

AUDITING

B.COM.(HONS.) (PART-I)

VALUATION AND VERIFICATION OF ASSETS

Dr. Rudra Kinker Verma,
Asst professor(Guest Faculty),
Dept of Commerce, BNMV College,
Sahugarh, Madhepura (Bihar)0



OBJECTIVES OF VERIFICATION

The verification of Assets implies an enquiry into the value, ownership and title, existence and possession and presence of any charge on Assets.

As per the statement of Auditing Practices, In the process of verification of Assets, the objective of a Chartered Accountant is to satisfy himself that the Assets :-

- Are present in the institution
- Have an owner or an authorized person
- Are not kept as mortgage or as security in Liew of loan

OBJECTIVES OF VERIFICATION

- Are shown in the balance sheet as per the rules of accounting
- Entries shown in ledger accounts or book keeping.

DESCRIPTION OF OBJECTIVES OF VERIFICATION

Following are the description of above objectives :-

1. Existence :-

The managers of the institution are liable for the physical existence of the Assets, not the Auditor.

2. Ownership :-

The verification of ownership of the Assets should be done by Title Deed.

DESCRIPTION OF OBJECTIVES OF VERIFICATION

3. Possession :-

Auditor must verify that the Assets are in the possession of their employers or any authorized person.

4. Disclosure of Mortgage and Lien :-

Auditor should make an Audit Procedure which discloses the mortgage and lien on Assets, if present. Also, it should be verified that the all the mortgages and lien on Assets are explained in detail in the financial statements.

DESCRIPTION OF OBJECTIVES OF VERIFICATION

5. Valuation and Disclosure :-

Auditor should verify the fact that Valuation and Disclosure of Assets are done as per the Generally Accepted Accounting Principles and Statutory Requirement.

THANK YOU

