

Ques 9 • Appointment of Auditors :-

After incorporation of a Company in the 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 also be made for a period of 1 year, renewable at each annual general meeting.

Before the appointment of the auditor, a written consent along with Certificate must be obtained from the C.A. that he/she is eligible for appointment as auditor of a Company and that the proposed appointment is in accordance with the Companies Act.

• Procedure of Companies Auditor Appointment are :-

- 1) At each Annual General Body meeting of the Company, the shareholders shall appoint an auditor for the Company.
- 2) The auditor so appointed shall hold office until the conclusion of the subsequent annual general body meeting.
- 3) The Company should intimate the auditor about the appointment within 7 days of such appointment.
- 4) The acceptance or refusal of such appointment should be intimated by the auditor to the Registrar of Companies within 30 days of the receipt of the intimation of such appointment.

5) Such acceptance / refusal should be made in a prescribed form.

6) The information to the Registrar about the acceptance / refusal of appointment is necessary only if the auditor / auditors are appointed in an annual general body meeting.

• Objectives of Vouching are :-

Main objective of Vouching is to find out the regularity or irregularity of transactions, frauds and errors. Regularity means maintaining record and performing the work Compliance with the facts, rules, regulation and law. But irregularity means doing the work Crossing to the line of rules, regulation and laws. Some of the major objectives of Vouching are given below:

1) To Detect Errors and Frauds

2) To Know The truth of Account

3) To Find the Unrecorded Transactions

4) To Know that All the Transactions are Authorized

5) To Know that Only the Business Transactions are Recorded.