

No. E1-23012/16/CT.

Office of the Commissioner,
Commercial Taxes,
Thiruvananthapuram,
Dated : 19.07.2016.

Circular No. 08 /2016

Sub:- Speedy Settlement of Audit Objections – Standing instructions – Re-issued -

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During the section meeting held on 14.07.2016, by the Commissioner of Commercial Taxes, it came to notice that several officers are not fully aware of the procedure to be followed for dealing with settlement of audit objections in inspection reports from the Accountant General's office. In the circumstances the following instructions are issued to all the officers concerned for strict adherence.

1. The officers shall examine the defects pointed out by AG with reference to the relevant assessment records and ascertain the sustainability of defects. If the defect pointed out is sustainable appropriate action shall be initiated to set right the short levy pointed out. The assessing authorities shall complete the assessment in such cases and collect the demand at the earliest. If assessment is completed in line with the AG's query, furnish the assessment details in the reply such as order No., date, addl. demand created, if any, collection thereon, the amount collected with chalan No./date etc.
2. If for any reason addl. demand created is less than the short levy pointed out in the audit, furnish the reason for the same.
3. If the defect pointed out is not sustainable a detailed discussion or opinion from next higher authority is very necessary before furnishing the reply. The reply shall be approved by the controlling officer in such cases and furnish the factual report with the proof of evidence if needed.
4. Reply to audit enquiry/audit objection shall be furnished to the audit party before the conclusion of the audit in that office. If more time is required for furnishing reply, an interim reply shall be given with detailed remarks as to the action taken/reasons relied on.
5. In case of sustainable defects pointed out, the officers shall identify similar defects in the same file for subsequent & previous years and take action simultaneously.
6. The officers shall identify similar defects in similar files and take appropriate action so that recurring defects can be avoided.
7. Reply should contain LAR para No., assessee's name, assessment year, defect in brief and then answer to the query.
8. If the reply furnished by the auditee officer to the Accountant General is not convincing and the AG has included that defect in the LAR, further reply to AG shall be furnished through their controlling officers, marking a copy to Joint Commissioner (A&I) without any delay.

9. The controlling officer shall examine the defects carefully with statutory provisions, circulars, notifications, judgment etc and ensure that the reply furnished is correct as per law and approve the same.
10. It is the duty of the controlling officers (Inspecting Assistant Commissioners and Deputy Commissioners) to ensure that proper action has been taken by the assessing authorities to settle the defects without any delay.
11. An action taken statement shall be forwarded to CCT every month on pending LAR paras.
12. The time limit for furnishing first reply to LAR paras is 4 weeks from the date of receipt of LAR, and time limit shall be strictly adhered to.
13. It shall be the primary responsibility of the officers in charge of the file for ensuring prompt attention to the audit objections. The controlling officers shall be responsible to keep a close watch on the clearance of all audit objections in the inspection reports under their jurisdiction.
14. The Deputy Commissioner shall examine the sustainability of audit objection in detail and take suitable remedial measures immediately. The Deputy Commissioners shall also examine whether the irregularity committed was due to the negligence/lapse on the part of the officer and shall report the same to the CCT for taking disciplinary action.

Sd/-
COMMISSIONER

To

All concerned.

// Approved for issue //


Joint Commissioner (A&I)