

DIRECTORATE OF LOCAL FUND AUDIT, ODISHA,
2nd FLOOR, TREASURY & ACCOUNTS BHAWAN,
UNIT-III, KHARAVELA NAGAR, BHUBANESWAR
e-mail: dirlfaodisha@gmail.com ; Phone: 0674-2391704; Fax-0674-2391703

No.....765/...../DLFA,
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Date.....19.6.14.....

From

Sri D.K. Parida,
Deputy Director,
Local Fund Audit, Odisha

To

All District Audit Officers,
Local Fund Audit, Odisha.

Sub: Drafting and scrutiny of Audit Reports to ensure quality.

Madam/Sir,

On review of Audit Reports, it is found that most of the reports are erroneous and lack quality. Most of the reports have become voluminous due to inclusion of unnecessary data in tabular form in the paragraphs of the Common Audit Format which have not been analysed from audit point of view. The following guidelines are laid down for guidance of the Auditors, Reviewing Officers and the District Audit Officers which should be scrupulously followed in order to enhance the quality of the Audit Reports.

- i) Micro data collected /prepared by the Auditor should be enclosed as annexure to the Audit Report. Only the macro data should be furnished in the related para of the Audit Report.
- ii) Data on which audit analysis are made should be reflected in the text of the Audit Report. The data which has no audit analysis should not unnecessarily be given in the Audit Report. All data given in the Audit Report should mandatorily have audit analysis.
- iii) While reporting any objection/lapses and recommending any suggestion or remedial measures in the A.R., reference to relevant Rule, Act, Government Order or executive instruction should invariably be given to strengthen the audit objection. Presumptive statements regarding objections should not find place in the Audit Report.
- iv) In case the auditee organisation does not produce the records requisitioned by audit in time, the D.A.O. should be informed about it immediately for taking up the matter with the appropriate higher authorities.
- v) In case of non-maintenance of records, specific para thereon should be drafted in the Audit Report.
- vi) Reply of Local Authority against each objection should be specifically reflected in the audit para along with suitable rebuttal wherever necessary.

- vii) Audit Report should categorically suggest or give recommendation on a particular objection as to what action should be taken to make good the lapses or irregularities or avoid them in future.
- viii) While scrutinising the Audit Report, the Audit Superintendent should meticulously go through the contents and ensure quality of the objections.
- ix) Before approval of the Audit Report, the District Audit Officer should personally verify the objections therein to ensure the quality of the report.
- x) The District Audit Officer will be squarely held responsible for any lapses found in the Audit Report duly approved by him.

The above guidelines should be circulated among the Auditors and Audit Superintendents with clear instructions to abide by them.

Yours faithfully,


Deputy Director