# Proprietary Audit *verses* Special Audit *verses* Cost Audit

| FEATURES | PROPRIETARY AUDIT | SPECIAL AUDIT | COST AUDIT |
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| 1. NATURE | Covers all aspects of safeguarding of assets, use of business funds and recording of transactions; | Conducted by CA appointed by Central Government to protect the interest of stakeholders; | Review of examination & appraisal of cost accounting records; |
| 2. PURPOSE | Ensure business funds are protected in the public interest; | Ensure effective & timely steps of control & mgmt; | Critical review of cost statements & recommends; |
| 3. SCOPE | Proper use of fixed assets & its safeguard, prevents misuse of funds & checks transaction recording; | Statutory audit PLUS prescriptions of Central Government; | Reviews cost accounting system; variation analysis ensuring efficacy; |
| 4. FEATURES | Covers area of financial accounting but it tests economy, efficiency & faithfulness; | Compliance of sound business principles or prudent commercial practices & prevents from serious injury or insolvency; | Correctness of cost of production and audit of cost accounting records; |
| 5. AREAS | Cash & other subsidiary books; Records & registers as mandated by Sec. 227 & CARO; | Cash & other subsidiary books and such other areas prescribed by Central Government (CG); | Raw material, WIP, Allocation & Distribution of direct & indirect cost & overheads; |
| 6. CAPACITY | Chartered Accountant or member/director under CAG; | Chartered Accountant as appointed or authorised by CG; | Member of ICWAI holding Certificate of Practice appointed by Board with previous approval of CG; |
| 7. PERIOD | Alongwith Statutory Audit though not mandated under Companies Act; | Only when CG directs & such direction will give the periodicity of audit; | Compulsory for every Financial Year as specified by Government; |
| 8. REPORTS | To Management & members in certain cases; | To the Central Government; | TO CG with a copy to company and may cause to be published; |