

# Office of the Principal Accountant General (Audit-I) Madhya Pradesh, Gwalior

## Office Order

No./SMU/2025-26/F-91/O-6-105

Date 21.10.2025

**Subject: - Finalisation of Separate Audit Reports of Public Sector Units (PSUs) and Autonomous Bodies (ABs)**

- 1.0 It has been observed that replies to draft Separate Audit Reports (SARs)/ Supplementary Audit Comments in respect of Public Sector Units (PSUs) and Autonomous Bodies (ABs) issued by this office are not being received within the stipulated period and the office waits indefinitely for the replies.
- 2.0 Delay or non-receipt of replies leads to avoidable pendency in finalisation of Separate Audit Reports (SARs), adversely affecting timely submission to the State Legislature/Parliament and accountability of the audited entities.
- 3.0 (a) In cases where no reply to the Draft SAR is received within the prescribed time, or even after one reminder, the concerned Group Officer (AMG-IV) shall record this fact in writing and proceed to finalise the Separate Audit Report (SAR)/Supplementary Audit Comments at the audit end based on the audit findings and evidence already available.  
(b) The fact of non-receipt of replies shall be appropriately mentioned in the preface or introductory paragraph of the final SAR, with the following standard wording:  
“Replies to the Draft Audit Report were not received from the Department/Autonomous Body despite issue of reminder(s); hence, this Separate Audit Report has been finalised at the audit end.”
- 4.0 (a) The **Group Officer (AMG-IV)** shall ensure that all audit observations are properly verified, supported by documentary evidence, and conform to audit standards before finalisation.

(b) **Quality Control Cell/AMG-IV** shall maintain a register of draft SARs issued and replies received to monitor compliance and avoid recurrence of delays.

This order shall be **applicable to all autonomous bodies and authorities** under audit jurisdiction of this office, and shall take effect immediately

(This issues with the approval of Principal Accountant General.)

Encl. - As above

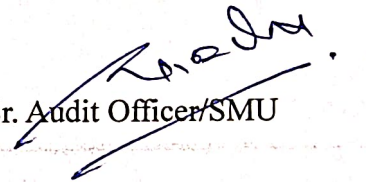
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Sr. Audit Officer/SMU

Endt. No./SMU/2025-26/F-91/0.0-105/STR-1/2198-212 Date 31.10.2025

Copy forwarded for information and necessary action please: -

1. Secy. to PAG
2. DAG/AMG-I, AMG-II, AMG-III, AMG-IV and AMG-V
3. Sr AO/QCC (AMG-IV), Report, Report (PAC)
4. Sr AO/APDAC, ITA
5. Sr AO/ IS Wing for uploading on intranet/official website
6. Sh. Utkarsh Yadav, AAO for uploading on intranet/official website
7. Guard file

  
Sr. Audit Officer/SMU

# Manual of Audit of Autonomous Bodies

submits a detailed report termed management letter, to the management regarding the procedures systems, weaknesses in the internal control etc. which would enable the management to exercise a greater degree of control over the operations of the autonomous body. The 'management letter' must be addressed to the Chief Executive Officer of the autonomous body. In the SAR, mention may be made invariably about the issue of a separate management letter. It may be ensured that the 'management letter' is issued only at the time of issue of final SAR to the autonomous body. The 'management letter' will not require head quarters approval but a copy should be sent to head quarters along with draft SAR.

*(Para 9.21 of CAG's Manual 2007, CAG's Circular letter 39-Rep(AB)91-2003 dt. 3.4.2006)*

## CHAPTER – X

### Finalisation of Separate Audit Reports

**10.1.** The draft SAR should be sent to the autonomous bodies concerned and their replies to various observations contained in it should be obtained.

Replies received must be taken into account and incorporated if necessary in the SAR proposed to be issued. If no replies are received within the stipulated period SAR should be finalized and the fact of non-furnishing of replies should be indicated in the SAR.

Separate Audit Reports on all legal service authorities (Central, State and District levels) will be finalized by the respective Pr. AG/AG (Au) SARs on the Central and State autonomous bodies as detailed in the lists, which fall within the following criteria would also be finalized by the respective field audit officers.

| Central Autonomous Bodies                                                                                            | State Autonomous Bodies                                           |
|----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| 1. Grants up to Rs 2 crore <i>per annum</i>                                                                          | Grants up to Rs 1 crore <i>per annum</i>                          |
| 2. If no grants are received expenditure up to Rs 5 crore and below.                                                 | If no grants are received expenditure up to Rs 1 crore and below. |
| 3. If certification of accounts is in arrears up to 2 years                                                          | If certification is in arrears up to 3 years                      |
| 4. All SARS on new audit may be sent to HQrs for approval for two years and thereafter, if directed by Head quarters | -do-                                                              |