according to the best of his information and the explanations given to him and as shown by the books and if not, in what respects he is not satisfied.

• Objectives of Audit are :-

- 1) Accounts and Statements verification.
- 2) Checking Accounting Policies.
- 3) Error and Fraud detection.
- 4) Improves Quality of Business Processes
- 5) Assurance to investors.
- 6) Checking Assets and liabilities.

• Although the auditor is not and cannot be held responsible for preventing fraud and errors, in your work, he can have a positive role in preventing fraud and errors by deterring their occurrence. The auditor should communicate with the management of his client.