Ministry of H&FW (RCH-Finance) has noted that there are several weaknesses in Audit Report prepared by the Society through Chartered Accountant. Major weaknesses are:

(a) Lack of disclosure of Accounting Policies and inconsistent use of accounting policies—In a few cases, release by districts to lower units have been taken as expenditure. Consequently, there has been a significant difference between the expenditure reported as per FMR and expenditure as per Audit Reports.

(b) Accounts Heads as per the FMR and Finance & Accounts Manual have not been used in any of the Audit Reports.

(c) Internal control and finance staffing capacities in the Districts are extremely weak—bank reconciliation has not been prepared in many cases, double entry book keeping not followed and there is no monitoring and follow up of the advances. Things have improved where finance and accounts staffs are in place.

2. It was also noted that the auditor did not have a proper briefing about the programmes implemented by the State. As a result, there is no uniformity of formats of audit reports used. This is going to be further complicated from next year when the Disease Control Programmes will also be included in the audit report of the District Health Society (DHS) and State Health Society (SHS).

3. Keeping the above in view, Ministry has designed a model format of the Audit Report with request that Auditors should be instructed to prepare report in this model format to avoid any confusion about accounting. The model format should be handed over to the Auditor as soon as the letter of appointment is issued. Model format is available on the Ministry website www.mohfw.nic.in on “Financial Management Group” hyperlink.
4. Necessary action may kindly be taken accordingly. Format down loaded and above instructions may also be followed strictly.

(S.K. Roy)
Commissioner
Govt. of Tripura
1/3/07

To
The Programme Officer
State Health & FW Society / TB/Malaria / Iodine Deficiency /
Blindness Control / IDSP/Leprosy/AIDS / Mental/Cancer / Control Agartala

Copy to:
1. The Addl, Secretary, H&FW (MD, NRHM), Govt, of Tripura, Agartala. Original letter of Shri P. K. Aggarwal, Director (RCH-Finance) vide D.O. letter No. M 15012/22/2006/RCH (Fin), dated 16 January 2007 has been market separately.

(S. K. Roy)
Commissioner
Govt. of Tripura.