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Important Circular

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To

All LAOs/ALAOs

Sub: **Strengthening of the Internal Audit.**

To strengthen internal audit mechanism the following instructions/directions are issued in addition to the provisions which already are there in different Manuals / Rules.

2. In order to have actual importance of the local audit objections to their desired level of magnitude and improve the quality of audit objections, **codification** of the objections as per their nature of irregularities is being introduced by the HQrs office which are required to be implemented with immediate effect by all LAOs. The **codes** as per nature of irregularities are tabulated below.


Sl No.	Code No.	Group Title	Example
1	1	Financial Irregularity	Split-up cases, authorization, beyond financial limit, Infructuous expenditure etc.
2	2	Procedural Irregularity	unauthorized issue of railway warrants, Single car diary, KPL test, etc.
3	3	Administrative Irregularity	Cheques not debited, Non-production of auditable documents etc
4	4	IT-related Irregularity	IT related provisioning, accounting, auditing etc.
5	5	Others	Other than the above.

In view of the above, all the concerned LAOs are directed to submit objection statements duly indicating proper Code No. against each objection from 1st November'2016. *This is for strict compliance.*

3. Trivial and flimsy observations should be avoided. Observations of common nature should be frequently circulated to the executives to avoid recurrence of such nature of objections / observation in future.

4. Often it is experienced that due to insufficient up to date data of Local Audit Objection, urgent reports required by HQrs office cannot be submitted immediately. It is, therefore, directed to all concerned LAOs/ALAOs to forward the soft copy of all the local audit objections raised during the month to CDA Guwahati Nic-Mail by 5th of the next month without fail with the subject name "**Local Audit Objections of LAO / ALAO name-month-period of audit**" viz **Local Audit Objections of LAO (A) Tezpur-October-(10/15-03/16)** for LAO Tezpur. Reference of the mail will be considered as "Objection Statement" of the LACR for this month. *This is for strict compliance otherwise no LACR will be approved.*

5. With the introduction of new format of MPR, i.e., one line MPR the old format of MPR is no longer effective to monitor the status of outstanding local audit objections raised by LAOs. Therefore, it is enjoined upon for furnishing correct data of outstanding local audit objections & test audit objections in **Monthly Performance Report** to monitor the progress of the objections.



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