

SIGNATURE ON STATUTORY AUDIT REPORTS*

Attention of the members is drawn to the representation of the Council to the Government on this matter which was published in the January, 1973 issue of the Journal. Regrettably, the Department has informed the Council that it does not consider it necessary to revise the procedure prescribed by it in its letter dated 29th July, 1972, where the member signing the report is required to sign in his own name for and on behalf of the firm. The Department has also threatened action under Section 233 of the Companies Act and directed the Registrars to act accordingly.

In view of existing circumstances, the Council advises the members to comply with the requirements to avoid any penal action by the Department. This does not mean that the Council has accepted the interpretation of the law placed by them on the provisions in the Companies Act. Efforts are still being made so that the procedure hitherto adopted is accepted by the Department.

1. It is recommended to the members that the signature on or authentication of the auditors' report or any other document required to be signed or authenticated by the auditor as envisaged in Section 229 of the Companies Act, 1956 be in the following manner:

For X & Co.
Signature
(Name of the Partner)
Partner
Chartered Accountants

2. The Council does not consider necessary any longer to send an intimation

* Published in March, 1973 issue of 'The Chartered Accountant.' (P. 623-624).

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to the Registrar of Companies about signing of auditor's report etc., on behalf of the firm as has hitherto been done.

3. The Council would like to point out to the members that the new procedure would apply only to such documents that would fall under the purview of Section 229 of the Companies Act, 1956.

Signature on Statutory Audit Report in Case of Sole Proprietary Firms^{*@}

Recommendation to the members on how to sign the audit report or any other document required to be signed by an auditor when the appointment is in the name of a partnership firm was issued in the March, 1973 issue of the Chartered Accountant.

Requests have been received to indicate the manner in which the auditors' report will be signed in case of an auditor who being a sole proprietor practices in the name of a firm.

1. It is recommended to the members that the signature of authentication of the auditors' report or any other document required to be signed or authenticated by the auditor as envisaged in Section 229 of the Companies Act, 1956 be in the following manner:

For X & Co.
Signature
(Name of the member)
Proprietor
Chartered Accountants

^{*} Published in May, 1973 of 'The Chartered Accountant'.

[@] Subsequently, at its 148th Meeting held on 7.3.1991, the Council of the Institute has decided,

"that the guidelines issued by the Council regarding the manner of signing letters and documents by firms of chartered accountants should be modified as under:

"A Chartered Accountant while signing a report or a financial statement or any other documents is required to disclose his name under some statutes. In such cases the member should disclose his name while appending his signature on the report or the document.

It is, however, clarified that where there is no such statutory requirement, a member may sign in the name of the firm."

Signature on Statutory Audit Reports

2. The Council does not consider necessary any longer to send an intimation to the Registrar of Companies about signing of auditors' report etc., on behalf of the firm as has hitherto been done.
3. The Council would like to point out to the members that the new procedure would apply only to such documents that would fall under the purview of Section 229 of the Companies Act, 1956.