

भारत के नियंत्रक-महालेखापरीक्षक का कार्यालय
9, दीन दयाल उपाध्याय मार्ग,
नई दिल्ली-110 124



OFFICE OF THE COMPTROLLER &
AUDITOR GENERAL OF INDIA
9, DEENDAYAL UPADHYAYA MARG,
NEW DELHI - 110 124

दिनांक / DATE 22-2-16

To

All MsAB

Subject: Issue of comments to Management/Statutory Auditors

Sir/Madam,

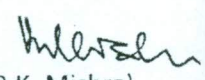
The issue regarding timelines for issue of Audit certificates on the annual accounts of the Companies came up for discussion during the 19th meeting of the Audit Board held on February 5, 2016. During the deliberations, the desirability of issuing provisional comments also came up for discussion. After careful consideration, it has been decided as under:

- (1) **Issue of Provisional Comments:** Half margins should be issued by the head of the Audit Party i.e. Sr AO/AO to the local Management/ Statutory Auditors and provisional comments by Group Officer to the Top Management and the Statutory Auditor. After receipt of reply to the provisional comments from the Management/Auditor, a decision may be taken as to whether a draft comment may be taken with the approval of MAB.
- (2) **Timelines for completion of Audit of Accounts:** As per provisions of Section 143 (6) of the Companies Act, 2013, the Comptroller and Auditor-General of India shall within sixty days from the date of receipt of the audit report conduct a supplementary audit of the financial statement of the company. However, a doubt has arisen whether the 60 days timeline includes the time for taking up the audit of Consolidated Financial Statements (CFS). After careful consideration, it has been decided as under:
 - a. In case of receipt of standalone accounts along with CFS or the CFS is received within a reasonable time (up to four weeks), sixty days may be counted from the date of receipt of standalone accounts.
 - b. In case of delayed receipt of CFS (beyond four weeks), audit comments on the standalone accounts may be processed separately.

c. The draft comments, if any, may be sent to Hqrs giving clear two weeks for processing in Headquarters. MsAB may accordingly plan the certification of Accounts.

(3) **Repeated Comments:** In case a comment on accounts is being repeated over the years, the MsAB may review the comment based on replies of the Management and Statutory auditors and take decision in right perspective rather than repeating the comment based on previous year's judgement. A joint meeting with Management and auditors may be called to settle the issue rather than comment as a matter of routine. The cases, where the same irregularity persists and no corrective action has been taken by the Management, such cases may be brought to the notice of the concerned Ministry through Headquarters office.

Yours faithfully,



(P.K. Mishra)

Director General (Commercial)-I