

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

No. 14712 /DLFA
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Date 17/9/13

To

All District Audit Officers,
Local Fund Audit

Sub. : Drafting of Audit Reports

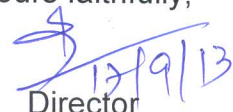
Madam/Sir,

This has come to the notice of the undersigned that the audit reports are being drafted mechanically without any reflection on the overall performance of the auditee institution with reference to its goals and objectives or the mandated task. The financial performance of any scheme or programme is intrinsically related to the physical targets and the broad objective of the said scheme or programme. Therefore, the audit must take a holistic view of financial and physical achievement with due regard to the goals and objectives set for the scheme/programme. The systemic deficiencies and pitfalls should also be identified and brought to notice along with suggestions for corrections and improvement.

2. When audit of a particular institution is being taken up, the auditor must get himself acquainted with the mission, goal and objectives of the organisation, the mandate assigned to it by the Government or the statute under which it is created, the schemes and programmes being implemented by the organisation with the financial and physical targets, targeted beneficiaries, scheme outlines etc, so that the audit can effectively pinpoint the deficiencies and shortfalls in course of the audit.

3. The draft audit report should therefore not only contain the facts and figures but also the critical observations on the above aspects with specific recommendations, if any, pertaining to the said scheme/programme or the institution, as a whole. The Reviewing Authority and the Approving Authority should also look into these aspects while reviewing or approving the report, which will improve the quality of the report. Nonetheless, when any scheme or programme has been successfully implemented or any objective has been achieved remarkably by any auditee institution, the same needs to be appreciated and highlighted also, so as to encourage such performance by the auditee institution.

Yours faithfully,


Director