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Audit

Audit is the examination or inspection of various books of accounts by an auditor. followed by physical checking of inventory to make sure that all departments are following documented system of recording transactions. It is done to ascertain the accuracy of financial statements provided by the organisation.

It is an official inspection of an organisation's accounts, typically by an independent body.

Objectives of Auditing:

- ① Accounts and statements verification.
- ② Checking Accounting Policies.
- ③ Error and fraud detection.
- ④ Improves quality of business processes.
- (5) Assurance to investors.

* Can an auditor prevent errors and frauds? *

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 detecting their occurrence. The auditor should communicate with the management of his client.