

✓

15

**DIRECTORATE OF COOPERATIVE AUDIT,
ORISSA, BHUBANESWAR**

Letter No. VI(1) 62/99 – Audit8 - 3574

Date : 12.05.2006

To
All Assistant A.G.C.S. of Circles

Sub: **Highlights on audit findings.**

Ref: **This Directorate Circular No.6079 dated 29.10.2002.**

Sir,

✓ *Adm*

Your attention is attracted to the above Circular wherein it is stipulated that apart from detail reporting of defects and irregularities under issues points concerned of audit reports, every audit report should contain a statement showing highlights of audit findings in brief mentioning therein important audit observations, achievements and deficiencies, defects and irregularities noticed during audit. Thus, while audit reports should contain details of audit findings under each point, their gist is to be reflected in highlights. This is intended to facilitate the members to know from highlights about the management and financial activities of the societies during the year of audit, since they are the stake holders. Its main objective was to ensure greater transparency on management of Cooperatives.

It is observed that while in the audit reports of bigger Cooperative institutions like Apex Coops., CCBs, UCBs etc. the auditors are giving such highlights of audit findings, in case of audit reports of most of the primary Cooperative Societies such highlights are not given and audit reports are issued at your end. This violation of Circular instruction is a matter of displeasure.

Therefore, it is again reiterated that henceforth audit reports of all Cooperatives right from primaries within your jurisdiction should contain highlights of Audit findings which is to be placed at first page of the report (before Index). This highlights should contain comparative increase or decrease of membership, own capital, borrowed capital, working capital, bad and doubtful assets, loans and advances, quantum of business, profit or loss position, cost of management with reference to real income, other financial parameters etc. over previous year and also the gist of major defects and irregularities of which details are given under different points of audit report. The name of top 20

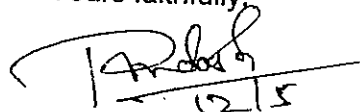
8
defaulters name and amount of default must from a part of the highlights for knowledge of members.

The highlights on Audit findings for primary societies shall be given in Oriya language to facilitate the members of such societies to know the contents.

It should be mentioned in the audit certificates of each society that the Management of the Society is to circulate copies of highlights of audit findings in Oriya to all members for their appraisal and to their respective administrative departments for information.

This instruction should be strictly followed henceforth and any deviation will be seriously viewed.

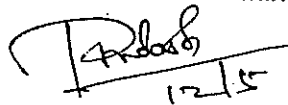
Yours faithfully,



Auditor General,
Cooperative Societies, Orissa

Memo No. 3575 dated 12.05.06

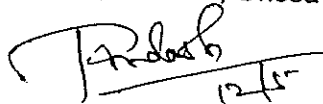
Copy submitted to the P.S. to Hon'ble Minister, Cooperation/ P.S. to Principal Secretary to Government, Cooperation Department, Orissa for favour of information of Minister/ Principal Secretary.



A.G.C.S., Orissa-

Memo No. 3576 dated 12.05.06

Copy forwarded to the RCS, Orissa/ Director of Textiles, Orissa/ Director of Fisheries, Orissa/ Director of A.H. & V.S., Orissa, Cuttack/ Director of Handicrafts and Cottage Industries, Orissa/ Director of Agriculture, Orissa/ Managing Director, OMFED, Orissa for information



A.G.C.S., Orissa

Copy to Audit - 1
Copy to Guard File ✓
20 spare copies

14/1. 8
12/5