

(475)

DIRECTORATE OF COOPERATIVE AUDIT: ORISSA: Bhubaneswar.

CIRCULAR No. VI(1)S/05 3736 Audit-8/Dated:- 28.6.11

As per recommendations of Narasimham Committee prudential Norms on Income Recognition and Asset Classification and provisioning there of was introduced for the Urban Cooperative Banks in Orissa in the year 1991-92 and for C.C.Bs in 1996-97. Basing on the guidelines and norms as prescribed by RBI and FABARD instructions have been communicated to the field firms. strict implementation in course of classification of assets in the time of conducting audit and furnish a certificate in the NPA statement as follows.

"Certified that the asset classification and provisioning there of is made as per the Circular instruction after making cent percent checking".

But it appears that this has not been followed meticulously at the time of audit as a result of which a good nos. of defects/irregularities are being observed by the inspecting agencies in the subsequent period. As this principle is adopted to ascertain the actual financial health of the Cooperative institutions, any suppression in such provision will adversely affect the very purpose of such implementation. So cent percent checking of accounts at the time of classification of assets and provisioning there of be made by auditors to furnish such certificate in NPA statement. This instruction need be circulated amongst all auditors and any deviation noticed in future shall be seriously viewed against the persons deviating the circular instructions contained herein.

Sd/-

(J. Rout)

(16) Auditor General of C.S., Orissa.
Memo No. 3737 /Dated:- 28.6.11

Copy forwarded to All Asst. Auditor General of CS of Circles for information and necessary action.

P. S. S. S.
28.6.11

Joint Auditor General of C.S. (O).

Copy to all seats of Central Audit

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