

K1.4000/05

Office of the Commissioner  
Commercial Taxes  
Thiruvananthapuram  
Dated 09.09.2005

**CIRCULAR No.23/2005**

Sub :- Audit – internal audit of assessments completed under various Acts administered by the Commercial Taxes Dept.- reg.

Consequent on the introduction of VAT with effect from 01.04.2005, the internal audit wing has been abolished. But the audit work, hitherto done by the internal audit wing cannot be dispensed with altogether. At the same time, going by the results achieved by the Internal Audit Wing during the last few years, it may not be worth while to conduct a cent percent audit of all the assessments pending to be audited. So audit of the assessments selected on a scientific basis alone will be the solution. In order to achieve this the following instructions are issued.

1. The Audit Assessment Wing will be responsible for conducting audit of the assessments completed under the KGST Act, CST Act, Tax on Luxuries Act, Tax on Entry of Goods into Local Areas Act and the AIT Act.
2. The DC's (AA) shall arrange to prepare a list of assessments completed during the last three years within their respective jurisdiction.
3. Preparing an entirely new list would involve unnecessary and unproductive additional work, which has to be avoided. The DC's(AA) shall therefore collect a list of assessments completed by all assessing authorities for the last three years, ie 2002-03, 2003-04 and 2004-05. All officers who had worked as assessing authorities during the above three years shall be personally responsible for handing over the list of assessment completed by them during the above years to the AC's (Audit Assessment) of their respective jurisdiction on or before the 30<sup>th</sup> September 2005. The details shall be furnished in the format prescribed for the disposal register. It would be enough if copies of the disposal register containing the required particulars are furnished to the AC's (Audit Assessments) concerned.
4. The AC's (Audit Assessments) shall categorise the assessments into those completed under S.17(4) of the KGST act, those in which assessments were completed by accepting the returns and those which were completed on best judgement basis and furnish category wise lists of the assessments completed in the above mentioned format, to the undersigned with copy to the DC's (Audit Assessment) concerned, on or before the 10<sup>th</sup> day of October 2005 through e-mail.

5. The DC's (Audit Assessment) shall nominate an Assistant Commissioner (Audit Assessment) in each district to collect, compile and forward the details as per schedule.
  
6. The number of cases to be audited under each category will be decided on the basis of the total number of assessments under each category. The DC's(AA) will discuss the policy to be adopted within their respective jurisdiction with the undersigned, on or before 20.10.2005.

Sd/-  
Commissioner