

Lecture 10.4

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- 145 Signing of audit report
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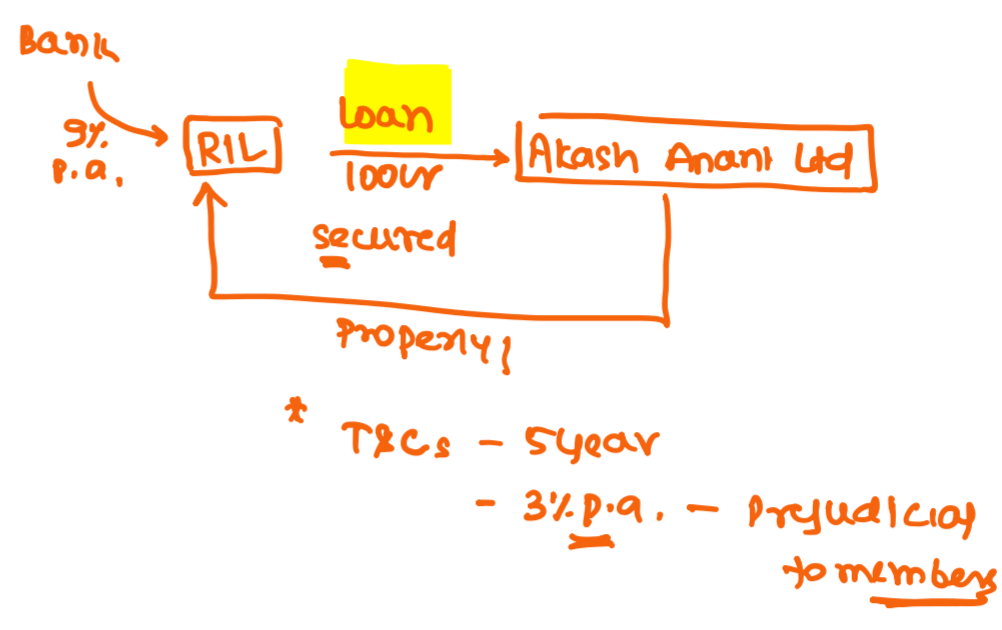
143: Power & duties of auditor:

(1) Power of auditor:

- Right to access at all times - BOA - RO Any place in India
- Require I&E as necessary from officers.
 - Information & Explanation
- Right to access - Records of subsidiary Associate for consolidation

enquiry by auditor:

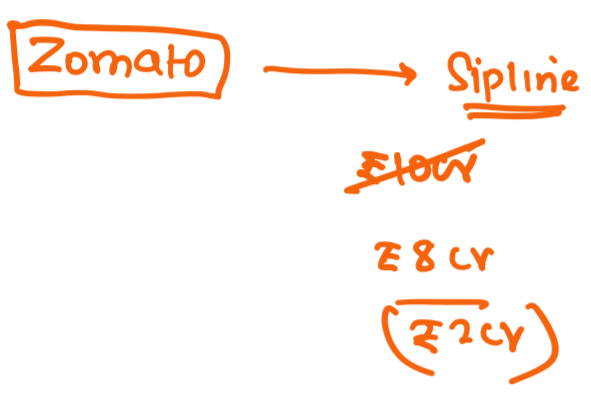
- Loans & advances - Properly secured - Terms - Prejudicial to members? - unfavourable
- Whether transactions represented by merc book entries are prejudicial



Land A/c by 30cr To P.R 20cr

- Assets - shares - debentures - other sec. - sold at price < purchase price - loss

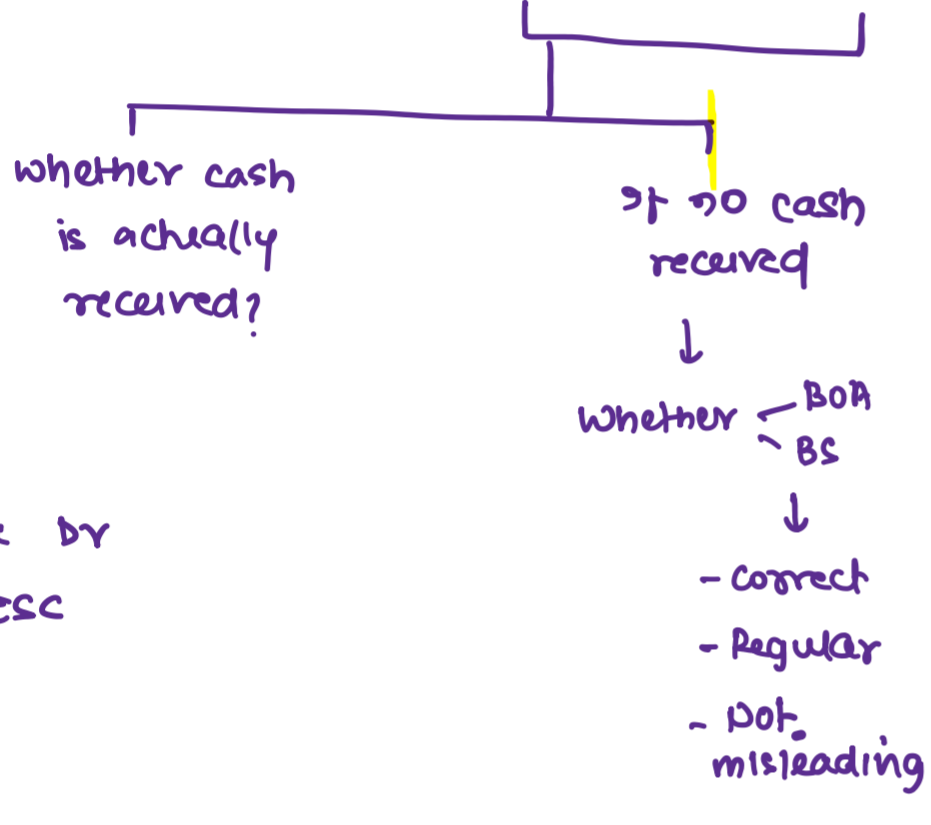
Exception - investment co. - banking co.



- Whether loan & advances -> Deposits

- Personal expence -> charged to P/L A/c?

- Where it is stated in BOA -> shares is allotted for cash



| Power | enquiry | Report | State | Branch | Govt co | Fraud |
|-------------------------------|---|---------------------|----------|--------|---------|-------|
| • BOA • I&E • sub/asso. | • LRA • merc book entry • share - loss • LRA • personal exp • cash - share | member BOA FS | (a) : | | | |

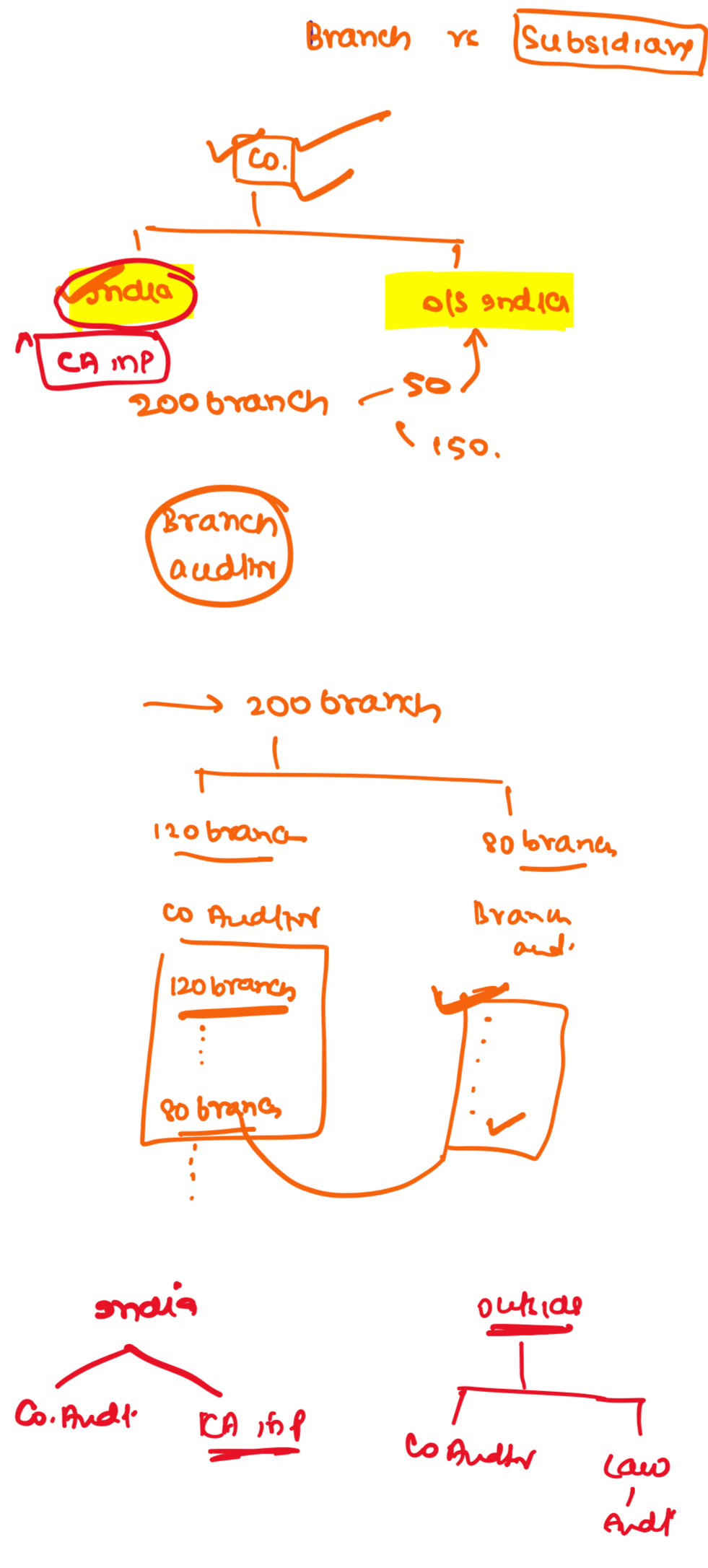
Bank A/c by To ESC

(2) Auditor Report

- BOA examine } Report members
- FS
- To the best of my knowledge & info. provided by the company, the FS give a TRF view of the affairs of Co. [opinion]

(3) Auditor shall report on following matters:

- (a) whether I&E - sought and obtained -> if not -> Details thereof & Effect on FS.
- (b) whether - proper BOA - kept -> Proper returns received from branch.
- (c) whether branch auditor's report is sent to him in manner in which it is dealt with in his report.
- (d) whether - BS - PL -> Agree with BOA
- (e) whether FS comply with AS
- (f) - observation -> transaction having adverse effect on functioning of Co.
- (g) whether director is disqualified u/s 164(2)
- (h) - qualification - reservation - adverse remarks -> maintenance of accounts
- (i) whether internal financial control - adequate operating effectively



- (3) Other matters -> Rules
- Reporting on IFC - N.A. in case of:
 - OPC or small Co.
 - Pvt. Co -> T10 < 500cr AND Borrowing < 25cr.

Govt Co:

