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Directorate of Cooperative Audit : Orissa : Bhubaneswar.

No. 2498 (16) / Dated. 29.4.2004
VI(10)29/2002. Audit-4.

To

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

Sub:- Special Audit of Coop. Institutions.

Sir,

As per provisions under section 62(1)(ii) of the O.C.S. Act, 1962 Special Audit of a Coop. Institution can be conducted by the Auditor General of Co-operative Societies on his own motion or on the requisition of Registrar or on a directive of the State Govt. special audit is required to be conducted in exceptional circumstances when grave irregularities, gross mismanagement and misappropriation is alleged or brought to notice which has hither to not been noticed/pointed out in normal routine audit or audit of such transaction has not been carried out all. Special audit should not be conducted as a matter of routine. The progress of special audit and action on special audit findings are being reviewed by the Govt. in Cooperation Department and the Hon'ble Minister, Cooperation at frequent intervals. Therefore, the Headquarters of this Directorate need to be kept informed on the progress of special audit and action thereon to facilitate submission of information to Govt. for review.

It has come to the notice of this Directorate that on the proposal of the field level functional Registrars of different Directorates, special audit of some societies is being conducted by the A.A.G.C.S. Circles. Similarly on their own motion also, the A.A.G.C.S. of Circles are getting some societies specially audited. Since the reason for conducting special audit of such societies and their findings etc. are not informed to this Directorate, it becomes difficulut to submit information to Govt. and the concerned administrative Departments for their review and follow up action.

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It is, therefore, now decided that henceforward special audit of any society can be conducted only on the order of the undersigned. If it is felt by the A.A.G.C.S. to conduct special audit of a society under his administrative control or any requisition is received by them from local administrative authorities of different Directorate in this regard, the A.A.G.C.S. has to submit the proposal to this Directorate with justification and his views for special audit after thoroughly checking if such aspect has already been covered during normal routine audit or not, for consideration of order. Audit should not be repetative and keep on scrutinising the same records and report the same findings. He can authorise for Special Audit only after getting clearance from Auditor General of Coop. Societies, Orissa.

On receipt of clearance of proposal for conducting special audit, immediate steps are to be taken by the Assistant Auditor General of Coop. Societies and required no. of copies of Special Audit Reports be submitted to this office for scrutiny & issue.

This instruction should be strictly followed.

Yours faithfully,

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

~~N.B. in~~

Two Spare Copies
to File No. VI(10)34/2001.

C. 29/4.