

Q-9

Ans-9 After incorporation of a company  
in its first annual general meeting.

an Auditor must be appointed by the Board of Directors. The Auditor will typically hold term till the conclusion of 6th AGM or 5 years. The appointment of an Auditor can be also be made for a period of 1 year, renewable at each annual general meeting.

The appointment of first Auditor of the Company must be completely by the Board of directors within 30 days of incorporation. In case the Board of Directors fail to appoint an Auditor, the members of the company must be informed. The members will then be required to appoint an auditor within 90 days at an extra ordinary general meeting. An auditor so appointed will hold office until the conclusion of 1st annual general meeting.

## Objective of Vouching

Following are the main objectives of Vouching -

- \* To check whether all the Business transactions are properly recorded in the books of account or not.
- \* To verify that transactions are free from errors or frauds.
- \* To see whether recorded transactions are duly supported by documentary evidence or not.
- \* To verify that all the documentary evidence is authenticated and related to business transactions only.