

Sec - 1.

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* The Powers and Duties of the auditor:

For individuals and firms the powers and duties of an auditor depend upon the agreement which is signed between the auditor and the individual or firm, while for joint stock companies, the companies act laid down the powers and duties of the auditor. Section 227 deals with such powers and duties which are listed below.

(1) Right to access book of accounts :-

Book mean all statutory, statistical, costing books and vouchers as documentary evidences. He can play surprise visits to check if they are maintained properly or not.

(2) Right to call for information and explanation :-

He can ask the directors and officers of the company to render information and explanations necessary in discharging his duties.

(3) Right to Receive Notices and attend General Meeting :-

He has a right to receive a notice and attend the general meeting of shareholders. He can speak at such meeting in which the accounts are discussed.

(4) Right to make a statement at the General meeting :-

As related to accounts, he has a right to make any

Statement or explanation he desires at such meeting.

(5) Right to be indemnified \rightarrow

He is to be indemnified out of the assets of the company in defending the case against the company in civil and criminal proceeding if he is acquitted of the charges or he receives judgement in his favour.

(6) Right to visit the branches \rightarrow

The audit can visit the branches for auditing the accounts if no qualified auditor is appointed for such branches.

(7) Right to take legal and technical advice:

If his opinion in the report, he has the right to take legal, expert or technical advice.

(8) Right to sign the audit report \rightarrow

The audit report is to be signed and authenticated by the auditor.