

## ONE CONCEPT ONE SLIDE

Web Series – Jan. 2020/18
Topic: Methodology – Secretarial Audit For Private Companies

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# METHODOLOGY – SECRETARIAL AUDIT FOR PRIVATE COMPANIES

Mandatory for Private Companies having outstanding loans or borrowings from banks or PFIs  $\geq$  100 Cr. (existing on the last date of latest audited financial statement)



- Certificate, engagement Letter & acceptance
- Take-off client meeting for Initial discussion & to share off-site IRL with client
- Prepare Audit plan
- Prepare and assess the applicability sheet as per the financial position



#### Off-site Audit

- MCA Inspection
- Review Annual Report with financials (2 years), forms, MOA & AOA, website disclosures
- Preparation of Audit Sheet
- Share on-site IRL with client (including special focus areas- RPT, financialsecretarial records' sync, the agenda papers etc.)



#### On-site Audit

- Company Detailed Review (including specific events) of
  - Records\*.
  - Registered & other offices requirements,
  - composition of board,
  - company structure & shareholding w.r.t.
  - compliance of applicable laws<sup>^</sup> and
  - to verify overall adequacy of Systems & processes including for General Laws
- RTA, if applicable -Review case documents, registers



### Management discussion

- Management Representation Letter
- Discussion with Statutory Auditor
- Audit opinion, summary, discussions recommendations & findings (High, Medium & Low) with impact



- Submission of Secretarial Audit Report (marking qualification, reservation or remarks in **bold** type or in italics, if any).
- Mention UDIN
- Retention of Audit documentation & evidence for a period of 8 years

\*Records - Policies, Minutes (with VC recording), Statutory registers, authorization matrix, organization structure, CSR spending proofs, registration matrix, Files – correspondence with directors/ auditors/ shareholders/ authorities

<u>^Laws</u> - SS, Companies Act, RBI - FDI, ODI & ECB regulations, Indian Stamp Act, Sector specific laws



#### OTHER VIDEOS - APAC



1. IEPF (Aug'19)



2. Board Governance (Sep'19)



3. SBO (Sep'19)



4. #startup (Sep'19)



5. Secretarial Standard – 1 (Sep'19)



6. Secretarial Standard – 2 (Sep'19)



7. Board's Report (Oct'19)



8. TReDS (Oct'19)



9. Corporate Social Responsibility (Oct'19)



10. Related Party Transactions (RPT) (Oct'19)



11 Statutory Registers (Nov'19)



12. Incorporation of Companies (Nov.' 19)



13. Secretarial Audit (Nov.'19)



14. Labour Code (Dec.'19)



15. LEI (Dec.'19)



16. Independent Directors' Proficiency Test (Dec.'19)



17. Conversion of LLP/Partnership Firm to Company



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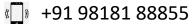






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