



INDUSTRIES (J) DEPARTMENT

G.O. (Ms.) No. 90/90/ID., dated, Thiruvananthapuram
25th June 1990

Abstract- Industries-Public Sector Undertakings-Scrutiny of the Working of Public Sector Undertakings-Internal Audit board-Constitution of-Orders Issued.

ORDER

There is no machinery at present to scrutinize the accounts of the Public Sector Undertakings by Government, although Government, invest Crores of Rupees in Government feel that they should keep a watch on the working of the Public Sector undertakings and should exercise proper control over them to see that they run properly. Government therefore order the formation of an Internal Audit report Board with Shri C. Sankara Menon, formerly Deputy Comptroller and Audit General of India and member, Expenditure Commission as Chairman and the Commissioner and Secretary (Finance) and Commissioner and of the Public Sector undertakings is subjected to study by the Internal Audit Board, the Chairman and Managing Director of the Company as well as the Secretary to Government of the concerned department will be co-opted as members of the Board . The Board will examine the cases of Public Sector Undertakings under the Industries Department only.

The Board will have the following functions:

1. Will act as a watchdog over Public Sector in respect of audit matters and will ensure quick clearance of backlog in audit.
2. Will immediately tone up the system of accounting in Public Sector Undertaking and see that the accounts of all Public Sector Undertakings are made up-to-date within as short a time as possible.
3. Will ensure timely realization of full income tax benefits and other benefits that accrue to the company.
4. Advise Public Sector Undertakings on corrective measures need in the areas of audit, accounts and related matters.
5. Will act as an independent source of information for Government.

6. Will formulate and implement with the involvement of the Units themselves whatever measures that are needed for improving the working of Public Sector Units. Board will advise the Government whenever there are special problems in companies like suspected wrong accounting, wrong calculation of profit or loss, improper system of account maintenance to cover up the actual state of affairs, need for expenditure which are not Justified.

7. Will conduct special audit of companies wherever necessary.

8. Will formulate guidelines for conducting internal audit as an effective instrument of management control and management accounting.

The Board will have only a skeleton staff of its own. Sanction is accorded for the creation of two Accounts Officers on deputation from the Accountant General's Office. One Accounts Officer will co-ordinate the functioning of the study team to be constituted and another Accounts Officer to function as the Secretary of the Board.

Sanction is also accorded for creation of the temporary post of one section Officer, one stenographer, a clerk, a typist and peon, and for taking the incumbents on deputation from the State Government Service

(By order of the Governor)

K.Mohanachandran
Commissioner and secretary