

**Directorate of Cooperation  
Himachal Pradesh**

No,3-19/21(A)Coop(Audit)-II

Dated Shimla -9 the 23 Oct, 2024

**CIRCULAR**

**Whereas**, it has come to the notice of the undersigned that a significant number of cooperative societies in the State have failed to comply with the statutory requirement of getting their accounts audited within six months from the close of the cooperative year, as mandated under Section 61(1) of the Act, resulting in considerable backlog of pending audits, which in turn has caused substantial administrative inconvenience to the Assistant Registrars concerned who are facing difficulties in managing and assigning audit to the auditors in a timely manner;

**Whereas**, Section 61(2) of the Act imposes an obligation on the General Body of every cooperative society to approve the appointment of an auditor, selected from the panel of auditors notified by the Government, during the general meeting of the society. However, it has been observed that the failure of many cooperative societies to convene the required general meeting in a timely manner is the primary reason for their inability to get their accounts audited within the prescribed six-month period. This delay in holding the general meeting not only hampers compliance with the statutory requirements of audit but also disrupts the overall governance and financial transparency of the societies;

**Whereas**, Section 61(5) of the Act casts an obligation on the Registrar to ensure that the accounts of a cooperative society are audited at the expense of the society, if the society fails to do so within six months from the close of the cooperative year. However, a significant number of societies have been unable to convene their General Meetings in a timely manner to approve the appointment of an auditor from the panel notified by the State Government. Furthermore, many societies have not fulfilled their duty to appoint the auditor or communicate the approval of auditor to the Registrar within seven days, as required under Rule 83(A)(4) of the Rules. As a result of these delays, the concerned Assistant Registrars are facing difficulties in assigning audits to auditors. The absence of timely information regarding the approval or appointment of auditors by the societies further complicates this process, leading to administrative inefficiencies and delayed compliance with statutory audit requirements; and

**Whereas**, keeping in view the difficulties faced in completing audits within the prescribed period, the undersigned deems it both appropriate and necessary to direct all cooperative societies to convene their General Body Meetings well before the commencement of each cooperative year. The purpose of these meetings is to approve the name of an auditor from the panel of auditors notified by the State Government. This will ensure that the societies fulfil their statutory obligation of having their accounts audited within the required six-month timeframe.

Now, therefore, I, Dr. R.K. Pruthi, IAS, Registrar, Cooperative Societies, Himachal Pradesh, in the exercise of the powers vested in me under Rule 152(1) of the Himachal Pradesh Cooperative Societies Rules, 1971, hereby issue the following directive:

1. All cooperative societies in Himachal Pradesh are hereby directed to convene their General Meetings before 31 March of every year to approve the name of auditors from the panel notified by the State Government.

2. Within seven days of the approval of the name of the auditor, except in case where name of the Govt. Officer/official as an auditor is approved, the society shall appoint the approved auditor & provide information of appointment to the concerned auditor.
3. In case where the society approves the name of a Govt. Officer/ official as an auditor, the society shall, within seven days of such approval, request the Registrar or ARCS concerned to give appointment to such auditor.
4. The auditor appointed by the society shall submit his / her consent to the concerned Registrar or ARCS, as applicable, within thirty days of receiving the appointment.
5. The above process shall be completed by the 15<sup>th</sup> of May each year. In the event that a society fails to appoint an auditor within this time, the concerned ARCS shall proceed with the appointment of an auditor for the society. The appointment process shall be completed by the 31<sup>st</sup> May, and audit shall be conducted with the final report submitted not later than the 30<sup>th</sup> of September each year.

These steps are crucial for ensuring that the audit process is completed within six months of close of cooperative year, as required by law. All cooperative societies are expected to comply with this directive to avoid further delays in the audit process. Failure to comply may result in administrative action as per the provisions of the Act and Rules.


(Dr. R.K.Pruthi, IAS)  
Registrar Cooperative Societies  
Himachal Pradesh.

Endst.No.3-19/21-Coop(A)-II

Dated Shimla-9 the 23 Oct, 2024

Copy to :-

1. The Secretary (Cooperation) to the Govt. of HP for information please.
2. All the Additional / Joint /Deputy / Assistant Registrar Cooperative Societies HP for compliance and necessary action please.
3. Secretary, Himachal Pradesh State Cooperative development Federation with the direction to make the wide publicity of this circular through their magazine (Sehakar Darpan).
4. Sh. Netar Singh, JOA(IT) with the direction to upload the circular on the department website.

  
(Dr. R.K.Pruthi, IAS)  
Registrar Cooperative Societies,  
Himachal Pradesh.