

# Fundamentals of Auditing

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Dr. Ashima Saxena  
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# Fundamentals of Auditing

*Authored by:*

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## **Preface**

The subject of auditing forms an integral part of commerce and management education and plays a vital role in the professional preparation of students aspiring to enter the fields of accounting, finance, and corporate governance. Recognizing the need for a clear, structured, and student-oriented text, this book has been written to provide a balanced combination of conceptual clarity, academic depth, and practical insight.

The primary objective of this book is to familiarize readers with the fundamental principles, procedures, and professional responsibilities associated with auditing. The content has been carefully designed to support both classroom learning and independent study. Efforts have been made to present topics in a simple and logical manner so that students at undergraduate and postgraduate levels can easily grasp the concepts and apply them effectively in examinations as well as in professional settings.

Each chapter has been organized to build understanding progressively, covering theoretical aspects along with practical implications wherever necessary. The book is intended to be useful not only for university students but also for candidates preparing for professional examinations and for readers seeking a foundational understanding of auditing practices.

The preparation of this manuscript has been enriched by classroom discussions, academic interactions, and feedback received from students and colleagues over time. While every effort has been made to ensure accuracy and clarity, suggestions for improvement will be gratefully acknowledged and incorporated in future editions.

## **Acknowledgement**

The completion of this book would not have been possible without the support and encouragement of many individuals and institutions to whom I wish to express my sincere gratitude.

I extend my heartfelt thanks to my academic institution and colleagues for providing a supportive and intellectually stimulating environment that encouraged me to undertake this work. Their cooperation and professional insights have been invaluable throughout the writing process.

I am deeply grateful to my students, whose questions, discussions, and enthusiasm for learning continually inspire me to explore subjects more deeply and present them more effectively. Their engagement has significantly contributed to shaping the approach adopted in this book.

I also express my respectful gratitude to my teachers and mentors for their constant guidance, inspiration, and blessings, which have played a fundamental role in my academic and professional growth.

Finally, I offer my sincere thanks to my family for their patience, understanding, and unwavering support during the preparation of this manuscript. Their encouragement has been the foundation upon which this work was completed.

**Dr. Ashima Saxena**

**Dr. Niti Saxena**

## Dedication

This book is lovingly dedicated to my students, whose curiosity, discipline, and eagerness to learn have always been a constant source of inspiration. Their thoughtful questions, classroom discussions, and desire to connect theory with practice encouraged me to present auditing not merely as a subject, but as a vital professional responsibility grounded in ethics, transparency, and accountability. This work stands as a reflection of their enthusiasm and my commitment to supporting their academic and professional growth.

I also dedicate this book to my respected mentors, teachers, and academic colleagues, whose wisdom, guidance, and encouragement have significantly shaped my journey in teaching and research. Their insights into the evolving landscape of accounting and auditing, along with their continuous support, helped me refine the ideas presented in this book and motivated me to strive for academic excellence.

My sincere appreciation goes to the academic institutions and professional environments that provided me with opportunities to teach, learn, and grow. The intellectual atmosphere, collaborative spirit, and commitment to quality education in these spaces have greatly influenced the development of this manuscript.

Finally, and most importantly, this book is dedicated to my family, whose unconditional love, patience, and unwavering belief in me have been my greatest source of strength. Their understanding during long hours of writing, reviewing, and revising made this work possible. Without their constant encouragement and support, the completion of this book would not have been achievable.

With gratitude and humility, I dedicate this book to all those who believe in the value of knowledge, integrity, and lifelong learning.

## Foreword

Auditing plays a pivotal role in promoting financial discipline, organizational accountability, and stakeholder confidence in the modern economic environment. With the increasing complexity of business operations, rapid technological transformation, and strengthened regulatory frameworks, the scope and significance of auditing have expanded substantially. It is no longer limited to the verification of financial statements; rather, it functions as an essential instrument for ensuring transparency, evaluating internal controls, supporting corporate governance, and reinforcing ethical business practices.

The present book has been prepared with the objective of offering a comprehensive, structured, and academically rigorous exposition of the principles and practices of auditing. While developing this manuscript, careful attention has been given to presenting the subject in a clear and systematic manner so that readers may build a strong conceptual foundation along with an understanding of its practical applications. The text seeks to integrate theoretical perspectives with procedural aspects of auditing, thereby enabling learners to appreciate both the academic and professional dimensions of the discipline.

The book covers the core areas of auditing, including the nature and objectives of an audit, the role and responsibilities of the auditor, audit planning and procedures, evaluation of internal control systems, collection and assessment of audit evidence, documentation standards, audit reporting, and professional ethics. The content has been organized to ensure logical progression of topics, clarity of explanation, and alignment with the curriculum requirements of universities and professional programs in commerce, accounting, and management.

It is my earnest hope that this book will serve as a valuable resource for students, teachers, and aspiring professionals, and that it will contribute meaningfully to the understanding and effective practice of auditing. Constructive suggestions for improvement in future editions will be sincerely appreciated.

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**Dr. Niti Saxena**

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