

News Flash

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Obligation to approve the auditor by the General Meeting

We would like to inform you about the obligation to approve the auditor by the General Meeting before the execution of the audit.

This obligation is imposed by the provision § 19 section 2 Act No. 431/2002 Coll. on Accounting. The provision regulates that the auditor has to be approved by the General Meeting or Members' Meeting. In case that company signed a contract for indefinite period or for period longer than one year with the auditor, one approval of the auditor for the whole contract period is sufficient.

In case of dismissal or resignation of the auditor during the audit execution, the accounting unit is obliged to inform the Office for audit supervision about this fact and the reasons of the resignation in written form. The accounting unit is obliged to meet this duty not later than one month after the day of resignation, resp. dismissal of the auditor.

If your company has not approved the auditor for audit execution for 2013 yet, you are obliged to call a formal General Meeting of the company where the auditor will be approved. In case you had signed a contract on cooperation with auditor based on which audits for preceding periods were executed and this auditor has not been approved yet, we recommend you to write a report from the General Meeting (resp. to prepare the resolution of the sole partner) with the retroactive date, where the auditor will be approved for audit execution for further periods.

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