

**OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT-I)  
MADHYHA PRADESH, GWALIOR**

No. SMU/25-26/F-35/ 0.0 26

Dated 19.06.2025

**OFFICE ORDER**

**Sub: Audit of State Public Sector Undertakings (SPSUs) and State Autonomous Bodies (SABs)**

Review of the existing arrangements of audit of State Public Sector Undertakings (SPSUs) and State Autonomous (SABs) has been done in the office of C&AG of India and communicated to this office vide letter no 221/42-SMU/2025 dated 13.06.2025 (copy enclosed). In compliance of the same, following instructions are issued for implementation with immediate effect: -

- 1.0 Audit functions of all SPSUs and a component of SABs are assigned to Group Officer, in charge of AMG-IV, who is hereby designated to look after the work of audit of all SPSUs exclusively. He is also entrusted with responsibility for processing audit comments related to the Certification Audit/Separate Audit Reports of SABs.
- 2.0 Group Officers in charge of other AMGs will transfer material relating to Certification Audit/Separate Audit Reports of SABs under their jurisdiction to the designated Group/Group Officer i.e. AMG-IV.
- 3.0 Existing arrangements for Compliance Audit and Performance Audit of SABs will remain unchanged and continue with their respective AMGs.
- 4.0 The O/o PAG(Audit-II), M.P., Bhopal will be responsible for preparing the overall Audit Plan for State PSUs, incorporating inputs from O/o PAG(Audit-I), M.P., Gwalior. The State Commercial Audit Report will include contributions from both Audit Offices regarding State PSUs included in the Audit Plan/Audit Report.
- 5.0 The existing distribution of work for SPSUs and SABs between the two audit offices i.e. O/o PAG(Audit-I), M.P. Gwalior and O/o PAG (Audit-II), M.P. Bhopal will continue.
- 6.0 **Transfer of PSUs and Manpower Adjustments:**

This arrangement would require transfer of all State PSUs from all clusters of respective AMGs to DAG/AMG-IV. The strength of SAOs/AAOs of commercial cadre from other AMGs in the office would be transferred to AMG-IV.

(SrAO/Admn-XI to issue separate orders in this regard by 23 June 2025)



- 6.1 All records related to Audit of SPSUs with other wings to be transferred to AMG-IV (QCC) for further necessary action.  
(Action: All Group Officers of AMG I/II/III and IV by 26 June 2025)
- 7.0 Quality Control Cell will report to DAG/AMG-IV and receive records relating to SPSUs and SABs from all AMGs.
- 8.0 SrAO/APDAC to revise Audit Plan accordingly by 25 June 2025.  
(Action: SrAO/APDAC)
- 9.0 Compliance Report on directions in Para 6.0, Para 6.1, Para 7 and Para 8 to be submitted by concerned Group Officers and SrAO/APDAC to SrAO/SMU by **23 June (Admin), 26 June (AMG-I/II/III/IV) and SrAO/APDAC (25 June 2025) to SrAO/SMU.**  
(Action: SrAO/SMU)
- 10.0 SrAO (SMU) to put up a draft letter to PD(SMU) in compliance to SMUs letter no.221/42-SMU/2025 dated 13 June 2025 by 27 June 2025.  
(Action: SrAO/SMU)

This issues with the approval of Principal Accountant General.

sd) —

Sr. Audit Officer (SMU)

No. SMU/25-26/F-35/ STR- 63070645 641

Dated 19.06.25

Copy for information and necessary action: -

1. Secy to PAG (Audit)-I, M.P., Gwalior
2. Secy to PAG(Audit)-II, M.P. Bhopal
3. DAG/AMG-I, AMG-II, AMG-III, AMG-IV and AMG-V
4. SrAO/APDAC, Report-I, Report-II, QCC(AMG-IV)
5. SrAO/OE-XI
6. SrAO/IS wing for updating on Official Website
7. Assistant Director/Brajhasha for Hindi Translation
8. Shri Naresh Ahuja, AAO/OE-14 for intranet/internet related work
9. Guard File
10. Notice Board

*[Signature]*  
19-6-25  
Sr. Audit Officer (SMU)



भारत के नियन्त्रक-महालेखापरीक्षक का कार्यालय  
9, दीन दयाल उपाध्याय मार्ग, नई दिल्ली 110 124  
OFFICE OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA  
9, Deen Dayal Upadhyaya Marg, New Delhi 110 124

नीतिगत प्रबंधन इकाई  
Strategic Management Unit

Notification

No.221/42-SMU/2025

Dated: 13 June 2025

**Subject: Audit of State Public Sector Undertakings and Autonomous Bodies.**

The restructuring of Central and State Audit Offices was notified with the approval of the CAG vide SMU Notification No.59/31-SMU/2018 dated 9 March 2020.

2. After review of the existing arrangements and in partial modification of SMU Notification referred above, the following arrangements are put in place for the audit of State<sup>1</sup> Public Sector Undertakings (SPSUs) and State<sup>1</sup> Autonomous Bodies (SABs):

a) A post of Additional Deputy Comptroller and Auditor General (State Commercial) has been created at Headquarters for Audit planning, coordination and processing of Audit Reports of SPSUs. The ADAI (State Commercial) has also been entrusted with the responsibility for finalising the audit comments relating to the "Supplementary Audit of SPSUs" and the "Certification Audit/Separate Audit Report of SABs" across all the State Audit Offices.

b) Within a State Audit Office<sup>2</sup>, all SPSUs would be transferred under the charge of one of the existing AMGAs and a single designated Group officer would look after the work of audit of all SPSUs exclusively. The concerned PAG/AG would designate this Group Officer who would look after this work and intimate PD (P) branch.

c) Further, the designated Group Officer/AMG will also be entrusted with the responsibility for processing the audit comments relating to the Certification Audit/Separate Audit Reports of SABs. Group Officers in charge of other AMGAs in that Audit office will transfer material pertaining to Certification Audit/Separate Audit Reports of SABs under their jurisdiction to the designated Group Officer. However, the existing arrangement related to Compliance Audit and Performance Audit of SABs will continue with respective AMGAs.

d) In the States with two Audit offices, the existing arrangement of distribution of SPSUs between the two offices will continue. The O/o PAG/AG (Audit-II) would look after the work of preparation of Audit Plan of State PSUs as a whole by taking inputs from O/o PAG/AG (Audit- I) and State Commercial Audit Report would also include the contribution of O/o PAG/AG (Audit- I) in respect of State PSUs included in the Audit Plan/ Audit Report. The existing arrangement of distribution of and reporting on SABs between the two offices will also continue.

e) The Audit Plan for audit of SPSUs of each State so prepared would be submitted to ADAI (State Commercial) who would prepare a unified Audit Plan for SPSUs for all the States. A

<sup>1</sup> would mean State and Union Territory

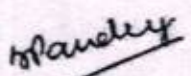
<sup>2</sup> headed by a Principal Accountant General (PAG) or an Accountant General (AG)



copy of the approved Audit Plan would be sent by State Commercial and Autonomous Bodies wing to SMU. The DAIs/ADAI of the functional State Audit wings would also be kept informed of the same.

- f) Separate Commercial Report<sup>3</sup> prepared by each State would be finalised by the ADAI (State Commercial). Audit comments relating to the 'Supplementary Audit of SPSUs' and 'Certification Audit/Separate Audit Reports of SABs' would also be finalised by the ADAI (State Commercial).
- g) However, the existing arrangement for finalisation of materials related to Performance Audit and Compliance Audit of SABs by the DAIs/ADAI of the respective functional State Audit wings would continue. The material so approved shall form part of State Civil Reports (Standalone or Omnibus Reports having a mix of Compliance and Performance Audit Reports) as is being done presently.
- h) This arrangement would result in transfer of all State PSUs from all the clusters of respective AMGs to one designated AMG. However, due to this arrangement, if any work adjustment is necessitated, then one or more department(s) with all units may be transferred from one AMG to another AMG in the same office. The necessary redistribution may be done with the approval of DAI/ADAI of the respective functional wing and SMU would also be informed of the changes so made after it is approved by the respective DAI/ADAI.
- i) The Technical Support Cell functioning in the State Audit offices would be reporting to the designated Group Officer (entrusted with SPSUs) in the respective offices.
- j) The strength of SAOs/AAOs of Commercial Cadre from other AMGs in the office would be transferred to the AMG entrusted with SPSUs in the State Audit Offices.
- k) The necessary adjustments in the manpower at the level of SAO and below would be made by respective State Audit offices after workload assessment.
- l) In Headquarters, the Desk Officer(s) in the functional State Audit Wings dealing with the work relating to State PSUs would be transferred to State Commercial wing immediately. Commercial Audit wing would be issuing necessary orders in this regard.
- m) These arrangements would be operationalised with immediate effect. The compliance to these instructions may be completed within 15 days of issue of this notification.

This issues with the approval of the Competent Authority.

  
(Swati Pandey)  
Pr. Director (Personnel, SMU & Coord)

To  
All DAIs/ADAI  
All Heads of Offices in IA&AD  
All Directors General/Principal Directors in Headquarters

<sup>3</sup> refer letter No.136/PPG/24-2020 dated 27 July 2023 on the subject