

**Extracts of the West Bengal Co-operative Societies Act, 2006**

Chapter X, Section 97

(1) (a) Every Co-operative society send to the Director of Co-operative Audit and to the Registrar within three months from the closing date of each Co-operative year an annual return consisting of a cash account, profit and loss account, a balance sheet and trading account where applicable in the Form as prescribed.

(b) Account of every Co-operative society shall at least in each Co-operative year, be audited at the expenses of the Co-operative society by the Director of Co-operative Audit or by a person appointed or authorized by him to act as audit officer by general or special order in writing in this behalf from among the officers under his administrative control or from the **panel of auditors** which shall be include the **members of the Institute of Cost and Works Accountants of India constituted under the Cost and Works Accountants Act, 1959** and the **members of Chartered Accountants of India both having certificate of practice** issued by the respective Institutions. Such panel of auditors shall be prepared either by the State Government or by the Director of Co-operative Audit with the approval of the State Government in the manner as may be prescribed, from the members of the above named two institutions by obtaining applications from them and the panel shall remain valid for three years.

(7) Other types of audit are as follows:-

(a) **“cost and performance audit”** – where in the opinion of the State Government, it is necessary in the public interest so to do in relation to any Co-operative society or a class of Co-operative societies for ensuring management thereof in accordance with sound business principles and prudent commercial practices, the State Government may, by order, which shall be issued at least one month prior to the closing date of Co-operative year, direct that the cost audit or performance audit or both of such Co-operative society or class of Co-operative societies, as may be specified in the order, shall be conducted. On receipt of the order of the State Government, the Director of Co-operative Audit shall appoint under clause (a) of sub-section (2) a **member or members of the Institute of Cost and Works Accountants** from the panel of the auditors referred to in clause (b) of sub-section (1) to be the **audit officer to conduct the cost audit or performance audit or both of such Co-operative society** or a class of Co-operative societies and such audit officer shall complete the audit within the period specified in sub-section (2) and shall submit the report in accordance with the provisions of clause (a) of sub-section (1). The Director of Co-operative Audit may also appoint such audit officers for conducting cost audit or performance audit, or both, at the instance of any Co-operative society at the expense to be borne by it.