



**THE KERALA STATE FINANCIAL ENTERPRISES LIMITED**

(A Government of Kerala Undertaking)

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Ref. No. 6900/IA&V/HO

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**CIRCULAR NO : 57/2022(IA&V)**

Sub :- Implementing a web-based application to review audit reports-guidelines issued.

Ref :- Training cum Review Meeting of the Auditors held at HO on July 5,2022.

Currently, audit reports of units are being reviewed manually at HO, which is a time consuming and cumbersome task. Such unwanted delay in settling queries and rectification of the procedural deviation causes many issues. In certain cases, the delay even dilutes the gravity and importance of the issues. To alleviate these problems, we have developed a web-based application that streamlines online audit query evaluation and settlement.

In order to implement the new system, we conducted a meeting of all IAD teams and RO/HO officials at Head Office on 05.07.2022. During the course of the meeting, detailed deliberations and presentations were made for the initial digitization process of auditing. A sample/demo as to how the online audit file review is to be carried out was also made and a detailed discussion conducted. The importance of the role of the Regional Offices in reviewing and settling audit queries was also emphasized in the meeting. The new system is introduced initially to settle all pending queries in branches for which the auditor, branch, RO and HO will take part. According to the outcome of the deliberations and discussion held, the online review of audit queries/files will reduce delays and would be cost effective, and much more efficient for speedy rectification of audit report files/queries. Moreover, there is no risk of loss of files/records, etc.

In order to analyze and settle all of the existing audit reports, the following instructions are hereby issued for compliance at the branch and regional levels.

**AT BRANCH LEVEL:**

- A separate login ID and temporary password will be issued to units for accessing the web application. After logging into the application, the unit will be able to respond to audit queries.
- When a branch once accesses the application, it can submit response to any queries or suggestions made by the HO/RO/Auditor.
- Following the verification and assessment of audit reviews, the HO/RO/Auditors will issue further instructions/directions for taking additional actions at the branch level. The reviews that all RO/Auditor have thus far resolved will be randomly examined at Head Office. The HO can close the audit queries and reports by issuing the necessary directives.

**AT REGIONAL LEVEL:**

- A separate login ID & temporary password will be issued to all ROs for reviewing and accessing the audit queries.
- To monitor and examine the audit report files of the branches under the Region, the authorised officer at the ROs must log into the application each day.

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- The authorised RO officer will examine the reports and give directions for additional actions through the web application to resolve the queries for the relevant period.
- After the regional review process is complete, the relevant RO must retransmit any unresolved audit queries or concerns, if any, to the HO for further intervention or instructions.
- The application enables the RO/Auditor to transmit any important queries to the HO whenever necessary throughout the review process.
- All serious issues, willful errors, recurring non-compliances, financial loss cases, revenue leakage, etc. have to be strictly dealt with, when ROs review the audit report. Only serious unresolved audit queries need to be forwarded to HO.

**HO LEVEL:**

- All serious queries (such as those involving financial loss and parties who have not yet settled the issue, queries involving criminal activities, etc.), which got transferred from the Auditor/RO to the Head Office, will be attended to and resolved by HO.
- If all audit queries are resolved at the RO level, HO will issue a closing report (Audit) to the Unit concerned.

The branch/unit code shall be the User ID of Units/ROs. The temporary password is now set as the branch code. After logging into the application for the first time, the unit should instantly change the password. For security reasons, the password should be kept confidential by the authorized officers.

With effect from 01.08.2022, the first level of the system-based audit review procedure will commence at the branch, RO, and HO levels. Before that (ie by 27.07.2022) soft copies of the audit files will be made available to branches and regions for further steps/action. It is not necessary to create hard copies of audit files in either situation when they are reviewed electronically.

All Units/RO shall take immediate action on the uploaded audit report files/queries, so as to ensure that entire audit queries/audit report files are rectified/closed on an up-to-date basis.

**For The Kerala State Financial Enterprises Ltd.,**

  
**SUBRAMANIAN V.P.**  
**MANAGING DIRECTOR**

**To :- All Branch Managers.**

**Copy to :**

- |                                                             |                    |
|-------------------------------------------------------------|--------------------|
| 1) All AGMs                                                 | 4) All SDT Offices |
| 2) All Dept. Heads in HO                                    | 5) PA to MD        |
| 3) All Internal Audit Teams/All Preventive Vigilance Squads | 6) Circular File   |

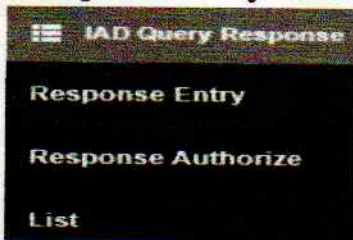
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### The operational procedure of the web Application

- 1) Use the below web address to log into the web application:  
<http://117.221.65.62:8022/iadqc/>

(The User name is branch/unit code and Password is provisionally set as branch code)

- 2) Change your password once you've logged in otherwise, someone else might be able to access the account of your branch.
- 3) Select "Response Entry" under the Menu "IAD Query Response"



- 4) Following that, you will be able to see on the left side of the page the branch's responses to the audit queries. Please take note that the review is based on the branch responses, thus if a branch hasn't yet responded to a specific query, they won't be able to access the response when logged in.

Query Number Click to see the History	Manual Number
1/KKD-01/589/2021-2022/H1/02	K KKD 01 539 2021 01
B/KKD-02/589/2020-2021/H1/1/1	FORM B

- 5) The details of the response will be shown on the right side of the web page when you click the Query Number. The branch can respond to the questions raised by HO/RO/Auditor. The branch can upload documents, if required. The response must be entered by the Assistant Manager in charge of the section and approved by the Manager. The manager has the authority to modify the response that was entered by the Assistant Manager. However, the data entered by the assistant manager will also be visible.

For any Support :	1) 9446007910
	2) 9447798017
	3) 9447797296
	4) 9447700050 (Manager)

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