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DIRECTORATE OF COOPERATIVE AUDIT:ORISSA:BHUBANESWAR.

No. 54 (16) /VI(9)68/02-Audit-6-Dated: 3.1.2005

To

All Asst.A.G.C.S. of Circles.

Sub: Illegal expenditure beyond budget.

Sir,

Your attention is invited to this Directorate Circular No.2780 dt.8.3.2000 in which you were directed to instruct the auditors of your Circle to examine during course of audit whether the budget is approved by G.B. and concurred by Apex or Financing Organisation in time and whether the establishment and managerial expenditures are within the approved budgetary limit. In case of expenditure incurred without approved budget or beyond approved limit of budget the amount so expended un-authorisedly should be shown recoverable from the Chief Executive in the balance sheet with detail narration in body of the report. But, it has been brought to the notice of this Directorate by the Managing Director of Orissa Coop. Housing Corporation that in most of audit reports of Primary H.B.C.S. such expenditures beyond/without duly approved budget is not recommended for recovery. Similar deficiencies might also be there in audit reports of other type of Societies.

In case of excess expenditure beyond approved budget the same should also be shown recoverable from Chief Executive in the financial statement with detailed narration in body of the report.

This instruction should immediately be circulated amongst all Auditors of your Circle for their implementation and guidance. If any purfunctory audit report is issued henceforward without reflection of facts as per Circular instructions of this Directorate, both you and the concerned Auditors would be held responsible for such lapses.

Yours faithfully,

3/1/05

Auditor General,
Coop. Societies, Orissa.

(P.T.O.)

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Memo No. 55 /Dt. 3.1.2005

Copy forwarded to all Auditors of Central Audit for information and necessary action. Besides implementing all Circular instructions of this Directorate in their auditing they are instructed to verify such revealation/reflection of facts in audit report of Apex Coops. during their scrutiny of audit reports for issue of audit Certificates.

3/1/05

Auditor General,
Coop. Societies. Orissa.

Copy to Audit-I/G.F./
20 spare copies.

M.M/-3.1.2005.