

DIRECTORATE OF COOPERATIVE AUDIT, ODISHA, BHUBANESWAR.

Circular No. VI(1)62/99(P-IV) *1758* /Audit 3 Dated: *17.07.99*

Subject: Re-audit of Cooperative Institutions.

Prior to notification of OCS (Amendment) Act, 1994 and OCS (Amendment) Rules, 1997, the RCS(O) was competent to cause Re-audit of any Cooperative society in pursuance of clause (ii) of Sub-Section(1) of Section 62 of OCS Act and Rules, 58(5) of OCS Rules, 1965. Keeping the provisions of Act and Rules in view, the RCS(O) had issued instructions regarding conduct of Re-audit of Cooperative institutions vide his circular no. 11623 dtd. 31.07.1995.

Now as per OCS (Amendment) Act and Rules, the power to cause Re-audit of accounts of Cooperative societies has been vested with the Auditor General of Cooperative Societies. The amended provisions of the said Act and rules are quoted hereunder.

Section-62(1)(ii) - The Auditor General may, of his own motion or on a requisition from the Registrar and shall, on a directive from the state Government arrange for re-audit of the accounts of any society or class of societies on day to day or such other basis as may be directed.

Rule 58 (5) - In case of any re-audit of the accounts of a society in pursuance of clause (ii) of sub section (1) of section 62, the provisions of the Act and Rules as applicable to audit of accounts of society, shall apply for such re-audit.

Since the aforesaid powers of AGCS have been conferred to all AAGCS of Circles by State Government vide Cooperation Department Order No.17380 dtd. 13.08.1999, it is felt necessary to issue this circular regarding conduct of reaudit of any Cooperative Society.

The Re-audit of any Cooperative institution is required to be conducted in exceptional circumstances when grave irregularities, gross mismanagement and misappropriation is alleged or brought to the notice, which was not noticed/ pointed out in normal statutory audit. Re-audit should not be conducted as a matter of routine.

Therefore, it is now decided that the Re-audit of any society can be conducted only on the order of the undersigned. If any grave irregularity in respect of any Cooperative Society comes to notice of the AAGCS of Circles after issue of Audit report of the concerned society or if any requisition is received by them from

the society, local administrative authority of different Directorates and institutions extending finance to the society in this regard showing defects in the audit of such society, the Assistant A.G.C.S himself or through a senior experienced auditor under his administrative control has to conduct an enquiry into the aspect. If any prima facie evidence in support of the allegation is found in such enquiry and it is felt necessary to conduct re-audit of such Cooperative institution, the Assistant A.G.C.S has to submit the enquiry report alongwith his/her views in this regard for consideration of re-audit of such society. It should be kept in mind that the audit should not be repeatative and keep on scrutinising the same records and reports the same findings. Authorisation for audit in any case is to be made after getting clearance from Auditor General of Cooperative Societies. This instructions should be strictly followed.

P. S. S. S. S.
16.1.17
Auditor General

Cooperative Societies, Odisha.

Memo No. 390 /

Dated. 16/01/17

Copy forwarded to the Assistant A.G.C.S of Circles for information and necessary action.

P. S. S. S. S.
16.1.17
Auditor General

Cooperative Societies, Odisha.

Copy to Audit-1/6 seat of Audit Section/Computer Cell

10.3.17

AKS.07.01.2017.