



**SUBJECT:  
AUDITING**



## AUDITING MEANING

STEFY M M  
DEPT OF COMMERCE  
ACADEMIC YEAR :2018-2019

- ❖ Investigation means an act of detailed examination of books and accounts and commercial and financial position of a business firm.
- ❖ The term investigation may be referred to as Special Audit.
- ❖ Investigation is not compulsory. it is in addition to the regular audit.

# DEFINITION

- Investigation involves enquiry into facts behind the books and accounts, into the technical financial and accounts, in to the technical, financial and economic position of the business organizations.

# DIFFERENCES BETWEEN AUDITING AND INVESTIGATION

- 1) Purpose
- 2) conducted On Behalf Of
- 3) Mode Of Examination
- 4) Whether Compulsory
- 5) Period Covered
- 6) Person Entrusted With

- 7) Qualification
- 8) Application of accounting policies
- 9) Evidence considered
- 10) Scope
- 11) Preparation of report
- 12) Report submitted

# **OBJECT OR PURPOSE OF INVESTIGATION**

## **SUBMISSION OF INVESTIGATION REPORT**

- 1) INVESTIGATION ON BEHALF OF AN INTENDING PURCHASER OF
- 2) INVESTIGATION ON BEHALF OF AN INCOMING PARTNER
- 3) INVESTIGATION ON BEHALF OF MANAGEMENT WHERE FRAUD SUSPECTED



## **INVESTIGATION ON BEHALF OF MANAGEMENT WHERE FRAUD SUSPECTED**

- **A) Misappropriation of cash**
- **B) Misappropriation of goods**
- **C) Misappropriation of Accounts**

## **WHEN AUDITOR ACTS AS AN ACCOUNTANT**

When an Auditor is asked to prepare final accounts or Income tax returns of business, he is acting as an accountant; not an auditor. He would not guarantee that the accounts disclosed the true state of affairs of the business.



THANK YOU