

H1-31603/05/CT

Office of the Commissioner  
Commercial Taxes  
Thiruvananthapuram  
Date: 24.06.05

**CIRCULAR NO.14/05**

Sub:- Audit by the Accountant General –Necessity of furnishing  
Correct rectification request to audit enquiries and speedy  
Disposal of LARs/DPs – Instructions issued

It is noted that the pendency of Local Audit Report and Draft Para are very high. On examining the matter further, it is seen that very often-proper replies are not given to audit enquiries. As a result of which they are taken up further by the Accountant General as draft paragraphs. In the large majority of the cases, issues can be settled then and there if proper replies are given to the audit party. The monitoring and supervision of this item of work appears to be very inadequate.

In the circumstances the following instructions are issued.

1. In future replies to the audit queries raised by Accountant General will be given only after approval of the immediate higher authority (Inspecting Assistant Commissioner or Deputy Commissioner as the case may be)
2. The supervisory officer should ensure that the issues raised by Accountant General are examined comprehensively and proper replies are given. In case on assessment or demand has to be revised as a result of audit, it should be done immediately, if the audit objection is sustainable. In case the objection is not sustainable a cogent and self-contained reply should be given to the audit party.
3. In any case, rectification of the defects pointed out should be complete within a maximum period of 30 days from the date of receipt of the audit paragraph.
4. An approval register should be maintained in the following format in all circle offices and special circles for dealing with audit enquiries and replies.

No. & Dt. of audit enquiry	Date of receipt	Audit enquiry		Audit queries sustainable or not	Dt. of submission of reply to IAC/DC for approval	Dt. Of approval	Dt. Of issue to audit party with acknowledgement	Action taken to cure the defect
		Brief of the case & short levy/ other defect	Name of assessee & year					
1	2	3	4	5	6	7	8	9

5. A register should also be maintained in the circle office and special circles in the following format about the details of pending audit enquiry and draft para. The new draft para/LAR received shall also be entered in this register during that month itself.

#### DRAF PARA

Total No. of DP pending as on 1.4.05	Brief of the case	Short levy	Whether factual report furnished	Further developments of the case including revision of assmt. colln. particulars etc.	Remarks

#### LAR

Total No. of LAR pending as on 1.4.05	No& case of paras pending in each LAR	Whether reply furnished	Further developments of the case	Whether review report received from the AG (Audit)	Remarks

6. All the Deputy Commissioner should include a statement in their monthly DO to the Commissioner, showing the pendency and disposal of DP & LAR for that month separately in the proforma attached.

7. All Local Audit Reports pending as on 01.06.05 should be disposed of by 31.08.05 including rectification of defects.

Deputy Commissioners and Inspecting Assistant Commissioners should call a meeting of the officers under their administrative control to review the pending cases and furnish a report to the Commissionerate within 15 days of receipt of this circular.

The receipt of the circular should be acknowledged by all Deputy Commissioners.

Sd/-  
COMMISSIONER

To  
All officers

Copy to: file/Stock file

/By order/

Deputy Commissioner (General)

