

No.AD (1) 1468/2010

Office of the Director of Co-operative Audit
Thiruvananthapuram, Dated. 21.05.2010

Circular 1/2010

Sub: Audit - Preparation and submission of Audit Certificate and Audit memorandum – uniformity –fixed - Directions Issued –reg.

Rule 64(2) of the Kerala Co-operative societies Rule 1969 prescribes that the auditor shall submit an audit memorandum in the form prescribed by the director of Co-operative Audit. In part IV of the Audit manual Volume-I, it is specified that the auditor has to draw up the audit memorandum and the certificate in the form prescribed by Registrar. Now the Registrar/Director of Co-operative Audit supplies printed 'Form,' of Audit Certificate in Malayalam language which is being used in the department.

In the case of Apex, Federal, Central and some other societies, it is used to prepare and submit Audit Certificate in English language by Auditors which are found to vary to different societies and also found that they are not in the form prescribed by Registrar/Director of Co-operative Audit.

In the case of Boards/funds/Schemes constituted by Government viz. co-operative Examination Board, Pension Board etc, the Rules thereto also empower Director of Co-operative Audit to audit their accounts.

In the above circumstances, the following directions are issued and all the concerned shall abide by the directions forthwith.

1. The Audit Certificate of Co-operative Societies prepared in Malayalam language shall be in the form prescribed by Registrar which is already in use and shall contain Audit Certificate and Audit memorandum.
2. Audit Certificate of societies, when it become necessary to prepare in English language shall be prepared in the 'Form' appended to this circular.
3. The Audit Certificates of State Co-operative Union, Circle Co-operative Unions, other Boards/Funds/societies constituted by Government viz. Co-operative Examination Board, Pension Board etc. under Co-operative department shall contain the Audit Certificate and memorandum as stipulated in Para (1) and (2) above and Trial Balance/Receipts and Disbursement statement, Income and Expenditure account and Balance sheet.

4. The Audit notes of institution prepared and submitted by Auditors mentioned in Para (3) above shall strictly be in the 'Form' prescribed by Registrar of Co-operative Societies. However, the details which are not necessary to be included in the prescribed Form shall be avoided viz share capital, Deposits, Loans and advance, audit classification etc., but must include Auditor's Certificate and Report of Auditor.

5. While approving the Audit notes and issuing audit certificates, Joint Registrars and Assistant Registrars shall ensure that the above directions are observed.

6. Notwithstanding anything contained in this Circular, the audit Certificate of Co-operative Banks coming under the purview of BR Act, shall be prepared in the Form prescribed by Reserve Bank of India, however the audit certificate (Certificate page) shall not be avoided.

Sd/-

Director of Co-operative Audit

To

1. The Joint Registrar (Audit), all Districts
2. The Concurrent Auditors/Auditors, all Apex Societies.
3. The Auditors of all Federal Societies.
4. The Joint Registrar/Concurrent Auditor, all District Co-operative Banks
5. Auditors of State Co-operative Union, Pension Board other Boards/Funds etc.
6. Ad Sections in this office.
7. Stock file, Spare.

//Forwarded by Order//


Assistant Director

KERALA STATE CO-OPERATIVE DEPARTMENT

Name and Register Number of the institution -

Administration -

Audit -

AUDIT CERTIFICATE AND AUDIT MEMORANDAM

FOR THE YEAR

Issued at -

Date -

KERALA STATE CO-OPERATIVE DEPARTMENT

Office of the

Dated.

Shri/Smt

.....

File No.

AUDIT CERTIFICATE

(.....)

Certified that the accounts of the
..... Ltd.No..... having its head quarters at
District at and Talk at registered on ...
....., commenced working on and functioning under the
administrative control of the department, for the year
as audited by are passed.

This Certificate and the enclosed Audit memorandum containing
information's/ Suggestions for special attention, summary of defects, receipts and
disbursement statement, profit and loss account and balance sheet shall be placed before
the ensuing annual general body meeting and necessary action shall be taken in due
course as per the suggestions or decisions and all the defects as per the summary of
defects shall immediately be rectified and the matter shall be brought to the notice of the
general body and shall be informed in writing to the Director of Co-operative Audit and
.....

(Office Seal)

Signature of issuing authority

..... Ltd.No.

AUDIT MEMORANDUM

(20.....)

Information's / Suggestions for Special attention

1. Members – There were members at the end of the year. There is an increase/a decrease of members than Prevision year.
2. Share Capital – There is an increase/a decrease of Rs. than prevision year. It was Rs..... at the end of the year of which Rs..... is contributed by state Government. On account of amount due from members Rs. is in arrears. This amount shall be collected immediately.

3. Borrowings -

(A) Deposits - There is an increase/a decrease of Rs. on this account during the year. Rs..... is outstanding at the end of the year.

(B) Govt. Loans –

(1) Balance at the end of the year –	Principal	Interest

(2) Arrears in respect of item (1) above

This amount is in arrear from Arrear amount shall be remitted immediately.

(C) Govt. Guarantee – Government have stood guarantee to the society for Rs..... received on account of item granted as per Govt. order No dated,..... . At the end of the year the Society/bank is liable to Government for Rs..... on this account.

(D) District bank/Apex bank Loans –

	Principal	Interest
(1) Balance at the end – of the year		
(2) Arrears out of item (1) above		

Arrears shall be remitted immediately.

4. Loans issued – There is on increase/a decrease of Rs..... during the year than prevision year. Out of the principal outstanding at the end of the year, Rs is in arrear. It is Percentage of the demand. Out of the interest amount outstanding, Rs..... is in arrears. It is Percentage of demand. Immediate steps shall be taken to realize the arrears.

5. Reserve for bad and doubted debts –

(A) Bad debts - Rs.....

(B) Doubted debts - Rs.....

Total

Reserve for bad and doubted debts

Decrease/ increase in this reserves during the year

6. Establishment and Contingent Expenditure –

It is percent of total income (Establishment expenditure is percent and contingent expenditure is percent)
Steps shall be taken to reduce expenditure.

7. Profit and Loss account –

(A) Gross profit / Gross Loss as per trading account Rs.....

(B) Profit earned/loss Sustained this year alone Rs.....

(C) Net profit/Net Loss as per profit and loss account Rs.....

(D) Net profit shall be distributed as follows –

(1) Percent of net profit to Reserve fund Rs

(2) Percent of net profit to Co-operative education Fund
Rs

(3) Percent of net profit to the Professional education
Fund maintained by Registrar Rs.....

(4) Rs

(5) Rs

(6) Balance to be distributed as per bye law Rs

(E) Dividend - (1) Dividend payable to Government on the Share Capital
contributed by Govt. at the end of the year was Rs..... .Year
wise details are given below –

Year	Percentage	Amount
.....
.....
.....

Total

This amount shall be remitted to Government and the matter shall be informed to
Registrar/Joint Registrar/.....

(2) Payment of dividend for the year..... is pending. This issue shall be discussed
and decided at the ensuing general body meeting.

8. The amount shown below is pending payment at the end of the year. It must be remitted immediately at the appropriate institutions/centers.

	Reserve Fund (a)	Co-operative Education Fund (b)	Agricultural Credit Stabilization Fund (c)	Professional Education Fund (d)
Amount to be set apart from the Current year's Net profit				
To be remitted at the end of the Previous year				
Total				
Remitted during The year				
Pending payment at the end of the year				

9	Working Capital	Rs
10	Sales	Rs
11	Audit Fees	The audit fees for the current year is calculated and levied as per Rules on working capital/sales/gross Income. The amount shown below shall immediately be remitted in Treasury and shall be reported and Convinced to the Registrar/Joint Registrar (General)/Joint Registrar (Audit)/Director.
	Audit fee levied for the Current year	Rs.....
	Balance in the previous years	
	”	Rs
	”	Rs
	”	Rs
	Total	Rs
	Remitted during the current year	Rs
	Balance pending remittance	Rs

and the fact shall be reported to the Registrar/Director of Audit/Joint Director/Joint Registrar

12. Audit classification -
 Previous year -
 Current year -
13. Other Remarks -

Other details to be mentioned in the order of preference

1. Summary of defects (Details)
2. R&D Statement/Trial Balance
3. Trading profit and Loss Amount
4. Balance Sheet
5. Advance Due to items
6. Advance Due by items
7. Miscellaneous income (Receivable)
8. Establishment and Contingencies (Payable)

Signature of issuing authority

Place:

Date:

Sd/-

Director of Co-operative Audit

//Forwarded by Order//


Assistant Director