

DIRECTORATE OF LOCAL FUND AUDIT  
TREASURY AND ACCOUNTS BHAWAN  
KHARAVELA NAGAR, BBSR-3  
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No.DLFA.AUD.23/13 4329 ; Date 20.05.15

From

Sri Niranjana Mishra,  
Joint Director

To

All District Audit Officers,  
Local Fund Audit, Odisha

Sub:- General guidelines for Annual Audit Programme for the year 2015-16

Madam/Sir,

In enclosing herewith the general guidelines, I am directed to say that the same may be followed scrupulously while auditing the accounts of different institutions by the auditors, conducting Entry and Exit conference by DAOs and reviewing the accounts during the year 2015-16 in order to strengthen the quality of the audit report. You are also requested to circulate the same among the audit personnel of your district to follow the same.

Encls. As above

Yours faithfully

*[Signature]*  
Joint Director

Memo No. 4330 /Date 20.05.15

Copy forwarded to ALFA Portal for information and necessary action.

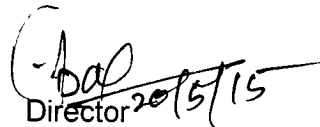
*[Signature]*  
Asst Director

### General Guidelines

1. The DAO must attend the meeting on entry conference.  
Issues to be discussed in entry conference have been specified ( Issued vide letter No.7049/DLFA, Dated 18.06.2013 & Page-15 of 'Compendium of Important Circulars  
Meeting must be taken either with the BDO or ABDO.
2. Audit team must prepare Audit Plan & the same should be approved by the reviewer within 3 days from the date of commencement of Audit. The team should strictly adhere to the plan in course of audit.
3. Regarding extension of man days for the Auditee Institutions, the proposal from the concerned team leader must come within 20 days of commencement of Audit. Submission of late proposal may be considered if supported by sufficient evidence.
4. In case of institution which requires more than 30 approved man days, the Reviewer shall conduct 2 progress reviews.  
Institution which requires less than 20 approved audit man days, Reviewer shall conduct at least one progress review.  
The DAO/Reviewer should conduct progress review after 10 days of commencement of Audit of an Institution.  
Reviewer/DAO shall conduct 2<sup>nd</sup> review of Audit atleast 5 days before the closure of Audit.  
Progress review shall be conducted as per guidelines specified in Annexure-II.  
The Reviewer shall ensure the content & quality of objection memos & conduct test check of some transactions to verify the authenticity or merit of the objection points issued.
5. Audit team shall prepare an 'Audit Memo Register' and the same shall be the part of audit record along with the Audit Planning & Audit objections. The Reviewing Officer will verify the same in course of review.
6. Auditor shall submit reminder to the Auditee Institution immediately after the lapse of period of return of POM.
7. Audit team as well as reviewer shall ensure content, structure & quality of objection memo as per the prescribed standard communicated to them through training.

8. All the important points raised in the objection memo must be reflected in the Audit report. Any individual objection containing monetary value below Rs.200/- shall not be reflected in the report. But the consolidated money value on same nature of objection exceeding Rs.200/- should be incorporated in the Audit Report. Similarly, any lapses or errors of frivolous nature should also be avoided in the Audit Paras.
9. Auditor as well as reviewer shall ensure that all the paragraphs in the report are prepared in logical sequences as per the Audit Principles. (Annexure-III)
10. Audit team shall incorporate all the basic prescribed information/data as stipulated in the Guidelines in the Audit report & Reviewer shall ensure the same at the time of review.
11. Audit team must initiate Audit work through ALFA Portal within 5 days of start of Audit work & submit weekly diary in time.
12. Audit team shall finish drafting of audit report in ALFA by the close of the audit and submit the Audit Report on the very next date of expiry of reporting date after finalizing the report in consultation with the review cell. The reviewer shall return the Audit report if required, incorporating all the queries at one go within 7 working days only. The Audit team shall resubmit the returned report within 7 working days from the date of receipt complying all the queries raised by the reviewer. The GP audit reports shall be submitted on the very next date of completion of the audit. The letter no.DLFA(Prog)-XIV-Aud-13/2012-12653/DLFA, dtd.10.11.2014 regarding inordinate delay in submission of Draft Audit Reports is hereby revoked.
13. The DAO must complete the DAR in every respect within 25 working days from the date of completion of audit and send it to the local authority for exit conference immediately. The DAO shall held responsible for delay in finalization of Report within stipulated date.
14. Exit Conference must be conducted within 10 working days after expiry of one-month period of Audit Compliance. If the local authority fails to respond within this period, the DAO shall approve the Audit Report after due verification on the spot by the reviewing officer, if required, without waiting for the reply of the Local Authority. The DAO must finalise the contents of the Report and approve it within a week of the Exit Conference or completion of verification by the reviewing officer.

15. Non production of records and registers by the auditee institutions( whether completely or partly) especially the work case record and measurement books shall immediately be reported to the DLFA by the DAO. The audit party shall also report the case of non production of records and registers to the DAO in time. Under the circumstances man days shall be wasted for non production of records. Lead Auditor and the DAO shall be held responsible for non-reporting of the issue of non production of records in time. The audit of works accounts shall be taken up on priority basis.
16. For any sort of lapses / errors in the approved report, the DAO and Reviewer shall be jointly responsible. Non adherence to guidelines shall invoke disciplinary action against the concerned officer.

  
Director 20/5/15