

RAJASTHAN FINANCIAL CORPORATION
(A&I SECTION)

Ref.No.RFC/A&I/Gen (7)/315

Dated: - 18.08.2007

C I R C U L A RReg: - AG INSPECTION REPORTS

To reduce, minimize the number of pending audit paras of AG Inspection Reports, the following guidelines/ instructions, in supercession of earlier orders/ circulars issued in this regard, are hereby issued for strict compliance:

A. ACTION BY BO DURING THE AG AUDIT:

1. The In-charge (Branch) should be available in the Branch Office during the period of audit for providing information/ clarification with regard to the audit memos. In case of emergency, if it is not possible for In-charge (Branch) to be present in the office then he would nominate an officer to assist the audit team in providing information/ clarification. At the last day of the audit, the In-charge (Branch) should remain present in the office so that the memos may be discussed with the audit Team apart from verification of facts incorporated in the memos.
2. The Branch office shall provide all the relevant record, information and papers to the AG Audit Party. An officer, who is well versed with the overall working of the branch, shall also be nominated to assist the AG Audit Party in conducting the audit.
3. At the time of inspection of AG audit team, paras which are under the category of "Drop subject to verification or to be verified at the time of next audit" shall be discussed by the In-charge (Branch) at the commencing day of the audit and the relevant record of such paras shall be provided to the AG Audit Party for verification so that the para falling within the above category are settled at the branch office during the course of audit itself.

4. The reply of other pending paras of AG Inspection Reports (including latest position of the case(s)) shall be prepared before commencing of the audit so that maximum number of pending audit paras are settled during the course of the review by the Audit Team.

5. The AG Audit Team has now started to incorporate paras in Part-III in the AG Inspection Report as "Test Audit Note". The reply of these "Test Audit Note(s)" is not required to be sent to AG. These are to be got verified at the time of next audit by the AG Audit Team. However, the reply of main paras incorporated in Part-II is to be replied.

6. The In-charge (Branch) are advised to furnish specific reply on the matter/ issues raised in the Audit Memos during the course of the Audit and ensure incorporation of reply/ compliance furnished by the Corporation to the AG Audit Team in the AG Inspection Report(s).

B. MONITORING BY BO:

The field offices are advised to review all the pending paras of AG on quarterly basis and para wise further compliance/ progress be sent to their respective zone.

C. ACTION BY SECTION HEAD AT HEAD OFFICE DURING AG AUDIT:

1) The Section Head at Head office of the Corporation are advised to nominate an officer, who is well versed with the overall working of the section, for providing information/ clarification to the AG Audit Team during the audit period. However, at the last day of the audit, the Section Head/ nominated officer should remain present in the office so that the memos may be discussed with the Audit Team apart from verification of facts incorporated in the memos. So far as the paras which are under the category of "Drop subject to verification or to be verified at the time of next audit" is concerned shall be discussed by the Section Head/ nominated officer at the commencing day of the audit and the relevant record of such paras shall be provided to the AG Audit Party for verification so that the para falling within the above category are settled during the course of audit itself. The reply of other pending paras of AG Inspection Reports (including latest position of the case(s)) shall be prepared before commencing of

the audit so that maximum number of pending audit paras are settled, during the course of the review by the Audit Team.

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ii) The Section Heads at HO are advised to furnish specific reply on the matter/ issues raised in the Audit Memos during the course of the Audit and ensure incorporation of reply/ compliance furnished by the Corporation to the AG Audit Team in the AG Inspection Report(s).

D: CERTIFICATE BY BO /SECTION HEAD AT HO ON THE CONCLUSION OF AG AUDIT:

At the conclusion of the AG Audit, the branch/ Section Head at Head Office shall furnish a certificate to their respective Zone/ GM (A&I) that they have taken all the steps during the course of AG Audit, as mentioned at "A" and "C" respectively.

E. MONITORING AT ZO/HO:

The respective Zone Head shall monitor the status of all pending paras of AG on quarterly basis and forward the same along with his comments to HO (A&I).

The Section Head at HO shall also monitor the status of pending paras of AG on quarterly basis and furnish para wise further compliance/ progress to GM(A&I).

All concerned are advised to comply with the above guidelines and any lapse will be viewed seriously.

9w
18/01/07
(B.N. SHARMA)

CHAIRMAN AND MANAGING DIRECTOR

Copy to:-

1. All BOs/SOs
2. DGM(A&I), WZ Jodhpur / DGM(A&I), CZ, Ajmer
3. Standard Circulation at Head Office