

Directorate of Cooperative Audit : Orissa : Bhubaneswar.

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To

All Assistant Auditor General of
Co-operative Societies of Circles.

Sub:-

Analysis of outstanding on borrowings
from Apex/Central/Other Financial
Institutions by the Society, vis-a-vis
the outstanding of Primaries on the
Members, in the Audit Report.

Sir,

It transpires from a no. of audit report that there are huge imbalance between loan payable to financial institution and loan receivable from members. This is a reflection of the financial indiscipline as well as poor funds management by the Primary Societies. The outstanding dues to the financial institution must be at par with the outstanding dues from the members of C.S., if all the loans collected at grass-root level are remitted to the financing agency. It is, however, found that though the fact of such imbalance is brought out in the Audit Reports in quantitative terms the reasons for such imbalance & the analysis of amount of such imbalance, reason-wise is found lacking in the various Audit Reports. No remedial action is also suggested.

You are therefore requested to impress upon all the Auditors of your Circle, to mention in their Audit Report regarding the amount of imbalance position, the reasons for such imbalance, fixation of responsibilities for such imbalance as well as preventive measures to be undertaken clearly so as to be useful to the management of the society and other administrative authorities for taking necessary follow up action. This should be brought to notice of Auditors of C.S. of your Circle.

Yours faithfully,

Joint Auditor General,
Co-op. Societies, Orissa,
Bhubaneswar.

C.8/5.

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