

F.No.7/69/2012-BOA
Government of India
Ministry of Finance
Department of Financial Services

Jeevan Deep Building
Parliament Street,
New Delhi the 24th April, 2012

To

**The CEOs of all PSBs/Public Sector Financial Institutions/
Public Sector Insurance Companies.**


**Sub: Economy in the expenditure on the visits of Auditors for auditing of
accounts of Public Sector Banks/Public Sector Financial
Institutions/Public Sector Insurance Companies.**

Sir,

I am directed to bring it to your notice that the Central Vigilance Commission has expressed strong displeasure on the wasteful expenditure by a bank in entertaining the auditors and their family members. The Public Sector Banks (PSBs)/Public Sector Financial Institutions(PSFIs)/Public Sector Insurance Companies(PSICs) are hereby advised to take all appropriate measures to minimise expenses on visits of auditors during statutory or other audits of the organisation. In this connection, the following illustrative measures may be initiated by PSBs/PSFIs/PSICs

- i) Expenditure may be incurred strictly in respect of the auditors and their audit team during the period of audit inspection or examination/preparation of documents specifically assigned to all the auditors.
- ii) It may be ensured that no expenditure is incurred on any person who is not a part of the audit team, such as family members, friends of auditors, etc.
- iii) The meeting of the Auditors shall be conducted at the head office only.
- iv) The stay of the auditor and their audit team at the organization's expense be limited to the duration of the meeting only.

2. You are requested to bring this advisory to the notice of all concerned in your organisation. Please acknowledge receipt of this letter.

Yours faithfully,

(M.M.Dawla)

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Copy to all Government nominee Directors on the Boards of Public Sector Banks/Public Sector Financial Institutions/Public Sector Insurance Companies.

Copy for information to PPS to S(FS), PS to AS(FS), PS to all JS, PS to all Dir./DS