CORRIGENDUM
IN THE HIGH COURT OF PUNJAB & HARYANA, CHANDIGARH

In continuation of this Court's earlier advertisement dated 23.09.2011 published on the website, it is further clarified that the Policy of empanelment of chartered Accountant Firms and selection of Auditors for this Court shall be as per the criteria framed by the Comptroller and Auditor General of India, which is annexed as Annexure-C as on 1st of January 2011.

The scope of auditing parameters shall include the details mentioned in Annexure-D. Such auditing parameters are only indicative and not exhaustive.

Registrar (Administration)
Policy of Empanelment of CA Firms and Selection of Auditors of PSUs

Empanelment of CA firms

Chartered Accountant firms in India with at least one full time FCA (Partner/Sole Proprietor) can apply for empanelment with this office for allotment of audit of Public Sector Undertakings.

The criteria for empanelment and selection of statutory auditors have been arrived at after due consultation with the Institute of Chartered Accountants of India.

Selection of CA firms for appointment as statutory auditors of PSUs whose audit fees are up to Rs 1.50 lakh

The selection is made by correlating the point score earned by each firm of Chartered Accountants towards empanelment with the size of the audit fee. The point score is based upon the experience of the firm, number of partners and their association with the firm.

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<th>Experience of the firm</th>
<th>0.5 point for every calendar year -Maximum 15.</th>
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<td>(Counted from the date of constitution of the firm with one full time FCA or date of joining of the firm by the existing partner having the longest association with the firm whichever is later.)</td>
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<tr>
<td>Full Time FCA Partners</td>
<td>5 points each for first 5 partners and 2.5 points each from 6th partner onwards.</td>
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<tr>
<td>Full Time ACA Partners</td>
<td>3 points each for first 5 partners (including FCA partners) and 1.5 points each from 6th partner onwards.</td>
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<td>Points for long association with the same firm</td>
<td>5 points for each partner above 25 years.</td>
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<td>4 points for each partner above 20 years.</td>
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<td>3 points for each partner above 15 years.</td>
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<td>2 points for each partner above 10 years.</td>
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<td>1 point for each partner below 10 Years but above 5 Years.</td>
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<td>Full Time CA Employees</td>
<td>1 point each for first 20 C.A Employees-Maximum 20 points</td>
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<tr>
<td>CISA/ISA Qualified Partners</td>
<td>2 points each for three partners- Maximum 6 points</td>
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<tr>
<td>CISA/ISA Qualified Employees</td>
<td>1 point each – Maximum 3 points for 3 employees</td>
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Selection of CA firms for appointment as statutory auditors of PSUs where audit fee is above Rs 1.50 lakh (Major Audits)

(a) Criteria for short-listing eligible firms of CAs for allotment of Major Audits are as under:

(i) The firm should have at least 6 CAs (out of which 5 should be full time partners and one could be a full time paid CA employee), which is indicative of capacity to handle big audits.
(ii) At least one partner should have an association of 10 years or more with the firm and at least 3 partners of the firm should have an association of 5 years or more with the firm and the remaining two should have an association of one year or more with the firm, to demonstrate stability over time.

(iii) The firm itself should have been in existence for 10 years or more, to prove that it is a well established firm.

(b) Allotment of major audits is based not only on the size of the firm considering the number of partners, and their association with the firm, number of Chartered Accountant employees, and the Zone in which the firms' head office is located but also on the basis of factors such as sectoral experience, service tax paid by the firm on assurance services, capability of handling big audits, past performance, eligibility of the firm to conduct a particular audit, location of the firm's branch offices etc.
No. 17666 Int. Audit Cell/I.C.5.

From

Shri Amar Singh, B.A., LL.B.,
Deputy Registrar (Judicial),
Punjab and Haryana High Court,
Chandigarh.

To

1. All District and Sessions Judges in
   the State of Punjab.
2. All District and Sessions Judges in
   the State of Haryana.
3. District and Sessions Judge, Chandigarh.

Dated Chandigarh the 15th July, 1978.

Subject: Creation of Departmental Internal Audit Cell on the
establishment of Punjab and Haryana High Court, Chandigarh,
for extensive audit of all the accounts maintained by the
Courts subordinate to the High Court in the States of Punjab
and Haryana and the Union Territory of Chandigarh.

Sir,

I am directed to inform you that an Internal Audit Cell
has been created by the Hon'ble the Chief Justice and Judges on the
establishment of this Court for carrying out extensive audit of the
accounts maintained by all the Courts subordinate to this Court in
the States of Punjab and Haryana and the Union Territory of Chandigarh
to exercise effective financial control, to ensure proper maintenance
of accounts, to minimise the chances of embezzlement, mis-appropriation
and defalcation of government money and to liquidate and settle the
outstanding Audit objections, Inspection Reports and Paragraphs
concerning the aforesaid Courts promptly. The following duties and
functions have been assigned to the said Cell which comprises of two
agencies i.e. one for the Subordinate Courts in the State of Punjab and
Union Territory of Chandigarh and the other for the Subordinate Courts
in the State of Haryana:

(i) Both the agencies will undertake Extensive (Detailed)
Audit of all the accounts maintained in the Subordinate
Courts in the States of Punjab and Haryana and the
Union Territory of Chandigarh, by visiting the said
Courts at least once in two years so that not only a
check is exercised on the financial matters conducted
by the Staff of the Subordinate Courts but also to
advise and give proper guidance where it is found that
they have not observed the rules and instructions.

(ii) Clearance of Audit and Inspection Notes and Audit
objections at the spot for which meetings be convened
at a place centrally located to two or more Districts
and this programme be got confirmed from the Offices.
of the Accountant Generals of the respective States and the Union Territory of Chandigarh so that their audit party may participate in the said meeting and settle the outstanding audit objections at the spot.

(iii) The concerned Audit Agency will immediately conduct the detailed audit of accounts of the concerned Court(s) in which cases of defalcation/mis-appropriation/embezzlement of government (public) money is suspected.

(iv) Verification and determination of interest of cases of G.P. Fund Accounts of Class IV employees and also determination of interest on house building advances and other advances sanctioned to the Government employees of the Judicial Department.

(v) To devise ways and means to promote efficiency and accuracy in the maintenance of accounts concerning the Courts subordinate to the High Court.

(vi) The respective Audit parties may pay a surprise visit for checking of the accounts maintained in the Subordinate Courts in a Sessions Division of the respective States if and when there are complaints of embezzlement or irregularity and will also check the cash to ensure that no defalcation/embezzlement is made by the staff working in the subordinate Courts in that Sessions Division.

(vii) Before undertaking the extensive audit of the Courts in each Sessions Division, the Audit Agency of the respective States and the Union Territory of Chandigarh will communicate its tour programme to the District and Sessions Judge concerned for information, who will ensure that all the relevant registers, cash books, payment orders/vouchers, pay bills files, acquittance rolls, summary trial cases files, cheque books, treasury/bank pass books, Civil Court Deposits accounts and all other relevant records including judicial files concerning the financial transactions made in the Subordinate Courts in their Sessions Division are made available to the Audit party. Also the District and Sessions Judge and the Presiding Officers of all the Subordinate Courts in the District/Sessions Division will get the CASH IN HAND with the Nazir of the Court or any other Official conducting the financial transaction, checked with the CASH BOOK or OTHER RELEVANT REGISTERS concerning the cash handling of the Court, in his(her)presence from
the Audit Party. In token of that, the Incharge of the Audit Party and the Presiding Officer of the Court concerned will sign a certificate, in triplicate, one will be retained by the Court, the other will be forwarded to the High Court and the third will be retained by the Audit Party, to the effect that the CASH IN HAND with the Nazir or other official conducting the Cash transactions of the Court tallies with the total/balances shown in the Cash Book or other relevant registers maintained in the said Court.

(viii) The Internal Audit Cell, with the approval of the authorities, can introduce the submission of the return(s) by the Courts Subordinate to this Court to ensure accuracy in accounts and operational efficiency thereof.

2. I am, therefore, to request you to kindly ensure that the aforesaid orders are circulated and brought to personal notice of all the Presiding Officers and Officials of all the Courts in your Sessions Division and a certificate to that effect is furnished to this Court within 7 days from the receipt of this communication but not later than 25th July, 1978.

3. I am also to request you to kindly issue strict instructions to all the Presiding Officers/Officials of the Courts under your administrative control to bring up-to-date all the account registers and other connected records concerning the financial transactions etc. conducted in the respective Courts during the financial years 1975-76, 1976-77 and 1977-78, immediately and it may kindly be ensured that all the relevant records etc., is procured and kept ready for inspection and audit by the Internal Audit Party of this Court. It may kindly be added that any delay in making available the records required by the Internal Audit Party will be viewed seriously and no excuse will be entertained.

4. I am further to request you to kindly let this Court know within 7 days but not later than the 26th July, 1978 from the receipt of this communication if internal audit of any particular Court under your administrative control is to be taken up on priority basis for any reason whatsoever either for embezzlement/misappropriation or improper maintenance of the accounts so that a detailed and concise tour programme is chalked out. In case, no reply is received in this behalf by the aforesaid date, it will be presumed that there is no particular Court in your Sessions Division which requires audit on priority basis for the aforesaid reasons.
5. A detailed and concise tour programme of the Internal Audit Party will be communicated to you, in advance, in due course.

6. The information asked for in this communication may kindly be furnished to this Court positively by the 25th July, 1978.

7. It is hoped that you will kindly lend your assistance and co-operation in the prosecution of this new task smoothly and you will kindly ensure that no difficulty is experienced by the Audit Party in conducting the Extensive Audit of all the Courts in your Sessions Division.

An acknowledgement is requested per return of post.

Yours faithfully,

[Signature]
Deputy Registrar (Judicial)