

Definition of an Auditor

An auditor is responsible for judging the validity and reliability of a company by evaluating evidence and **financial reports with established standards**.

The person **doing the audit** and who is ultimately responsible for the results of the audit is called an auditor.

An auditor multiple his hand by employing the assistance for doing the work, but still, he alone is responsible for what he does and others do for him.

So, an auditor is a professional that accumulates and evaluates evidence to report on the degree a company's assertions that they comply with an established set of procedures or standards (criteria).

Qualities of an Auditor

An efficient auditor must have certain qualities besides Professional qualification. He needs to carry **out the audit efficiently and smoothly**.

1. An auditor needs to be well versed in the fundamental principles and theory of all branches of accounting, e.g., general accounting, cost accounts, income-tax, etc. A person can't audit the accounts unless he knows how to prepare them. He should be aware of the latest development of the technique of accounting so that he may modify his procedure of work.
2. He should not pass a transaction unless he knows that it is correct. This is possible only when one knows thoroughly well the principles of accounting.
3. He should be able to grasp quickly the technical details of the business whose accounts he is auditing. If possible, he should pay a visit to the works of his client, before he commences his work.
4. He should be prepared to seek elucidation on technical questions rather than show a false pride or fear of displaying his ignorance.
5. He should be quite familiar with the company and mercantile laws and must be complete master of the principles of auditing.

6. He must be tactful and scrupulously honest. He must not certify what he does not believe to be true, and he must take reasonable care and skill before he believes what he certifies is true.
7. He must not be influenced, directly or indirectly, by others in the discharge of his duties.
8. Sometimes he is put in a very awkward position when his duty to his client is opposed to his interests, in which case he must have the courage to carry out his duty faithfully and honestly, even if such a step harms him. In the long run, this policy will be of immense value to him. He will acquire a reputation for his honesty, which will bring more business to him.
9. He must be prepared to resign, rather than sign a balance sheet, which he knows does not exhibit a true and fair view of the state of affairs of the concern and thus give a false report.
10. He should not disclose the secrets of his clients.
11. He must have the tact to put intelligent questions to extract full information.
12. He must not adopt an attitude of suspicion.
13. He must be prepared to hear arguments and must be reasonable.
14. He must be vigilant, cautious, methodical and accurate.
15. He should have the ability to write the report, correctly, concisely and forcefully.
16. He should have an understanding of the general principles of economics.
17. He should have thorough training in a business organization, management, and finance.
18. Last but not least, he should have "Common Sense".