

4. CO-OPERATIVE SOCIETIES AUDIT

CHAPTER OVERVIEW

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SECTION 1: THEORY FOR CLASSROOM DISCUSSION

BACKGROUND:

MEANING: A co-operative society is a voluntary association started with the aim of service of its members. It is a form of business where individuals belonging to the same class join their hands for the promotion of their common goals.

The philosophy of the formation of co-operative society is “all for each and each for all”.

TYPES OF CO-OPERATIVE SOCIETIES:

- i) Consumers Co-operative society
- ii) Housing Co-operatives
- iii) Co-operative credit societies etc.

LEGAL FRAMEWORK FOR CO-OPERATIVE SOCIETIES:

The Co-operative Societies Act, 1912, a Central Act, contains the fundamental law regarding to the formation and working of the co-operative societies in India. In many states, viz., Maharashtra, West Bengal, Orissa, the co-operative societies are governed by specific state Acts.

Besides the above, Multi-state co-operative societies Act, 2002 is applicable for Multi-state co-operative societies.

Q.No.1. Explain the provisions relating to maintenance of Books of Account by Co-operative societies. (A) (NEW SM)

BOOKS, ACCOUNTS AND OTHER RECORDS OF CO-OPERATIVE SOCIETIES

- 1) **STATUTORY REQUIREMENT:** Under section 43(h) of the Central Act, a state government can frame rules prescribing the books and accounts to be kept by a co-operative society subject to covering minimum of the following details:
 - a) All sums of money received and expended by the society and the matters connected therewith.
 - b) All sales and purchases of goods
 - c) by the society.
 - d) Assets and liabilities of the society
 - e) In case of societies engaged in manufacturing of goods, then the records pertaining to utilisation of material, labour etc.
- 2) **MAINTENANCE OF ADDITIONAL RECORDS:** The statutory provisions provide a directive, but they are not conclusive. The society is at liberty to maintain such additional records for providing clarity and detailed explanation of financial transactions and the results in the best possible manner.

3) EXAMPLES FOR ADDITIONAL RECORDS:

- a) Daily cash sales summary register.
- b) A register of collection from debtors, if credit sales are allowed by bye-laws of society
- c) A register of recovery of loans from salaries and directly by receipts from members in case of credit society.
- d) Loan disbursement register in case of credit society.

The list of additional records as mentioned above, are just illustrative but not exhaustive.

Q.No.2. Write a short note on: Appointment of auditor of a Co-operative society. (B) (NEW SM)

1) ELIGIBILITY TO GET APPOINTED AS AUDITOR:

- a) Chartered accountants having valid Certificate of Practice issued by ICAI
- b) Any other person having qualification required by respective state Acts like persons holding a government diploma in co-operative accounts etc.

2) AUTHORITY FOR APPOINTMENT OF THE AUDITOR: Registrar of Co-operative Societies and the auditor so appointed conduct the audit on behalf of the Registrar and submits his report to him and to the society.**SIMILAR QUESTION:**

1. Mr. M, has served as an auditor in the Co-operative Department of a Government, is appointed as a statutory auditor by a Co-operative Society that has receipts over Rs.3 crores during the financial year. He is not a Chartered Accountant. Mr.D. Chartered Accountant is appointed to conduct tax audit of the society under section 44AB of the Income Tax Act, 1961. Comment. M18(N)-5M
- A. Refer above answer. Mr. M can be appointed as a statutory auditor of cooperative society. Mr. D's appointment as tax auditor is also valid.

Q.No.3. What are the special features of Audit of Co-operative society? (B) (NEW SM)

1) EXAMINATION OF OVERDUE DEBTS:

- a) **Classification:** Overdue debts for a period from 6 months to 5 years and more than 5 years must be classified and shall have to be reported by an auditor.
- b) **Comparison with previous year:** The auditor should compare the amount of current year's overdue debts and its ratio to total working capital with the previous year.
- c) **Assessing the recovery:** A further analysis of these overdue debts from the viewpoint of chances of recovery must be made, and they must be classified as good or bad.
- d) **Ensuring making of provisions:** The auditor must ascertain whether proper provisions for doubtful debts are made and whether the same is satisfactory.

2) OVERDUE INTEREST:

- a) **Meaning:** Overdue interest is interest accrued or accruing in accounts, the amount of which the principal is overdue.
- b) **Accounting Treatment:**
 - i) Overdue interest should be excluded from Recognition of Interest Income while calculating profit.
 - ii) Such interest will be credited to overdue interest reserve and transferred to profit and loss a/c when realised.

3) CERTIFICATION OF BAD DEBTS: Check the authority for writing off the bad debts.

- a) **Authorisation by auditor:** Some state acts may require that the Bad debts can be written off only when they are certified as bad by the auditor. For example, Maharashtra State Co-operative Rules, 1961.
- b) **Authorisation by the managing committee:** Where no such requirement exists, the managing committee of the society must authorise the write-off.

4) VALUATION OF ASSETS AND LIABILITIES:**a) Assets:**

- Ascertain existence, ownership and valuation of assets.
- Fixed assets should be valued at cost less adequate provision for depreciation.
- The incidental expenses incurred in the acquisition and the installation expenses of assets should be properly capitalised.
- The current assets should be valued at cost or market price, whichever is lower.

b) Liabilities: The auditor should see that all the known liabilities are brought into the account, and the contingent liabilities are stated by way of a note.

5) ADHERENCE TO CO-OPERATIVE PRINCIPLES:

a) Ensure the Functioning of society towards achieving objectives: The auditor must ascertain how far the objectives, for which the co-operative organisation is set up, have been achieved in the course of its working.

b) Criteria for assessment: The assessment is not necessarily in terms of profits, but in terms of extending of benefits to members who have formed the society.

c) Principle of Propriety: While auditing the expenses, the auditor should see that they are economically incurred and there is no wastage of funds. Middlemen commissions are, as far as possible, avoided and the purchases are made by the committee members directly from the wholesalers. The principles of propriety audit should be followed for the purpose.

6) ENSURING COMPLIANCE WITH THE PROVISIONS OF THE ACT AND RULES: An auditor of a co-operative society is required to identify the non-compliance with the provisions of Co-operative Societies Act and Rules and bye-laws.

7) VERIFICATION OF MEMBER'S REGISTER AND EXAMINATION OF THEIR PASS BOOKS: Examination of entries in members pass books regarding the loan given and its repayments, and confirmation of loan balances in person. Specifically in the rural and agricultural credit societies, members are not literate and as such this is a good safeguard on their part.

8) SPECIAL REPORT TO THE REGISTRAR: During the course of audit, if the auditor notices the following serious irregularities in the working of the society, then he may report these special matters to the Registrar, drawing his specific attention to the points.

- a) Personal profiteering by members of managing committee in transactions of the society, which are ultimately detrimental to the interest of the society.
- b) Detection of fraud relating to expenses, purchases, property and stores of the society.
- c) Specific examples of mis-management i.e., decisions of management against co operative principles like cases of reckless advancing, where the management is negligent about taking adequate security and proper safeguards for judging the credit worthiness of the party

9) AUDIT CLASSIFICATION OF SOCIETY: - After a judgement of an overall performance of the society, the auditor has to award a class to the society. This judgement is to be based on the criteria specified by the Registrar. It may be noted here that if the management of the society is not satisfied about the award of audit class, it can make an appeal to the Registrar, and the Registrar may direct to review the audit classification. The auditor should be very careful, while making a decision about the class of society. (ICAI SM)

10) DISCUSSION OF DRAFT AUDIT REPORT WITH MANAGING COMMITTEE: On conclusion of the audit, the auditor should ask the Secretary of the society to convene the managing committee meeting to discuss the audit draft report. The audit report should never be finalised without discussion with the managing committee.

Q.No.4. What are the Rights and Duties Of Co-Operative Auditors?

RIGHTS AND DUTIES OF CO-OPERATIVE AUDITORS:

1) Rights of Co-Operative Auditors:

- a) He shall at all times have access to all the books, accounts etc.
- b) He can inquire every officer of the society to furnish such information in regard to the transactions and working of the society.

2) Duties of Co-Operative Auditors: The auditor must state the following matters in his audit report:

- a) Whether he has obtained all the necessary information and explanations which were necessary for the purpose of audit.
- b) Whether in his opinion, proper books of account as required by Act, the Rules and the bye-laws of the society have been properly maintained and give all the information required by the Act.
- c) Whether the Profit and Loss Account and balance sheet of the society
 - i) Give a true and fair view of the Profit or Loss and state of affairs of the society.
 - ii) Are in agreement with the books of account of the society.

The auditor will have to give qualifying observations, if any of the answers to the above mentioned matters are negative.

Q.No.5. Write a short note on: Schedules to Audit report in case of Reporting by auditor of Co-operative society. (B) (NEW SM)

SCHEDULES TO THE AUDIT REPORT: The auditor will have to attach schedules to the report regarding the following information:

- 1) All transactions which appear to be contrary to the provisions of the Act, the rules and bye-laws of the society.
- 2) All sums, which ought to have been, but have not been brought into account by the society (i.e., Omissions).
- 3) Any material, or property belonging to society which appears to the auditor to be bad or doubtful of recovery.
- 4) Any material irregularity or impropriety in expenditure or in the realisation or monies due to society.

In the case of Nil report in any of the above matters, the auditor will have to give a Nil report.

Q.No.6. Write a short note on: Appointment of Auditor of Multi-State Co-operative Society. (A) (NEW SM)

APPOINTMENT OF AUDITOR OF MULTI-STATE CO-OPERATIVE SOCIETY:

- 1) **QUALIFICATION OF AUDITORS:** Section 72 of the Multi-State Co-operative Societies Act, 2002 states that a person who is a Chartered Accountant within the meaning of the Chartered Accountants Act, 1949 can only be appointed as auditor of Multi-State co-operative society.
- 2) **DISQUALIFICATION OF AUDITORS:** The following persons are not eligible for appointment as auditors of a Multi- State co-operative society-
 - a) A body corporate.
 - b) An officer or employee of the Multi-State co-operative society.
 - c) A person who is a member or who is in the employment, of an officer or employee of the Multi-State co-operative society.
 - d) A person who
 - i) is indebted to the Multi-State co-operative society or
 - ii) has given any guarantee or

iii) has provided any security in connection with the indebtedness of any third person to the Multi-State co-operative society for an amount exceeding Rs.1000.

3) **VACATION OF OFFICE:** If an auditor becomes subject, after his appointment, to any, of the disqualifications specified above, he shall be deemed to have vacated his office as such.

4) **APPOINTMENT OF FIRST AUDITORS (SEC. 70):**

a) **Authority to appoint:** By the board within one month of the date of registration of such society.

i) If the board fails to exercise its powers under this sub-section, the Multi-State co-operative society in the general meeting may appoint the first auditor.

b) **Tenure of first auditor:** Till the conclusion of the first annual general meeting.

5) **APPOINTMENT OF SUBSEQUENT AUDITORS (SEC. 70):**

a) **Authority to appoint:** by the members of the Multi-State co-operative society, at each annual general meeting.

b) **Tenure of subsequent auditor:** from the conclusion of that meeting until the conclusion of the next annual general meeting.

SIMILAR QUESTIONS:

1. Briefly explain the provisions for qualifications and appointment of auditors under the Multi-state cooperative societies act, 2002. N18(N)-5M

A. Refer above answer

2. Multi-State Co-operative Societies Act, 2002 states that a person who is a Chartered Accountant within the meaning of the Chartered Accountants Act, 1949 can only be appointed as auditor of Multi-State co-operative society. Explain stating also the persons who are not eligible for appointment as auditors of a Multi-State co-operative society. MTP N18(N)

A. Refer above answer

Q.No.7. what are the powers of Auditor of Multi- State co-operative society? (C) (NEW SM)

POWER OF AUDITORS (SEC. 73):

1) He shall have a right of access at all times to the books accounts and vouchers of the Multi-State co-operative society, whether kept at the head office of the Multi-State co-operative society or elsewhere, and

2) He can inquire the officers or other employees of the Multi-State co-operative society and require such information and explanation as the auditor may think necessary.

Q.No.8. what are the duties of auditor of Multi state Co-operative society? (A) (NEW SM)

1) **DUTY OF AUDITORS TO MAKE INQUIRY (SEC. 73(2)):**

THE AUDITOR SHALL MAKE FOLLOWING INQUIRIES:

a) Whether loans and advances made by the Multi-State co-operative society on the basis of security.

i) Have been properly secured and

ii) Whether the terms on which they have been made are not prejudicial to the interests of the Multi-State cooperative society or its members,

b) Whether transactions which are represented merely by book entries are not prejudicial to the interests of the Multi-State co-operative society,

c) Whether personal expenses have been charged to revenue account, and

d) Where it is Stated in the books and papers of the Multi-State co-operative society that any shares have been allotted for cash,

i) Whether cash has actually been received in respect of such allotment, and if no cash has actually been so received,

ii) Whether the position as stated in the account books and the balance sheet is correct regular and not misleading.

2) DUTY TO REPORT U/S SEC. 73(3):

- a) The auditor shall make a report to the members of the Multi-State co-operative society on
 - i) The accounts examined by him and
 - ii) On every balance-sheet and profit and loss account including notes to account.
- b) The report shall state whether, in his opinion and to the best of his information and according to the explanation given to him, the said accounts give the information required by this act in the manner so required, and give a true and fair view of:
 - i) The state of affairs of the Multi-State co-operative society's affairs as at the end of its financial year (Balance sheet); and
 - ii) The profit or loss for its financial year (profit and loss a/c).

3) DUTY TO STATE SOME MATTERS REQUIRED U/S SEC. 73(4):

The auditor's report shall also state:

- a) Whether he has obtained all the information and explanation which to the best of his knowledge and belief were necessary for the purpose of his audit.
- b) Whether, in his opinion, proper books of account have been kept by the Multi- State co-operative society and proper returns adequate for the purpose of his audit have been received from branches or offices of the Multi-State co-operative society not visited by him.
- c) Whether the report on the accounts of any branch office audited by a person other than the Multi-State co-operative society's auditor has been forwarded to him and how he has dealt with the same in preparing the auditor's report.
- d) Whether the Multi-State co-operative society's balance sheet and profit and loss account dealt with by the report are in agreement with the books of account and return.

Where any of the matters referred above is answered in the negative or with a qualification, the auditor's report shall state the reason for the answer.

SIMILAR QUESTION:

1. Section 73 of the Multi-State Co-operative Societies Act, 2002 discusses the powers and duties of auditors. According to this, every auditor of a Multi-State co-operative society shall have a right of access at all times to the books accounts and vouchers of the Multi -State co-operative society, whether kept at the head office of the Multi-State co-operative society or elsewhere, and shall be entitled to require from the officers or other employees of the Multi -State co-operative society such information and explanation as the auditor may think necessary for the performance of his duties.

As an auditor. You are required to answer the inquiries an auditor would make under Section 73(2). RTPM20(N) MTP M18(N)

- A. Refer above answer
2. As per Multi-state Co-operative Societies Act, 2002, the auditor shall make a report to the members of the Multi-State co-operative society on the accounts examined by him and on every balance-sheet and profit and loss account and on every other document required to be part of or annexed to the balance-sheet or profit and loss account. Explain RTP M20(N)
- A. Refer B and C

Q.No.9. Explain the Power of Central Government to direct special audit in case of audit of Multi-State co-operative society. (B) (NEW SM)

POWER OF CENTRAL GOVERNMENT TO DIRECT SPECIAL AUDIT (SECTION 77):**1) PASSING AN ORDER BY CG:****a) Circumstances necessitating the need for special audit:**

- i) That the affairs of any Multi-State co-operative society are not being managed in accordance with co-operative principles or prudent commercial practices or
- ii) That any Multi-State co-operative society is being managed in a manner likely to cause serious injury or damage to the interests of the trade, industry or business to which it pertains; or
- iii) That the financial position of any Multi-State co-operative society is such as to endanger its solvency.

- b) **Condition for passing an order:** However, Central Government shall order for special audit only if that Government or the State Government either by itself or both hold fifty-one percent or more of the paid-up share capital in such Multi-State co-operative society.

2) PROCEDURE FOR CONDUCTING SPECIAL AUDIT:

- a) **Appointing special auditor:** The Central Government may direct that a special audit of the Multi-State co-operative society's accounts shall be conducted and appoint either a chartered accountant or the Multi-State co-operative society's auditor himself to conduct the special audit.
- b) **Remuneration of special auditor:** The expenses of, and incidental to, any special audit (including the remuneration of the special auditor) shall be determined by the Central Government which determination shall be final and paid by the Multi-State Co-operative society.
- c) **Powers of special auditor:** The special auditor shall have the same powers and duties in relation to the special audit as an auditor of a Multi-State co-operative society has under section 73.
- d) **Reporting by special auditor:** The special auditor shall make the report to the Central Government. The report of the special auditor shall, include all the matters required to be included in the auditor's report under section 73 and any other matter as directed by the Central Government.
- e) **Action taken by CG:** On receipt of the report of the special auditor the Central Government may take such action on the report as it considers necessary in accordance with the provision of the Act or any law for the time being in force.
- f) **Situation where no action is taken by CG:** if the Central Government does not take any action on the report within four months from the date of its receipt,
- i) That Government shall send to the Multi-State Co-operative society, the report with its comments thereon and
 - ii) Require the Multi-State Co-operative society either to circulate that copy or those extracts to the members or to have such copy or extracts read before the Multi-State Co-operative society at its next general meeting.

SIMILAR QUESTIONS:

1. Central Government holds 55% of the paid up share capital in Kisan Credit Cooperative Society, which is incurring huge losses. Advice when the central government can direct special audit under Sec. 77 of the Multi State Cooperative Society act.

QP-M19(N)-3M

A. Write Point – A

Q.No.10. Explain the powers of central registrar to make an inquiry u/s 78 of Multi-State Co-operative Societies Act, 2002. (B) (NEW SM)

INQUIRY BY CENTRAL REGISTRAR (Sec. 78):

1) ELIGIBILITY TO MAKE AN APPLICATION FOR INQUIRY:

- a) a creditor or
- b) not less than one-third of the members of the board or
- c) not less than one-fifth of the total number of members of a Multi-state co-operative society

2) AUTHORITY TO WHOM THE APPLICATION IS TO BE MADE: The Central Registrar.

3) INQUIRY BY WHOM:

- a) Either by the registrar himself or
- b) Some other person authorized by him

4) NOTICE TO THE SOCIETY: However, before holding such inquiry fifteen days' notice must be given to the Multi-State co-operative society.

5) POWERS OF THE PERSON MAKING THE INQUIRY:

- a) **To Access to the books:** Right of access to the books, accounts, documents, and other properties belonging to and may require any person in possession or responsible for the custody

of any such books, accounts, documents securities, cash or other properties to produce the same at any place specified by him.

b) To call general meeting:

i) He may require the officers of the society to call a general meeting of the society by giving notice of not less than seven days at such time and place at the head quarters of the society to consider such matters as may be directed to him, and

ii) Where the officers of the society refuse or fail to call such a meeting, he shall have power to call it himself.

c) **To issue summons:** He may summon any person who is reasonably believed by him to have any knowledge of the affairs of the Multi-State co-operative society to appear before him at any place at the headquarters of the society or any branch thereof and may examine such person on oath.

6) **SENDING THE INQUIRY REPORT BY CENTRAL REGISTRAR:** The Central Registrar shall, within a period of three months of the date of receipt of the report, communicate the report of inquiry

a) To the Multi-State co-operative society, and

b) To the person or authority, if any at whose instance the inquiry is needed.

Q.No.11. Explain the powers of central registrar to make an inspection u/s 79 of Multi-State Co-operative Societies Act, 2002. (B) (NEW SM)

INSPECTION OF MULTI-STATE CO-OPERATIVE SOCIETIES UNDER SECTION 79:

1) **ELIGIBILITY TO MAKE AN APPLICATION FOR INSPECTION:**

a) a creditor or ,

b) not less than one-third of the members of the board or

c) not less than one-fifth of the total number of members of a Multi-state co-operative society.

2) **AUTHORITY TO WHOM THE APPLICATION IS TO BE MADE:** The Central Registrar.

3) **INSPECTION BY WHOM:**

a) Either by the registrar himself or,

b) Some other person authorized by him

4) **NOTICE TO THE SOCIETY:** However, before holding such inspection fifteen days' notice must be given to the Multi-State co-operative society.

5) **POWERS OF THE PERSON MAKING THE INSPECTION:**

a) He shall at all times have access to all books, accounts, papers, vouchers, securities, stock and other property of that society and

b) He may, in the event of serious irregularities discovered during inspection, take them into custody and shall have power to verify the cash balance of the society and

c) He, with the prior approval of central registrar, has right to call a meeting of the society where such general meeting is, in his opinion necessary.

d) Every officer or member of a Multi-State Co-operative society shall furnish such information with regard to the working of the society as the central registrar or the person making such inspection may require.

6) **SENDING THE INSPECTION REPORT BY REGISTRAR:** A copy of the report of inspection under this section shall be communicated to the Multi-State Co-operative society within a period of three months from the date of completion of such inspection.

SECTION 2: QUESTIONS FOR ACADEMIC INTEREST – FOR STUDENTS SELF STUDY

Q.No.1. Explain the provision of the following with respect to Co-operative Societies:

- | | |
|---|--|
| <ol style="list-style-type: none"> 1. Restrictions on shareholdings. 2. Restrictions on loans. 3. Restrictions on borrowings. 4. Investment of funds. | <ol style="list-style-type: none"> 5. Appropriation of profits to Reserve fund. 6. Contributions to Charitable Purposes. 7. Contribution to Education Fund. 8. Any other appropriations. |
|---|--|
- (B) (NEW SM)**

- 1) **RESTRICTIONS ON SHAREHOLDINGS (Sec. 5):** The maximum amount of shareholding that a single member can hold is twenty percent of the total number of shares or value of Rs. 1,000/- whichever is lower.
- 2) **RESTRICTIONS ON LOANS (Sec. 29):**
 - a) Society shall not make a loan to any person other than a member.
 - b) However, with the special sanction of the Registrar, a registered society may make a loan to another registered society.
- 3) **RESTRICTIONS ON BORROWINGS (Sec. 30):** A society shall not accept loans and deposits from persons who are not members unless otherwise provided by the bye-laws of the society.
- 4) **INVESTMENT OF FUNDS (Sec. 32):** A society may invest its funds in any one or more of the following:
 - a) In the Central or State Co-operative Bank.
 - b) In any bank, other than a Central or State co-operative bank, as approved by the Registrar on specified terms and conditions.
 - c) In any of the securities specified in section 20 of the Indian Trusts Act, 1882.
 - d) In the shares, securities, bonds or debentures of any other society with limited liability.
 - e) In any other moneys permitted by the Central or State Government.
- 5) **APPROPRIATION OF PROFITS TO RESERVE FUND (Sec. 33):** Every society shall transfer twenty five percentage of the profits to Reserve Fund before distribution as dividends or bonus to members.
- 6) **CONTRIBUTIONS TO CHARITABLE PURPOSES (Sec. 34):** A society may, with the sanction of the Registrar, contribute an amount not exceeding 10% of the net profits remaining after the compulsory transfer to the reserve fund for any charitable purpose.
- 7) **CONTRIBUTION TO EDUCATION FUND:** Some of the State Acts provide that every society shall contribute annually towards the Education Fund of the State Federal Society, at the prescribed rates.
- 8) **ANY OTHER APPROPRIATIONS:** Apart from statutory provisions relating to Reserve Fund, the auditor may have regard to the provisions in bye-laws and Rules and Regulations of the society.

NOTE: The points mentioned above are the provisions of Central co-operative societies Act, 1912. But however, the states can frame their own rules in their respective state acts. In such situations, the aforesaid points have no relevance.

Q.No.2. Write about the services that chartered accountants can render to cooperative societies apart from audit? (C) (NEW SM)

A chartered accountant has to play a significant role in the development of co-operative organisations on scientific lines. In this Unit, it is proposed to give a few guidelines in the matter of audits of co-operative societies.

Apart from audit, some other professional services could be rendered by chartered accountants such as-

- 1) Guidance in accounts writing,
- 2) Installation of accounting system,
- 3) Internal audit,

- 4) Management accounting services,
- 5) Taxation etc.

However, the main focus is to give some guidelines about the audit of co-operative societies in general. The special features of audit applicable to all societies will be considered first, and subsequently a few special points with reference to audit programmes of specific types of societies will be considered.

SECTION 3: TEST YOUR KNOWLEDGE

- 1) What is the cap on the amount of shareholding that can be held in Co-operative society?
- 2) Who can be appointed as auditor of a society?
- 3) What is meant by overdue interest in case of co-operative societies?
- 4) How would an auditor check regarding adherence to co-operative principles by the society?
- 5) What are the schedules to be attached to the audit report of Co-operative society?
- 6) Explain duty to make inquiry by the auditor of Co-operative Society?
- 7) What are the books of accounts to be maintained by the society?
- 8) Can a society invest its funds outside of it, if they remain idle?
- 9) What are the circumstances necessitating the need for special audit as per Sec 77 of the act?

THE END

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