

# AUDITING PRINCIPLES AND PRACTICES

## **MEANING, DEFINITION, QUALIFICATION, QUALITIES & RESPONSIBILITIES**

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## What Is an Auditor?

An auditor is a person authorized to review and verify the accuracy of financial records and ensure that companies comply with tax laws.



## Definition:

An auditor is a body who organizes an audit process. He is the one who creates an audit report after due examination of accounting records and accounting statements of the company forming his impression/assumption regarding financial statements fairness and reliability



## Qualification of an Auditor

According to law, no specific qualification is recommended for the auditor in case of the proprietary concern, but in the case of the companies, the following qualification is must:

1. According to the Companies Act, 2013, a chartered accountant having a certificate of practice from the Institute of Chartered Accountants of India can be a qualified auditor of a company.
2. As per “Part B” of the State Law Act, 1953 a person holding a certificate stating that he is designated to act as an auditor.

## Qualities of an Auditor

Some relevant qualities that an auditor should possess are as follows:

- ❖ Sovereignty
- ❖ Honesty
- ❖ Conversation Skills
- ❖ Maintain Confidentiality
- ❖ Expertise
- ❖ Sensitivity
- ❖ Coherent Skills



# Responsibilities of an Auditor

Following are the responsibilities of an auditor:



*Thank You!*

