

CAG's directions to statutory auditor under Section 143(5) of the Companies Act, 2013 applicable to the financial statements of Government companies for the year 2020-21 and onwards

- I. Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.
- II. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).
- III. Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.

In addition the auditor is required to comply with any additional Company / Sector specific directions issued under section 143(5) of the Companies Act, 2013 by the Field office entrusted with the supplementary audit of the Company