

DIRECTORATE OF LOCAL FUND AUDIT, ODISHA,
TREASURY & ACCOUNTS BHAWAN, 2nd FLOOR,
UNIT-III, KHARAVELA NAGAR, BHUBANESWAR

No. 10758 /DLFA,
DLFA(Prog)-XIV-Aud-13/2012

Date 27/8/12

To

All District Audit Officers,
Local Fund Audit, Odisha.

Sub: Drafting of Audit Reports.

Madam/Sir,

It has come to the notice of the undersigned that the auditors are not taking due diligence and care while drafting the audit reports. Many of the Audit Reports submitted through e-reporting system are unnecessarily lengthy containing vague & frivolous objections, along with micro statements that could be dispensed with. Moreover, sometimes the objection paras suffer from lack of clarity and are not supported by the relevant law, rule or Govt. orders etc. as a result of which difficulties are being faced at all levels while taking follow up action. At times, auditors are using discourteous and offensive language while drafting the audit paras.

Therefore, the following instructions are hereby issued for future guidance of all concerned for ensuring good reporting standard with due regard to ethics of audit.

1. The audit reports should be precise, to the point and focussed on the irregularities in the accounts noticed during the audit. It should not be unnecessarily lengthy and use of tables should be bare minimum.
2. The auditors should use polite and courteous language in the report. No intemperate or offensive language should be used. There should not be aspersions or accusations against any official for the irregularities noticed. Only the facts and person(s) responsible for such irregularity should be reported.
3. Relevant Act, Rule, Govt. Order/Circular/Notification etc. should invariably be quoted while incorporating any objection in the audit report regarding payments made contrary to law.
4. In case of any excess or un-lawful payment detected in audit, care should be taken to fix responsibility on the person authorising such payment as per the provisions under section 9(2)(b) and not on the payee.
5. While fixing the responsibility on a particular person, the circumstances under which he is held responsible should be clearly stated. In case, responsibility is fixed on more than one person, the proportion of loss to which each is held responsible, with reasons, should be stated so as to facilitate initiation of surcharge actions.

6. While formulating any paragraph, the micro details, on the basis of which the final figure emerges need not be reflected in the report unless its inclusion is felt essential to substantiate any objection. As far as possible, the macro analysis and the abstract figures (of the detailed budgetary head wise receipt and expenditure) should be reflected in the Report. The micro details should be kept in the respective Draft Audit Report file preserved in the District Audit Offices for future reference.

7. While finalising an e-report, the auditor should use uniform fonts for the entire report and verify the printable format before submission. The procedure to be followed for preparing text content of various paras of the audit report, including statements/tables, offline is enclosed as Annexure-I.

You are requested to bring these instructions to the notice of all Auditors and Audit Superintendents under your control.

Yours faithfully,



Director.

Memo No. 10759 / DLFA,

Date 27.7.13

Copy forwarded to all Officers and all Audit Superintendents/all Auditors, Directorate of Local Fund Audit, Odisha for information.

Deputy Director 26/07/13

