

28 ✓ 10 11
DIRECTORATE OF COOPERATIVE AUDIT: ODISHA: BHUBANESWAR.

Circular No. VI (1) 62/1999(P-V) 5722/Audit-8 Dated. 8.10.13.

It is observed that the auditors are suggesting recovery of illegal payments from officers or office bearers of Cooperative Institutions without giving detailed justification regarding violation of provisions of Act, Rules, Bye-Laws and Circulars of administrative authority (s) for which they consider the same as illegal. This has resulted in causing problem for the authorities for taking administrative action and disposal of surcharge proceedings. Since section 67 of the OCS Act provides that payments made contrary to the provisions of the Act, Rules and Bye laws of the society shall be recovered and replenished to the society concerned, the auditors should give details of their findings in audit like date and nature of happenings, gist of recording in books of accounts/minute books etc., persons involved with designation, amount of defalcation or loss etc. along with detailed justification for which the officers or office bearers concerned are held liable.

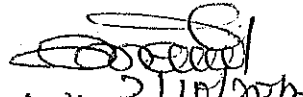
There are many instances in Audit Reports wherein the auditors have suggested recovery without giving detailed justification on the same. Though instructions on this aspect have been issued by this Directorate under various circulars covers, the same are not put into action.

Hence, all the Assistant A.G.C.S of circles are incumbent upon to issue suitable instructions to the auditor (s) under their control to adhere to the circular instructions and give details of his findings in the Audit Report, if any act of omission or commission resulting in misappropriation, loss of assets etc. through various modes is detected during the course of audit. If violation of provisions of Act, Rules, Bye-laws and administrative instructions is made resulting in any decision, the implementation of which caused loss to the institution or money of the society has been retained unauthorisedly or fraudulently, the detailed provision/ instructions and the detail of violations be narrated in the Audit Report and accordingly, reflected in financial statements as 'Recovery items'. The Assistant A.G.C.S of circles are also impressed upon to examine the recovery items shown in the Balance Sheet with reference to the detailed narration in the body of the Audit Report as submitted by the auditor before issue of Audit Certificates.

In order to keep track on this aspect, it is now decided that the AAGCS of circles are to submit a separate statement on 'Audit Recovery' shown in the Audit report of Cooperative Societies in the enclosed proforma on the basis of Audit reports issued every month along with copy of the extract of the Audit Report narrating detailed justification in support of each recovery item reflected

1190
in the financial statements along with the MPR on Audit Progress in soft and hard copies. The information is required to be submitted in respect of the Society(s) where recovery is shown in the Audit Report of the concerned society(s).

The above instructions should be followed scrupulously.

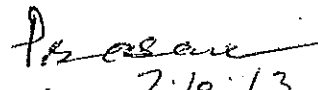

Auditor General

Cooperative Societies, Odisha

Memo No. 5723 (16) /

Dated: 8.10.13 /

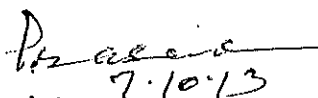
Copy forwarded to the Assistant Auditor General of Cooperative Societies of Circles for information and action. They are advised to personally review this aspect carefully so as to ensure that the information on 'Audit Recoveries' furnished will not undergo change in any case subsequently.


7.10.13
Additional Auditor General of
Cooperative Societies, Odisha


Memo No. 5724 /

Dated: 8.10.13 /

Copy to Audit-3 sent for information and necessary follow up action.


7.10.13
Additional Auditor General of
Cooperative Societies, Odisha

✓
Copy to Guard file/ 10 S.C.

AKS... 

195

Statement-Audit Recovery

(A)

| Sl. No. | Name of Society | Year of Audit | Nature of recovery and period | Persons responsible | | Amount involved |
|---------|-----------------|---------------|-------------------------------|---------------------|-------------|-----------------|
| | | | | Name | Designation | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |

(B) Copy of the extract of Audit Report giving detailed justification on each Audit Recovery (Narration on recovery given by the Auditor in the Audit Report)

-----X-----

