

# AUDIT OF BRANCH OFFICE ACCOUNTS

**Section 128(1)** of the Companies Act, 2013 :

- Company must keep it's (including branch/branches)
  - Books of accounts
  - Papers &
  - Financial Statement
  - Giving True & Fair view
  - In Double entry
  - On Accrual basis
  - At Place – Registered office.
- BOD may decide another place in India to keep them. Notice of such place must be given to ROC within 7 days.
- Companies have the option to maintain it's Books of Accounts & other papers in electronic form.
- Branch accounts may be maintained at the branch provided periodically summarized return is sent to the registered office.

# Duties and Powers of Company Auditors

✓ Section 143(8) of the Companies Act, 2013

✓ Branch Audit shall conducted

## In INDIA

The Auditor appointed for company  
or  
Any other person qualified for  
appointment as an auditor of  
company.

## Outside INDIA

- By the Company's Auditor or
- By an Accountant or
- By any other person duly qualified to act as an Auditor of the Branch office in accordance with laws of that Country.

✓ Branch Auditor shall

- Prepare a report.
- Send it to the auditor of Company.

✓ Rule 12 CAAR, 2014

- Reporting of fraud by the auditor shall also extend to such branch auditor to the extent it relates to the concerned branch.

# Using the work of Another Auditor SA 600

- ✓ Where another auditor has been appointed for the component.
  - Principal auditor would normally be entitled to rely upon the work of such auditor.
  - Unless there are special circumstances to make it essential for him to :
    - a. Visit the component or/and
    - b. To examine the books of accounts and other records.
  
- ✓ Discuss audit procedures by other auditor.
  
- ✓ Review a written summary of other auditor's procedures and findings through questionnaires/checklist.

**Audit  
procedures  
by principal  
auditor**

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graph TD; A["Audit  
procedures  
by principal  
auditor"] --> B["Principal auditor  
would inform the  
other auditor of  
matter such as"]; A --> C["Advise the other  
auditor of significant  
reporting requirements  
and obtain  
representation as to  
compliance with them"]; B --> D["Areas requiring  
special  
consideration"]; B --> E["Identification of  
inter component  
transactions that  
may require  
disclosers."]; B --> F["Time table for  
completion of  
audit"];
```

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**Areas requiring  
special  
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**Identification of  
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may require  
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**Time table for  
completion of  
audit**